






POLSON LTD

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

FORM A

Covering letter of the annual audit report to be filed with the stock exchanges

| | | |
|----|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| 1. | Name of the Company | Polson Limited |
| 2. | Annual financial statements for the year ended | 31st March, 2014 |
| 3. | Type of Audit observation | Un-qualified / Matter of Emphasis |
| 4. | Frequency of observation | Whether appeared first time / repetitive / since how long period - - - - - N.A |
| 5. | To be signed by- | |
| | <ul style="list-style-type: none">• CEO/Managing Director | Amol Kapadia () |
| | <ul style="list-style-type: none">• CFO | - |
| | <ul style="list-style-type: none">• Auditor of the company | A.S. Madon & Co. () |
| | <ul style="list-style-type: none">• Audit Committee Chairman | Mr. Sudhir Nevatia () |

REGD. OFFICE: Ambaghat Vishalgad, Taluka Shahuwadi, District Kolhapur - 415 101.

MUMBAI CITY: 3rd floor, South-West Wing, Cambata Building, 42, Maharishi Karve Road, Churchgate, Mumbai - 400 020.
Tel.: 91-22-22822321, 22822322. Fax: 91-22-22822325. E-mail: admin@polsonltd.com

MAHIM : 64-66, Senapati Bapat Marg, Mahim, Mumbai - 400 016. Tel.: 91-22-24444733. Telefax: 91-22-24474381.

KOLHAPUR : Meeraj House, Opposite Railway Station, Kolhapur - 416 001. Tel.: 91-231-2656004. Fax: 91-231-2653378.



POLSON LTD

**73rd
ANNUAL REPORT**

2013-2014

73rd ANNUAL REPORT & ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2014

DIRECTORS

| | |
|--------------------|--------------------|
| SUSHILA J. KAPADIA | Chairman |
| AMOL J. KAPADIA | Managing Director |
| PRAVIN D. SAMANT | Director Technical |
| DHAU LAMBHORE | Director |
| PRADIP PAI | Director |
| SUDHIR NEVATIA | Director |
| NAKUL PATEL | Director |

SOLICITORS

D. H. NANAVATI

AUDITORS

A.S.MADON & CO
Chartered Accountants

BANKERS

CITIBANK N.A
STANDARD CHARTERED
HDFC BANK LTD.
BANK OF INDIA

REGISTERED OFFICE

AMBAGHAT, VISHALGAD,
TALUKA - SHAHUWADI ,
DIST - KOLHAPUR,
KOLHAPUR - 415 101.
MAHARASHTRA

| | |
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NOTICE is hereby given that the 73rd Annual General Meeting of the members of Polson Limited will be held on 30th day of September, 2014 at Chitra Kuti at Ambaghat, Vishalgad, Taluka – Shahuwadi, Dist – Kolhapur, Kolhapur – 415 101 at 11.30 a.m. to transact the following businesses :

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2014, along with the Profit and loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mrs. Sushila Kapadia who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

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

Special Business:

4. To reappoint Mr. Sudhir Nevatia (DIN: 00001258) as an Independent Director of the Company and to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 the Rules framed there under, read with Schedule IV of the Companies Act, 2013, as amended from time to time, and clause 49 of the Listing Agreement Mr. Sudhir Nevatia (DIN: 00001258) be and is hereby reappointed as an Independent Director of the Company for five consecutive years, effective September 30, 2014 up to the conclusion of 78th Annual General Meeting of the Company in the Calendar year 2019, with the period of office not liable to determination by retirement by -rotation.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary and incidental to give effect to the aforesaid Resolution and delegate the aforesaid powers to any Director or Officer of the Company as may be deemed necessary in the best interest of the Company.”

5. To reappoint Mr. Nakul Patel (DIN: 00332824) as an Independent Director of the Company and to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 the Rules framed there under, read with Schedule IV of the Companies Act, 2013, as amended from time to time, and clause 49 of the Listing Agreement Mr. Nakul Patel (DIN: 00332824) be and is hereby reappointed as an Independent Director of the Company for five consecutive years, effective September 30, 2014 up to the conclusion of 78th Annual General Meeting of the Company in the Calendar year 2019, with the period of office not liable to determination by retirement by -rotation.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary and incidental to give effect to the aforesaid Resolution and delegate the aforesaid powers to any Director or Officer of the Company as may be deemed necessary in the best interest of the Company.”

6. To reappoint Mr. Pradip Pai (DIN: 00107704) as an Independent Director of the Company and to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 the Rules framed there under, read with Schedule IV of the Companies Act, 2013, as amended from time to time, and clause 49 of the Listing Agreement Mr. Pradip Pai (DIN: 00107704) be and is hereby reappointed as an Independent Director of the Company for five consecutive years, effective September 30, 2014 up to the conclusion of 78th Annual General Meeting of the Company in the Calendar year 2019, with the period of office not liable to determination by retirement by -rotation.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary and incidental to give effect to the aforesaid Resolution and delegate the aforesaid powers to any Director or Officer of the Company as may be deemed necessary in the best interest of the Company.”

7. To reappoint Mr. Amol Kapadia as Managing Director of the Company and to consider and if thought fit, to pass with or without modification(s), the following resolution as an Special Resolution:

“RESOLVED THAT pursuant to provisions of sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013, the consent of the members be and is hereby given for the reappointment of Mr. Amol Kapadia as a Managing Director of the Company for a period of three years w.e.f. 1st April, 2014 on the following terms of remuneration:

- | | | | |
|----|--------------------|---|------------------------------------------------------------------------------------------------------------------|
| 1. | Basic Salary | : | Rs. 7,00,000/- p.m. |
| 2. | Personal Allowance | : | Rs. 50,000/- p.m. |
| 3. | Medical | : | Reimbursement of medical expenses for self and family subject to maximum of one month's basic salary for a year. |

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

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

RESOLVED FURTHER THAT the gross remuneration to be paid to Mr. Amol Kapadia be increased, augmented and /or enhanced subject to the aforesaid provisions and applicable approvals up to 20% per annum, effective from April 1 each year, and first such increase shall be granted w.e.f. April 1, 2015.

POLSON LIMITED

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

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

RESOLVED FURHTHER THAT The Chairman of the meeting be and is hereby requested to submit the minutes of the committee meeting to the Board of Directors for their further needful.

CIN: L15203PN1938PLC002879

Regd Office:

Ambaghat, Vishalgad,
Taluka – Shahuwadi,
Dis. Kolhapur
Kolhapur – 416001

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-
SUSHILA KAPADIA
CHAIRMAN

Place: Mumbai

Date: 06th September, 2014

NOTES

1. A member to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll, instead of him. A proxy need not be a member of the company. Proxies, in order to be effective, must be received at Registered Office of the Company not less than 48 hours before the meeting.
2. Explanatory Statements pursuant to Section 102(1) of the Companies Act, 2013 in respect of item no. 4, 5, 6 and 7 of the Notice is hereto annexed.
3. Documents referred to in the accompanying notice and explanatory statement are open for inspection at the registered office of the Company on all working days (Monday to Friday) between 11.00 a.m. and 1.00 p.m. upto the date of this meeting and will also be available for inspection.
4. Register of Members and Transfer Register will remain close from 27th September 2014 to 30th September 2014 (both days inclusive).
5. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to Registrar and Transfer Agent of the Company for doing their needful.
6. Members are requested to notify change in address, if any, immediately to Registrar and Transfer Agent of the Company quoting their folio numbers.
7. Members seeking the information with regards to the proposed resolution are requested to write to the Company at least one week in advance so as to enable the management to keep the information ready.
8. Members/ Proxy holders are requested to bring at the venue of Annual General Meeting their attendance slip duly signed so as to avoid inconvenience.
9. 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 Third Annual General Meeting to be held on Tuesday, the 30th day of September, 2014 at 11.30 a.m. at Chitra Kuti at Ambaghat, Vishalgad, Taluka – Shahuwadi, Dist – Kolhapur, Kolhapur – 415 101.

The Company has engaged the services of Purva Sharegistry (India) Private Limited as the Authorised Agency to provide e-voting facility. The particulars of e-voting will be sent to the shareholders separately.

The e-voting facility will be available during the following voting period:

Commencement of e-voting : From 23rd September, 2014 (10.00 a.m.)
End of e-voting : Up to 24th September, 2014 (10.00 a.m)

The cut-off date (record date) for the purpose of e-voting is Monday, the 15th September, 2014.

CIN: L15203PN1938PLC002879

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

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-
SUSHILA KAPADIA
CHAIRMAN

Place: Mumbai
Date: 06th September, 2014

**Explanatory Statement
(Pursuant to Section 102 (1) of the Companies Act, 2013)****Item No. 4**

Mr. Sudhir Nevatia is an Independent Director of Polson Ltd.

While Mr. Sudhir Nevatia was originally appointed as an Independent Director liable to retire by rotation under the provisions of the Companies Act, 1956, under the provisions of the Companies Act, 2013, Independent Directors are not liable to retire by rotation. Pursuant to the provisions of sub sections (4), (10), (11) of Section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, the Board of Directors recommends the reappointment of Mr. Sudhir Nevatia for a period of five consecutive years with effect from September 30, 2014. In the opinion of the Board of Directors, Mr. Sudhir Nevatia fulfills the conditions specified in the Companies Act, 2013, and the Rules made there under, and the Listing Agreement. The Board considers it in the interest of the Company to reappoint Mr. Sudhir Nevatia as an Independent Director.

Mr. Sudhir Nevatia is not disqualified from being appointed as Directors in terms of section 164 of the Act and have given their consent to act as Director.

Mr. Sudhir Nevatia does not hold any shares in the Company. None of the Directors and Key Managerial Personnel of the Company or their relatives, except Mr. Sudhir Nevatia, is in any way interested or concerned with this resolution.

Item No. 5

Mr. Nakul Patel is an Independent Director of Polson Ltd.

While Mr. Nakul Patel was originally appointed as an Independent Director liable to retire by rotation under the provisions of the Companies Act, 1956, under the provisions of the Companies Act, 2013, Independent Directors are not liable to retire by rotation. Pursuant to the provisions of sub sections (4), (10), (11) of Section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, the Board of Directors recommends the reappointment of Mr. Nakul Patel for a period of five consecutive years with effect from September 30, 2014. In the opinion of the Board of Directors, Mr. Nakul Patel fulfills the conditions specified in the Companies Act, 2013, and the Rules made there under, and the Listing Agreement. The Board considers it in the interest of the Company to reappoint Mr. Nakul Patel as an Independent Director.

Mr. Nakul Patel is not disqualified from being appointed as Directors in terms of section 164 of the Act and have given their consent to act as Director.

Mr. Nakul Patel does not hold any shares in the Company. None of the Directors and Key Managerial Personnel of the Company or their relatives, except Mr. Nakul Patel, is in any way interested or concerned with this resolution.

Item No. 6

Mr. Pradip Pai is an Independent Director of Polson Ltd.

While Mr. Pradip Pai was originally appointed as an Independent Director liable to retire by rotation under the provisions of the Companies Act, 1956, under the provisions of the Companies Act, 2013, Independent Directors are not liable to retire by rotation. Pursuant to the provisions of sub sections (4), (10), (11) of Section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, the Board of Directors recommends the reappointment of Mr. Pradip Pai for a period of five consecutive years with effect from September 30, 2014. In the opinion of the Board of Directors, Mr. Pradip Pai fulfills the conditions specified in the Companies Act, 2013, and the Rules made there under, and the Listing Agreement. The Board considers it in the interest of the Company to reappoint Mr. Pradip Pai as an Independent Director.

Mr. Pradip Pai is not disqualified from being appointed as Directors in terms of section 164 of the Act and have given their consent to act as Director.

Mr. Pradip Pai does not hold any shares in the Company. None of the Directors and Key Managerial Personnel of the Company or their relatives, except Mr. Pradip Pai, is in any way interested or concerned with this resolution.

Item No. 7

The Board of Directors at their meeting held on 14th February, 2014 re-appointed Mr. Amol Kapadia subject to necessary approvals as the "Managing Director" of the Company for a period of 3 years with effect from April 1, 2014.

The approval of the members is being sought to the terms, conditions and stipulations for the re-appointment of Mr. Amol Kapadia as the Managing Director.

CIN: L15203PN1938PLC002879

Regd Office:

Ambaghat, Vishalgad,

Taluka – Shahuwadi,

Dis. Kolhapur

Kolhapur – 416001

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-

**SUSHILA KAPADIA
CHAIRMAN**

Place: Mumbai

Date: 06th September, 2014

DIRECTORS REPORT

To,
The Members
Polson Limited

Your Directors take pleasure in presenting the 73rd Annual Report, together with the Audited Statement of the company's accounts for the year ended 31st March 2014.

FINANCIAL RESULTS

A summary of the financial results for the year 2013-14 are given below:

| FINANCIAL RESULTS | 2013-14 | 2012-13 |
|--------------------------------------------------|----------------|----------------|
| Gross Income (Including Non operating income) | 10124 | 9149.42 |
| Less-Total Expenses excluding depreciation | 9201 | 8090.33 |
| Profit /(Loss) Before Depreciation | 923 | 1059.09 |
| Less- Depreciation | 256 | 258.03 |
| Profit /(Loss) before Taxation | 667 | 801.05 |
| Less- Provision for Tax | 213 | 216.45 |
| Less-/Add Deferred Tax Liability | 0.32 | 12.64 |
| Profit/Loss after Taxation | 454.32 | 571.96 |
| Add- Profit /(Loss) Brought Forward | 2903.63 | 2417.46 |
| Less- Transferred to General Reserve | 64.69 | 85.79 |
| Less- Short Provision for previous year adjusted | 23 | NIL |
| Balance Carried to Balance Sheet | 3270.22 | 2903.63 |

OPERATIONS

During the year the Company achieved a sales turnover of Rs. 10,124/- lacs against Rs. 9149.42/- lacs for the previous year registering a growth of 9.63% and net profit after taxation for the year is Rs. 454.32/- lacs as compared to Rs. 571.96/- lacs for the previous year. There was increase in the turnover but relative decrease in the net profit after tax due to increase in operating expenses.

TRANSFER TO RESERVE

During the year under review the Company transferred Rs. 64.69/- Lacs to the General Reserve.

DIVIDEND

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

OPERATIONS AND MANAGEMENT DISCUSSION & ANALYSIS

The current year's operations are covered in the Management Discussion and Analysis Report. This Management Discussion & Analysis Report, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange is presented in a separate section forming part of the Annual Report.

MINIMUM PUBLIC SHAREHOLDING

The Minimum Public Shareholding of the company is not in line with the guidelines issued by SEBI and Stock exchanges. The company is actively pursuing the same and is hopeful of bringing the promoters shareholding to 75% and the Public shareholding to 25% by the end of the next financial year.

DIRECTORS

As per the provisions of the Companies Act and the Articles of association of the company Mrs. Sushila J. Kapadia Director of your company retires by rotation and being eligible offer herself for reappointment.

During the year Shri. Jagdish Kapadia, Chairman and Promoter Director of the Company have passed away on February 13, 2014. Shri. Jagdish Kapadia had played a very effective role in the management of the Company on a day to day basis. The Board noted with the deep regret the sudden and sad demise of Shri Jagdish J. Kapadia and placed on records its gratitude and indebtedness towards the gigantic contribution made by him. The Board also recorded its appreciation towards the guidance offered by Shri Jagdish J. Kapadia during his life time as a member of the Board and as a Chairman of the Company.

DIRECTORS RESPONSIBILITY STATEMENT

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

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

PARTICULARS OF EMPLOYEES

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

SUBSIDIARY COMPANY

Dudhwala Builders Pvt. Ltd. is the subsidiary of your company. The consolidated Balance Sheet is given along with the Annual Report. The company has not attached the individual accounts of Dudhwala Builders Pvt. Ltd. as exempted under General Circular No. : 2 /2011 dated 8th February 2011 issued by the Ministry of Corporate Affairs. However the same are available for inspection at the registered office for members when desired.

AUDITORS:

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

AUDITORS OBSERVATION:

Observations in the auditor's report are self-explanatory and do not need further comments from directors in this report

POLSON LIMITED**ACKNOWLEDGEMENT**

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

CIN: L15203PN1938PLC002879

Regd. Office:

Ambaghat, Vishalgad,

Taluka – Shahuwadi ,

Dis. Kolhapur

Kolhapur – 415101

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-

**SUSHILA KAPADIA
CHAIRMAN**

Place: Mumbai

Date: 24th May 2014

ANNEXURE I**I. CONSERVATION OF ENERGY:**

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

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

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

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

Consumption of Furnace Oil is nominal which is about 6% increase in comparison with the previous year.

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

II. TECHNOLOGY ABSORPTION

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

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

(g) Total foreign exchange used and earned

I. Earnings in Foreign Exchange during the year- Rs. 6588.24/-

II. Foreign Exchange outgo during the year – Rs. 331.80/-

CIN: L15203PN1938PLC002879

Regd Office:

Ambaghat, Vishalgad,

Taluka – Shahuwadi,

Dis. Kolhapur

Kolhapur – 416001

Place: Mumbai

Date: 24th May 2014

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-

**SUSHILA KAPADIA
CHAIRMAN**

ANNEXURE**FORM A****(See Rule 2)**

Form for Disclosure of particulars with respect to conservation of energy

A Power and fuel consumption

| 1. ELECTRICITY | Current Year | Previous Year |
|-----------------------|---------------------|----------------------|
| (a) Purchased | | |
| Units | 893358 | 784608 |
| Total Amount Rs. | 6148090 | 56,63,360 |
| Rate Per Unit Rs. | 6.89 | 7.22 |

| | | |
|--------------------------------------|---------|-----------|
| (a) Own generation | | |
| (i) Through Diesel Generator | | |
| Unit/Rs | 4941145 | 24,37,542 |
| Unit per litre of Fuel oil/gas | 5 units | 5 units |
| Cost per unit Rs | 18.33 | 5.57 |
| (ii) Through Steam turbine/generator | | |
| Unit/Rs | NIL | NIL |
| Unit per litre of Fuel oil/gas | NIL | NIL |
| Cost per unit Rs | NIL | NIL |

| | | |
|--------------------------------------------------|-----|-----|
| 1. COAL (specify quantity and where used) | | |
| Quantity | NIL | NIL |
| Total Cost | NIL | NIL |
| Cost/Unit | NIL | NIL |

| 1. FURNACE OIL | Current Year | Previous Year |
|----------------------------|---------------------|----------------------|
| Quantity (K. ltrs) | 549587 Ltrs | 514316 Ltrs |
| Total Amount Rs. | 21758158 | 1,94,89,923 |
| Average Rate Per Litre Rs. | 39.59 | 37.89 |

| | | |
|------------------------------------------------------------|-----|-----|
| 1. OTHERS/INTERNAL GENERATION (please give details) | | |
| Quantity | NIL | NIL |
| Total Cost Rs. | NIL | NIL |
| Rate/Unit Rs. | NIL | NIL |

B Consumption per unit of production

| 1. Standards (if any) | Current Year | Previous Year |
|------------------------------|---------------------|----------------------|
| Production (MT) | 22282 | 17095 |
| Electricity (KWH/MT) | 275.92 | 331.29 |
| Furnace/HSD Oil | 976.50 | 1140.09 |
| Coal | NIL | NIL |
| Others | NIL | NIL |

NOTES:

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

POLSON LIMITED**FORM B**

(SEE rule 2)

Form for disclosure of particulars with respect to absorption**Research and development (R&D)**

| | |
|-----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Specific areas in which R & D carried out by the Company | Leather chemicals and its application and performance on leather in laboratory |
| 2. Benefits derived as a result of the above R & D | Reduction in Raw Material cost and thereby increase in % of yield in comparison with Raw Material cost. Also new Product Developments |
| 3. Future plan of action | New Product Development and targeting new customer base in domestic & overseas market. |
| 4. Expenditure on R & D (a) Capital (b) Recurring (c) Total Total R & D expenditure as a percentage of total turnover | During the year Company has incurred Rs. 16,01,021/- of expenditure on Research & Development |

Technology absorption, adoption and innovation

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

CIN: L15203PN1938PLC002879

Regd Office:

Ambaghat, Vishalgad,
Taluka – Shahuwadi,
Dis. Kolhapur
Kolhapur – 416001

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-
SUSHILA KAPADIA
CHAIRMAN

Place: Mumbai

Date: 24th May 2014

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Scenario:

Global & Indian Chemical Industry

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 production levels in Asia have surpassed those in Europe, with China becoming the world's second largest chemical producer, replacing Germany. In terms of volume of production of chemicals, India ranks the third-largest producers in Asia after China and Japan and eighth-largest across the globe. With the current size of approximately USD 108 billion, the Indian chemical industry accounts for about 7 percent of the Indian GDP and 14 percent in the overall index of industrial production. Despite its large size, the Indian chemical industry represents only about 3 percent of the global chemical industry.

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.

POLSON LIMITED

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.

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.

Subsidiary

The Company has one Indian Subsidiary which is in the real estate and construction business. By acquiring the said subsidiary the Company ventured into new sector.

Cautionary Statement

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

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

Place: Mumbai
Date: 24.05.2014

Sd/-
Amol Kapadia
Managing Director



A. S. MADON & CO.

Chartered Accountants

79/80 Esplanade Mansion, 2nd Floor, 144 M. G. Road, Opp.

Kala Ghoda, Fort, Mumbai – 400 001.

Tel: +91 22 22844754 +91 22 22846643 • Fax: +91 22 22833795

Email: asmadon123@yahoo.co.in

Independent Auditor's Report

To the Members of
POLSON LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **POLSON LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act), read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of the Statement of Profit and Loss, of the profit/ loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate affairs in respect of section 133 of the Companies Act, 2013.
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

**Sd/-
JAY M. SHAH
PARTNER
Membership No. 048417**

Place: Mumbai
Date: 24.05.2014

Annexure to Independent Auditor's Report

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of POLSON LIMITED on the financial statements for the year ended 31st March, 2014.

- i. **(a) The Company has not maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.**
 - (b) The Company has a program for phased physical verification of all its fixed assets over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Accordingly, certain fixed assets have been physically verified by the management during the year and discrepancies noticed on such verification, which were not material, have been properly dealt with in the books of account.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- ii.
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii.
 - (a) The Company has taken/granted loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. The Company has given interest free loan to a subsidiary, Dudhwala Builders Pvt. Ltd. In respect of the said loan, the maximum amount outstanding at any time during the year was Rs.19.91 crore and the year-end balance is Rs. 15.82 crore.
 - (b) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
 - (c) There is no agreement for the repayment of the loan but the interest amount is paid properly.
 - (d) As there is no commitment for the repayment of loan, hence in our opinion there is no overdue amount of loans taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- iv. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- iv. According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered. In our opinion and according to the information and explanations given to us,

the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees Five Lacs have been entered during the year at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- vii. In our opinion, the Company does not have an adequate internal audit system commensurate with the size and the nature of its business.
- viii. According to the information and explanations given to us, the notification under section 209 (i)(d) of the Companies Act, 1956 is not applicable to the company.
- ix. (a) According to the records of the company, the company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, customs duty, excise duty, cess and other statutory dues with appropriate authorities.

(b) According to the information and explanation given to us, no undisputed amount payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty, Excise Duty and Cess were outstanding as at 31st March, 2014 for the period of more than six months from the date they became payable.

(c) According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Custom Duty & Excise Duty which have not been deposited on account of any dispute.
- x. The Company does not have accumulated losses as at 31st March, 2014 and has not incurred cash losses during the financial year ended on that date and in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders.
- xii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore provisions of Clause 4(xiii) of the said Order are not applicable to the Company.
- xiv. In our opinion the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of paragraph 4(xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions, the terms and conditions, whereof, in our opinion are prejudicial to the interests of the Company.
- xvi. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- xvii. In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short term basis have not been used during the year for long term investments.
- xviii. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

- xix. According to the information and explanations given to us, the Company has not issued any debentures.
- xx. The Company has not raised any money by public issue during the year.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of significant fraud on or by the Company, noticed or reported during the year nor have we been informed of such case by the management.

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

**Sd/-
JAY M. SHAH
PARTNER
Membership No. 048417**

Place: Mumbai

Date: 24.05.2014

Standalone Balance Sheet as at 31 March, 2014

| Particulars | | Note No. | As at 31 March, 2014 | As at 31 March, 2013 |
|-------------|------------------------------------------------------------------------|-----------|----------------------|----------------------|
| A | EQUITY AND LIABILITIES | | | |
| 1 | Shareholders' funds | | | |
| | (a) Share capital | 3 | 6,000,000 | 6,000,000 |
| | (b) Reserves and surplus | 4 | 387,896,854 | 345,125,191 |
| | (c) Money received against share warrants | | 0 | 0 |
| | | | 393,896,854 | 351,125,191 |
| 2 | Share application money pending allotment | | 0 | 0 |
| 3 | Non-current liabilities | | | |
| | (a) Long-term borrowings | 5 | 374,477,431 | 386,641,575 |
| | (b) Deferred tax liabilities (net) | 6 | 1,990,200 | 2,021,788 |
| | (c) Other long-term liabilities | | 0 | 0 |
| | (d) Long-term provisions | 7 | 1,196,810 | 0 |
| | | | 377,664,441 | 388,663,363 |
| 4 | Current liabilities | | | |
| | (a) Shortterm borrowings | 8 | 217,429,076 | 191,105,105 |
| | (b) Trade payables | 9 | 125,185,345 | 97,674,997 |
| | (c) Other current liabilities | 10 | 55,356,284 | 75,768,447 |
| | (d) Shortterm provisions | 11 | 974,456 | 424,436 |
| | | | 398,945,161 | 364,972,985 |
| | TOTAL | | 1,170,506,455 | 1,104,761,539 |
| B | ASSETS | | | |
| 1 | Non-current assets | | | |
| | (a) Fixed assets | | | |
| | (i) Tangible assets | 12 | 297,746,872 | 306,430,199 |
| | (ii) Intangible assets | | 0 | 0 |
| | (iii) Capital work-in-progress | | 0 | 0 |
| | (iv) Intangible assets under development | | 0 | 0 |
| | (v) Fixed assets held for sale | | 0 | 0 |
| | | | 297,746,872 | 306,430,199 |
| | (b) Non-current investments | 13 | 49,619,070 | 49,619,070 |
| | (c) Deferred tax assets (net) | 6 | 0 | 0 |
| | (d) Long-term loans and advances | 14 | 227,071,175 | 229,553,715 |
| | (e) Other non-current assets | | 0 | 0 |
| | | | 276,690,245 | 279,172,785 |
| 2 | Current assets | | | |
| | (a) Current investments | | 0 | 0 |
| | (b) Inventories | 15 | 169,418,046 | 184,329,198 |
| | (c) Trade receivables | 16 | 147,697,185 | 94,800,097 |
| | (d) Cash and cash equivalents | 17 | 46,638,512 | 44,372,632 |
| | (e) Short-term loans and advances | 18 | 232,315,595 | 195,656,628 |
| | (f) Other current assets | | 0 | 0 |
| | | | 596,069,338 | 519,158,555 |
| | TOTAL | | 1,170,506,455 | 1,104,761,539 |
| | See accompanying notes forming part of the financial statements | | | |

In terms of our report attached.

For A. S. MADON & Co
 Chartered Accountants
 Registration no. 105725W

JAY M. SHAH
 Partner
 Membership No. 48417

Place : Mumbai
 Date : 24.05.2014

For and on Behalf of the Board of Directors

Sd/-
Sushila J. Kapadia
 (Chairman)

Sd/-
Amol Kapadia
 (Managing Director)

Place : Mumbai
 Date. 24.05.2014

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2014

| PARTICULARS | Note No | Year ended | Year ended |
|-------------------------------------------------------------------------------|--------------|---------------------------------------------|-----------------------|
| | | 31st March '14 | 31st March '13 |
| | | Rs. | Rs. |
| A. CONTINUING OPERATIONS: | | | |
| I. Revenue from Operations | | 1,051,351,646.00 | 861,474,896.00 |
| Less: Excise Duty | | (81,356,304.00) | (34,694,109.00) |
| Net Revenue | 19 | 969,995,342.00 | 826,780,788.00 |
| II. Other Income | 20 | 42,382,295.00 | 88,161,243.00 |
| III. Total Revenue (I + II) | | 1,012,377,637.00 | 914,942,031.00 |
| IV. Expenses | | | |
| Cost of Materials Consumed | 21 | 622,211,001.00 | 613,168,102.00 |
| Purchase of Stock-in-trade | | - | - |
| Changes in inventories of finished goods, work-in progress and Stock-in-trade | 22 | 12,465,220.00 | (41,384,944.00) |
| Employee benefit expenses | 23 | 39,041,853.00 | 36,865,884.00 |
| Financial Costs | 24 | 73,165,996.00 | 64,089,769.00 |
| Depreciation and amortization expenses | 12 | 25,630,125.29 | 25,803,494.00 |
| Other expenses | 25 | 173,206,218.00 | 136,294,117.00 |
| Total Expenses | | 945,720,413.29 | 834,836,422.00 |
| V. Profit before exceptional and extra-Ordinary items and tax | (III - IV) | 66,657,223.71 | 80,105,609.00 |
| VI. Exceptional Items | | - | - |
| VII. Profit before extraordinary items and tax (V - VI) | | 66,657,223.71 | 80,105,609.00 |
| VIII. Extra Ordinary Items | | - | - |
| IX. Profit before tax (VII -VIII) | | 66,657,223.71 | 80,105,609.00 |
| X. Tax expenses: | | | |
| (1) Current tax | | 21,268,589.54 | 21,645,149.00 |
| (2) Deferred tax | | (31,588.25) | 1,264,547.00 |
| (3) Short provision for A.Y 2011-12 | | 2,135,017.00 | - |
| (4) Short provision for A.Y 2009-10 | | 165,659.00 | - |
| XI. Profit/(Loss) from the period from continuing operations | (VII - VIII) | 43,119,546.42 | 57,195,913.00 |
| B. DISCONTINUING OPERATIONS: | | | |
| XII. Profit/(Loss) from discontinuing operations | | - | - |
| XIII. Tax expenses of discontinuing operations | | - | - |
| XIV. Profit/(Loss) from Discontinuing operations (XII - XIII) | | - | - |
| XIV. Profit/(Loss) for the period (XI + XIV) | | 43,119,546.42 | 57,195,913.00 |
| C. TOTAL OPERATIONS: | | | |
| XVI. Earning per equity share: | | 43,119,546.42 | 57,195,913.00 |
| (1) Basic | | 359.33 | 476.63 |
| (2) Diluted | | 359.33 | 476.63 |
| In terms of our report attached. For A. S. MADON & Co | | For and on Behalf of the Board of Directors | |
| Chartered Accountants Registration no. 105725W | | Sd/- Sushila J. Kapadia (Chairman) | |
| JAY M SHAH Partner Membership No. 48417 | | Sd/- Amol Kapadia (Managing Director) | |
| Place : Mumbai Date : 24.05.2014 | | Place : Mumbai Date. 24.05.2014 | |

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2014

| Particulars | Year ended 31st March 2014 | Year ended 31st March 2013 |
|--------------------------------------------------------------------------|----------------------------|----------------------------|
| | Rs. | Rs. |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| 1. Net Profit before Tax | 66,657,224 | 80,105,609 |
| 2. Depreciation / Amortization | 25,630,125 | 25,803,494 |
| 3. Interest expenses | 67,662,374 | 61,373,408 |
| 4. Interest Income | (14,409,968) | (11,084,286) |
| 5. Loss/(Profit) on sale of assets | 198,091 | (13,912,785) |
| 6. Exchange Loss | 19,691,585 | 10,695,964 |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 165,429,431 | 152,981,404 |
| Adjustments for: | | |
| 7. Trade and Other Receivables | (52,897,088) | 17,343,979 |
| 8. Inventories | 14,911,152 | (75,894,404) |
| 9. Trade and Other Payables | 27,510,348 | 41,306,709 |
| 10. Short Term Provisions for expenses | 550,020 | 278,500 |
| CASH (USED IN) FROM OPERATING ACTIVITIES | 155,503,863 | 136,016,189 |
| 11. Direct taxes as per P & L account | (23,569,266) | (30,006,000) |
| NET CASH FROM OPERATING ACTIVITIES 'A' | 131,934,597 | 106,010,189 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| 12. Purchase of Fixed Assets | (17,542,774) | (24,820,270) |
| 13. Interest Received | 14,409,968 | 11,084,286 |
| 14. Sale of Fixed Assets | 50,000 | 18,403,933 |
| 15. Long Term Loans and Advances given | 2,482,540 | (43,710,125) |
| 16. Loans from Directors & Security deposits | (20,412,163) | 15,348,447 |
| 17. Short Term Loans & Advances | (36,658,967) | (117,639,412) |
| NET CASH USED IN INVESTING ACTIVITIES 'B' | (57,671,396) | (141,333,141) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| 18. Proceeds of Long Term Borrowings | (12,164,143) | 79,375,332 |
| 19. Proceeds of Short Term Borrowings | 27,520,781 | 13,042,898 |
| 20. Interest paid | (67,662,374) | (61,373,408) |
| 21. Exchange rate loss | (19,691,585) | 0 |
| NET CASH USED IN FINANCING ACTIVITIES 'C' | (71,997,321) | 31,044,822 |
| NET (DECREASE) OR INCREASE IN CASH & CASH EQUIVALENTS (A+B+C) | 2,265,880 | (4,278,130) |
| Cash & Cash Equivalents at the beginning of the year 1.4.2013 | 44,372,632 | 48,650,762 |
| Cash & Cash Equivalents at the end of the year 31.3.2014 | 46,638,512 | 44,372,632 |
| NOTES: | | |
| 1. Cash and Cash equivalents comprise of the following: | | |
| a. Cash on hand | 543,052 | 512,381 |
| b. Balances with Banks | | |
| i. In Current accounts (including LC Margin of Rs.) | 31,034,960 | 31,794,751 |
| iii. In deposit accounts | 15,060,500 | 12,065,500 |
| TOTAL | 46,638,512 | 44,372,632 |

In terms of our report attached.
For A. S. MADON & Co

Chartered Accountants
Registration no. 105725W

JAY M SHAH
Partner
Membership No. 48417

Place : Mumbai
Date : 24.05.2014

For and on Behalf of the Board of Directors

Sd/-
Sushila J. Kapadia
(Chairman)

Sd/-
Amol Kapadia
(Managing Director)

Place : Mumbai
Date. 24.05.2014

Notes forming part of the financial statements for the Year Ending 31st March 2014.**1. Corporate information**

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

2. Statement of Significant Accounting Policies adopted by the Company in the preparation of Financial Statements as at and for the year ended March 31, 2014**2.1 Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting standards notified under the companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act,2013. The financial statements have been prepared on accrual basis under the historical cost convention except for categories of fixed assets acquired before 1 April, 1996, that are carried at revalued amounts. The accounting policies adopted in the preparation of the financial statement are consistent with those followed in the previous years.

2.2 Use of estimates

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

2.3 Inventories

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. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash flow statement

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

2.6 Depreciation and amortization

Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the

POLSON LIMITED

Companies Act, 1956.

Leasehold land is amortised over the duration of the lease

Assets costing less than Rs.5,000 each are fully depreciated in the year of capitalization

2.7 Revenue recognition

Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

2.8 Other income

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

2.9 Tangible fixed assets

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

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

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

Capital work-in-progress:

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

2.10 Foreign currency transactions and translations

Initial recognition:

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

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

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

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

Treatment of exchange differences

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

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

2.11 Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties. Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Tangible Fixed Assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.

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

2.12 Employee benefits

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

Defined contribution plans

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

Defined benefit plans

The Company does not have Gratuity Fund System; however, Gratuity and Bonus to staff are accounted on cash basis or provided at the time of retirement.

2.13 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of

the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.14 Earnings per share

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

2.15 Taxes on income

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

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

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

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

2.16 Research and development expenses

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

2.17 Provisions and contingencies

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

2.18 Hedge accounting

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in "Accounting Standard 30 Financial Instruments: Recognition and Measurement". These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in "Hedging reserve account" under Reserves and surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in the "Hedging reserve account" are reclassified to the Statement of Profit and Loss in the same periods during which the forecasted transaction affects profit and loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in "Hedging reserve account" is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in "Hedging reserve account" is immediately transferred to the Statement of Profit and Loss.

2.19 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

2.20 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

Sushila J Kapadia
Chairman

Amol Kapadia
Managing Director

Place: Mumbai
Date : 24.05.2014

NOTE – 3 SHARE CAPITAL

| PARTICULARS | No. of shares | AS AT 31.3.2014 | No. of shares | AS AT 31.3.2013 |
|--------------------------------------------------------------------------------------------------------------|---------------|------------------|---------------|------------------|
| | | | | Rs. |
| Authorised | | | | |
| 50,000 6% Cumulative Redeemable Preference Shares of Rs.100 each | 50,000 | 5,000,000 | 50,000 | 5,000,000 |
| 400,000 Equity Shares of Rs. 50 each | 400,000 | 20,000,000 | 400,000 | 20,000,000 |
| TOTAL | | 25,000,000 | | 25,000,000 |
| Issued, Subscribed and fully Paid | | | | |
| 20,000 Equity Shares against Preference Shares of Rs. 50 each | 20,000 | 1,000,000 | 20,000 | 1,000,000 |
| 73,145 Equity Shares of Rs. 50 each issued for cash | 73,145 | 3,657,250 | 73,145 | 3,657,250 |
| 5,000 Equity Shares of Rs. 50 each issued pursuant to a contract, without the payment being received in cash | 5,000 | 250,000 | 5,000 | 250,000 |
| 21,855 Equity Shares of Rs. 50 each allotted as Bonus Shares issued by way of Capitalization of Reserve | 21,855 | 1,092,750 | 21,855 | 1,092,750 |
| 120,000 TOTAL | | 6,000,000 | | 6,000,000 |

Refer Notes (i) to (iv) below

Notes:

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

| Particulars | Equity Shares Number | Rs. In Lakhs |
|--------------------------------------------------------|----------------------|--------------|
| Equity Shares outstanding at the beginning of the year | 120,000 | 60 |
| Shares issued during the year | 0 | 0 |
| Share bought back during the year | 0 | 0 |
| Equity Shares outstanding at the end of the year | 120,000 | 60 |

(ii) Terms/rights attached to equity shares:

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

During the year ended March, 31, 2014, the amount of per share dividend recognized as distribution to equity shareholders was Rs NIL (March 31, 2013 : Rs. NIL)

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

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

| Particulars | As At March 31, 2014 | As At March 31, 2013 |
|----------------------------------|----------------------|----------------------|
| | Number of Shares | Number of Shares |
| Equity Shares with voting rights | | |
| AJI Commercial Pvt. Ltd | 64,339 | 64,339 |

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

| Class of Shares/ Name of the Shareholder | As At March 31, 2014 | | As At March 31, 2013 | |
|------------------------------------------|----------------------|-----------|----------------------|-----------|
| | No. of shares | % holding | No. of shares | % holding |
| Equity Shares | | | | |
| Equity Share with voting rights | | | | |
| AJI Commercial Pvt. Ltd | 64,339 | 53.62% | 64,339 | 53.62% |
| Mr. Amol J. Kapadia (Managing Director) | 12,000 | 10.00% | 12,000 | 10.69% |
| Mrs. Sushila J. Kapadia (Director) | 12,835 | 10.69% | 12,835 | 10.69% |

NOTE 4: RESERVES AND SURPLUS

| PARTICULARS | AS AT | AS AT |
|------------------------------------------------------------------|--------------------|--------------------|
| | 31.3.2014 | 31.3.2013 |
| a. Share Premium account | Rs. | Rs. |
| Opening Balance | 2,114,000 | 2,114,000 |
| ADD: Transferred from surplus in Statement of Profit & Loss | 37,407,346 | 28,827,959 |
| Closing Balance | 6,467,932 | 8,579,387 |
| c. Surplus in the Statement of Profit & Loss | 43,875,278 | 37,407,346 |
| Opening Balance | 290,362,818 | 241,746,292 |
| ADD: Profit for the current year | 43,119,546 | 57,195,913 |
| LESS: Transferred to General Reserve | 6,467,932 | 8,579,387 |
| Closing Balance | 327,014,433 | 290,362,818 |
| d. Capital Reserve | 7,446,248 | 7,446,248 |
| e. Investment Allowance Reserve | 108,724 | 108,724 |
| f. Asset Revaluation Reserve (Opening Balance Less Depreciation) | 7,338,171 | 7,686,055 |
| TOTAL | 387,896,854 | 345,125,191 |

NOTE 5: LONG TERM BORROWINGS

| PARTICULARS | AS AT | AS AT |
|-------------------------------------------------------------|--------------------|--------------------|
| | 31.3.2014 | 31.3.2013 |
| | Rs. | Rs. |
| Indian rupee term loan: | | |
| From bank - Secured [Refer Statement attached] | | |
| Term Loan (Equitable mortgage of Land, Building, Machinery) | 30,000,000 | 1,363,637 |
| Vehicle Loan (Secured by 6 Vehicles) | 2,380,016 | 5,447,578 |
| Term Loan (Secured against Ownership Flat at Mumbai) | 293,109,415 | 336,798,361 |
| LIC Loan against the Keyman Insurance Policy | 25,214,000 | 19,258,000 |
| 23774 0% Bonds of Rs. 1000 each (Convertible on 25-3-2030) | 23,774,000 | 23,774,000 |
| TOTAL | 374,477,431 | 386,641,576 |

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

NOTE: 6 - DEFERRED TAX LIABILITIES / (ASSETS)

| PARTICULARS | AS AT 31-3-2014 | AS AT 31-3-2013 |
|------------------------------|-----------------|-----------------|
| Deferred Tax Liability (net) | Rs. 1,990,200 | Rs. 2,021,788 |

NOTE - 7 LONG TERM PROVISIONS

| PARTICULARS | (in Rupees) | (In Rupees) |
|------------------|------------------|-----------------|
| | AS AT 31-3-2014 | AS AT 31-3-2013 |
| Gratuity payable | Rs. 1,196,810 | Rs. - |
| TOTAL | 1,196,810 | - |

NOTE - 8 SHORT TERM BORROWINGS

(in Rupees)

| PARTICULARS | AS AT 31-3-2014 | AS AT 31-3-2013 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| | Rs. | Rs. |
| Cash Credit & Packing Credit with Bank | 158,473,055 | 154,415,001 |
| Export Bills Discounted/Purchased by Bank | 58,956,021 | 36,690,104 |
| (Both the above are secured by hypothecation of stock of Raw Material, Chemicals, Finished Goods, book-debts and equitable mortgage of land and building by deposit of title deeds) | | |
| TOTAL | 217,429,076 | 191,105,105 |

NOTE 9: TRADE PAYABLES NOTE

| PARTICULARS | AS AT 31-3-2014 | AS AT 31-3-2013 |
|-------------------------------------------------|-----------------|-----------------|
| Total outstanding dues of Purchase of materials | 125,185,345 | 97,674,997 |
| Total | 125,185,345 | 97,674,997 |

10: OTHER CURRENT LIABILITIES

| PARTICULARS | AS AT 31.3.2014 Rs. | AS AT 31.3.2013 Rs. |
|-----------------------------------------------------------------------------|---------------------------|---------------------------|
| (a) Current maturities of long term debt (Refer Note 5 for security detail) | 0 | 0 |
| (b) Interest accrued but not due on borrowing (Refer Note 27.3) | 0 | 0 |
| (c) Unpaid dividends | 0 | 0 |
| (d) Other Payables | | |
| (vi) Trade/security deposit received | 4,700,000 | 9,700,000 |
| (vii) Advances from Directors & Associated Companies | 50,656,284 | 66,068,447 |
| Total | 55,356,284 | 75,768,447 |

NOTE 11: SHORT TERM PROVISIONS

| PARTICULARS | AS AT 31.3.2014 Rs. | AS AT 31.3.2013 Rs. |
|--------------------------------------|---------------------------|---------------------------|
| (a) Provision for employee benefits: | | |
| Provisions for Performance Bonus | 145,936 | 424,436 |
| (b) Provision-others: | | |
| (i) Provision for tax | 828,520 | - |
| Total | 974,456 | 424,436 |

NOTE 12: FIXED ASSETS

| PARTICULARS | AS AT 31.3.2014 | AS AT 31.3.2013 |
|--------------------------------|--------------------|--------------------|
| TANGIBLE ASSETS | 297,746,872 | 306,430,199 |
| AS PER SHEDULE ATTACHED | | |

NOTE 12 - FIXED ASSETS ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31st March 2014

| | Particulars | GROSS BLOCK | | | | DEPRECIATION | | | | | | NET BLOCK | |
|---|-----------------------|-----------------------|-----------------------|-------------------|-----------------------|-----------------------|-------------------|----------------------------|-----------------------|--------------------------|--------------------|---------------------|-----------------------|
| | | As at | Additions | Sale | As at | Written off upto | Written off for | Depreciation | Total written | Deprn on | Written off upto | As at | As at |
| | | 1st April, 2013 | 2013-14 (12months) | 2013-14 | 31st March 2014 | 31st March, 2013 | the period | for Additions - 2013-14 | off during 2013-14 | Sales written back | 31st March 2014 | 31st March, 2014 | 31st March, 2013 |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | | | Rs. | | Rs. | |
| 1 | Land | 11,512,401.00 | | - | 11,512,401.00 | - | - | - | - | - | - | 11,512,401. | 11,512,401.00 |
| 2 | Buildings | 328,475,139.00 | 7,112,077.00 | | 335,587,216.00 | 70,647,668.00 | 15,307,580 | 250,829 | 15,558,410.25 | - | 86,206,078 | 249,381,137 | 257,827,471.00 |
| 3 | P & M | 66,167,854.00 | 7,668,477.00 | | 73,836,331.00 | 51,056,776.00 | 4,196,163 | 1,162,750 | 5,358,913.49 | | 56,415,689 | 17,420,641 | 15,111,078.00 |
| 4 | Furniture & Fixtures | 13,651,256.00 | 185,950.00 | | 13,837,206.00 | 7,991,963.00 | 1,024,332 | 7,765. | 1,032,097.65 | | 9,024,060 | 4,813,145 | 5,659,293.00 |
| 5 | Vehicles | 22,409,970.00 | 700,000.00 | 658,886.00 | 22,451,084.00 | 9,772,053.00 | 3,272,156 | 36,742 | 3,308,898.75 | 410,795 | 12,670,15 | 9,780,927 | 12,637,917.00 |
| 6 | Office Equipments | 8,921,983.00 | 1,876,270.00 | | 10,798,253.00 | 5,269,023.00 | 557,694 | 132,917 | 690,611.18 | | 5,959,634 | 4,838,618 | 3,652,960.00 |
| 7 | Others | 29,079.00 | | | 29,079.00 | | 29,079 | | 29,079.00 | | 29,079.00 | - | 29,079.00 |
| | TOTAL | 451,167,682.00 | 17,542,774.00 | 658,886.00 | 468,051,570.00 | 144,737,483.00 | 24,387,005 | 1,591,004 | 25,978,010.32 | 410,795 | 170,304,698 | 297,746,871 | 306,430,199.00 |
| | Previous year figures | 433,686,067.00 | 24,820,270.00 | 7,338,655.00 | 451,167,682.00 | 120,507,350.00 | 24,082,029 | 2,095,611 | 26,177,640.00 | 1,947,507 | 144,737,483 | 306,430,198 | 313,178,717.00 |

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In terms of our report attached.
For A. S. MADON & Co

Chartered Accountants
Registration no. 105725W

JAY M SHAH
Partner
Membership No. 48417

Place : Mumbai
Date : 24.05.2014

Total Depreciation for 12 months 2013-14 (Apr to March 14) 25,978,010.32

LESS: Depreciation for Revalued Assets debited 347,884.57

to Asset Revaluation Reserve (Sch-2)

for 12 months

Balance debited to Profit & Loss a/c (Sch - 14) for 12months 25,630,125.76

For and on Behalf of the Board of Directors

Sd/-
Sushila J. Kapadia
(Chairman)

Sd/-
Amol Kapadia
(Managing Director)

Place : Mumbai
Date. 24.05.2014

NOTE 13: NON-CURRENT INVESTMENTS

| PARTICULARS | AS AT | AS AT |
|-------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| | 31.3.2014 | 31.3.2013 |
| Long-Term Investments | | |
| Non Trade | | |
| (a)Investment in equity instruments | | |
| 4,000 Shares of Vallabh Glass Works at Book value Rs. 10 each. (Market Value as at 31-03-2008 Rs. 4,000/-(Previous Year Rs. 4,000/- | 40,000 | 40,000 |
| 20 shares of NELCO at Book Value of Rs. 104 each (Market Value at 31-3-2008 Rs.5,866/-, Previous Year Rs. 5,866/) | 2,070 | 2,070 |
| Equity Share of Dudhwala Builders Pvt. Ltd | 7,777,000 | 7,777,000 |
| Debentures of Dudhwala Builders Pvt. Ltd | 41,800,000 | 41,800,000 |
| Total | 49,619,070 | 49,619,070 |

NOTE - 14 LONG TERM LOANS & ADVANCES

(Unsecured and considered good, except where stated otherwise)

| PARTICULARS | AS AT | AS AT |
|---------------------------------------------|-----------------------|-----------------------|
| | 31.3.2014 | 31.3.2013 |
| | Rs. | Rs. |
| Advances to Wholly owned Subsidiary Company | 158,213,305 | 183,876,665 |
| Tax paid in advance and deducted at source | 2,320,714 | 9,249,082 |
| Advance for purchase of Property | 64,694,231 | 34,672,210 |
| Advance for Capital Expenditure | 1,842,925 | 1,755,758 |
| TOTAL | 227,071,175.46 | 229,553,715.00 |

NOTE 15 : INVENTORIES

(At lower of cost and net realisable value)

| PARTICULARS | AS AT | AS AT |
|----------------------------------|--------------------|--------------------|
| | 31.3.2014 | 31.3.2013 |
| | Rs. | Rs. |
| Cans & Trays - Dairy Division | 13,000 | 13,000 |
| General Stores, Spare Parts etc. | 16,639,038 | 14,498,541 |
| Raw Materials | 86,647,079 | 91,260,716 |
| Finished Products | 55,334,398 | 66,962,470 |
| Work in Process | 7,465,216 | 8,302,364 |
| Eucalyptus Plantations | 113,033 | 113,033 |
| Other Plantation in Progress | 2,208,289 | 1,942,861 |
| Live Stock | 997,993 | 1,236,213 |
| Total | 169,418,046 | 184,329,198 |

NOTE : 16 TRADE RECEIVABLES

| PARTICULARS | AS AT 31.3.2014 | AS AT 31.3.2013 |
|-----------------------------------|--------------------|--------------------|
| | Rs. | Rs. |
| <u>Considered Good:</u> | | |
| Under 6 Months | 120,615,555 | 93,115,292 |
| Over 6 Months | 25,758,559 | 361,734 |
| | 146,374,114 | 93,477,026 |
| <u>Considered Doubtful or Bad</u> | | |
| Over 6 Months | 1,323,071 | 1,323,071 |
| Less: Provision | | |
| TOTAL | 147,697,185 | 94,800,097 |

NOTE 17 - CASH AND CASH EQUIVALENTS

| PARTICULARS | AS AT 31.3.2014 | AS AT 31.3.2013 |
|---------------------------------------|--------------------|--------------------|
| | Rs. | Rs. |
| Cash on Hand | 543,052 | 512,381 |
| <u>Balances with Scheduled Banks:</u> | | |
| in Current Account | 31,034,960 | 31,794,751 |
| in Fixed Deposit Account | 15,060,500 | 12,065,500 |
| TOTAL | 46,638,512 | 44,372,632 |

NOTE 18 - SHORT TERM LOANS AND ADVANCES

| PARTICULARS | AS AT 31.3.2014 | AS AT 31.3.2013 |
|----------------------------------------------|-----------------------|-----------------------|
| | Rs. | Rs. |
| Loans & Advances to employees | 1,202,397.00 | 944,933 |
| Loans/Advance to others for business purpose | 126,884,274.00 | 99,562,137.00 |
| Advances Recoverable in Cash or in Kind | 15,114,909.00 | 17,012,707 |
| Cenvat | 28,556,982.00 | 27,521,187 |
| Interest Accrued and receivable | 2,582,158.00 | 2,490,612 |
| Sundry Deposits and Advances: | | |
| with Government and Local Authorities | 556,505.00 | 564,636 |
| with others: | | |
| Considered good | 53,776,730.00 | 45,841,730 |
| Considered doubtful | | |
| Duty Drawback Receivable | 3,638,905.00 | 1,715,951 |
| Deposits | 2,735.00 | 2,735 |
| TOTAL | 232,315,595.00 | 195,656,628.00 |

NOTE 19 - REVENUE FROM OPERATIONS

| Particulars | Year ended 31st March, 2014 | | Year ended 31st March, 2013 | |
|------------------|-----------------------------|--|-----------------------------|--|
| | Rs. | | Rs. | |
| Sales (Domestic) | 290,181,963 | | 291,095,178 | |
| Sales (export) | 679,813,379 | | 535,685,610 | |
| Total | 969,995,342 | | 826,780,788 | |

NOTE 20 - OTHER INCOME

| Particulars | Year ended 31st March, 2014 | | Year ended 31st March, 2013 | |
|---------------------------------------|-----------------------------|--|-----------------------------|--|
| | Rs. | | Rs. | |
| Sundry Income | 1,220,998 | | - | |
| Modvat Credit | - | | 34,694,109 | |
| Sales Tax Refund recd | 3,522,127 | | 5,531,869 | |
| Interest received | 14,409,968 | | 11,084,286 | |
| Rent received | 11,579,832 | | 8,590,500 | |
| Misc. income | - | | 2,021 | |
| Duty Drawback Received | 11,649,370 | | 1,777,413 | |
| LIC Policy maturity` | - | | 12,810,000 | |
| Profit on Sale of car | - | | 184,207 | |
| Profit on Sale of Building & Premises | - | | 13,728,578 | |
| Profit /(loss) on Sale of Live Stock | - | | (241,740) | |
| Total | 42,382,295 | | 88,161,243 | |

NOTE 21 - COST OF MATERIAL CONSUMED AS ON 31st MARCH 2014

| Particulars | Year ended 31st March, 2014 | | Year ended 31st March, 2013 | |
|----------------------------------------|-----------------------------|--------------------|-----------------------------|--------------------|
| | Rs. | Rs. | Rs. | Rs. |
| <u>Raw Material Consumed</u> | - | - | - | - |
| Op Stock | 91,420,910 | | 59,671,370 | |
| Add : Purchases | 533,472,048 | | 574,132,848 | |
| | | | 633,804,218 | |
| Less : Closing Stock | 86,807,273 | | 91,420,910 | |
| | | 538,085,685 | | 542,383,308 |
| <u>General Stores/Fuel Consumption</u> | | | | |
| Op Stock | 14,498,541 | | 10,278,577 | |
| Add : Purchases | 86,265,813 | | 75,004,758 | |
| | | | 85,283,335 | |
| Less : Closing Stock | 16,639,038 | | 14,498,541 | |
| | | 84,125,316 | | 70,784,794 |
| TOTAL MATERIAL CONSUMED | | 622,211,001 | | 613,168,102 |

NOTE 22
CHANGE IN FINISHED GOODS/ WIP INVENTORY AS ON 31st MARCH 2014

| Particulars | Year ended 31st March, 2014 | | Year ended 31st March, 2013 | |
|---------------------------------------------|-----------------------------|-------------------|-----------------------------|---------------------|
| | Rs. | Rs. | Rs. | Rs. |
| Opening Stock of Finished Goods, | 66,962,470 | | 30,054,071 | |
| Work-in-Progress | 8,302,364 | | 3,825,819 | |
| TOTAL - A | | 75,264,834 | | 33,879,890 |
| Closing Stock of Finished Goods, | 55,334,398 | | 66,962,470 | |
| Work-in-Progress | 7,465,216 | | 8,302,364 | |
| TOTAL - B | | 62,799,614 | | 75,264,834 |
| INCREASE IN FINISHED GOODS/WIP (B-A) | | 12,465,220 | | (41,384,944) |

NOTE 23
Employee Benefit Expenses for the year ended 31st MARCH 2014

| Particulars | Year ended 31st March, 2014 | Year ended 31st March, 2013 |
|-------------------------|-----------------------------|-----------------------------|
| | | Rs. |
| Factory Wages | 20,762,436 | 18,992,749 |
| Salary & Wages - Office | 15,019,752 | 13,494,339 |
| Factory Canteen Exp | 139,824 | 146,583 |
| Apprentice Stipend | 208,133 | 284,134 |
| Staff Welfare | 1,714,898 | 3,948,079 |
| Gratuity | 1,196,810 | 0 |
| TOTAL | 39,041,853 | 36,865,884 |

NOTE 24
FINANCE COST for the year ended 31st MARCH 2014

| Particulars | Year ended 31st March, 2014 | Year ended 31st March, 2013 |
|-------------------------------|-----------------------------|-----------------------------|
| | Rs. | Rs. |
| (a) Interest expenses on : | | |
| Current Borrowings Interest | | |
| (i) CC | 9,647,365 | 10,224,108 |
| (ii) Export | 2,073,798 | 1,644,596 |
| (iii) others | 1,116,765 | 49,773 |
| Long term Borrowings Interest | 54,824,446 | 49,454,931 |
| (b) Other borrowing costs | | |
| Bank charges | 5,503,622 | 2,716,361 |
| Total | 73,165,996 | 64,089,769 |

NOTE 25

Other Expenses for the year ended 31st MARCH 2014

| Particulars | Year ended 31st March, 2014 | Year ended 31st March, 2013 |
|---------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| | Rs. | Rs. |
| Carriage Inward | 18,056,411 | 13,697,347 |
| Freight & Forwarding | 48,863,134 | 26,401,183 |
| Commission | 3,670,065 | 3,197,897 |
| Factory Electricity | 5,979,920 | 6,338,290 |
| Repairs & Maintenance [Machinery] | 2,233,855 | 921,819 |
| Factory Telephone Exp | 8,524 | 12,939 |
| Transit Insurance | 176,633 | 304,031 |
| Factory Travelling Exp | 120,235 | 125,617 |
| Freight -Ocean | 11,816,526 | 18,237,352 |
| Research & Development | 1,601,021 | 1,055,128 |
| Insurance | 4,855,002 | 4,611,503 |
| Postage & Telegram | 1,186,892 | 806,899 |
| Printing & Stationery | 875,863 | 545,537 |
| Rent, Rates & Taxes | 6,699,206 | 3,447,592 |
| Travelling Exp (includes Director's travelling) (Domestic Rs.17,26,586/-; Foreign Rs 81,38,633/-) | 15,778,422 | 12,781,448 |
| Repairs & Maintenance [Building & others] | 4,417,870 | 3,650,753 |
| Computer Maintenance | 50,450 | 31,725 |
| Advertisement | 460,739 | 203,639 |
| Discount | 0 | (63,646) |
| Conveyance | 1,172,661 | 956,062 |
| Legal Exp | 191,568 | 1,714,161 |
| Machinery Lease rent | 60,000 | 60,000 |
| Office Exp | 1,681,051 | 1,229,304 |
| Security Exp | 1,054,273 | 852,251 |
| Membership & Subscription | 641,168 | 906,602 |
| Vehicle Exp | 2,434,732 | 2,080,125 |
| Sundry Exp | 193,092 | 350,763 |
| Business Promotion | 970,495 | 2,439,053 |
| Professional Fees | 6,381,964 | 3,364,852 |
| Electricity & Water Exp. | 1,370,867 | 1,251,413 |
| Telephone Exp. | 1,551,223 | 1,351,480 |
| Internet charges | 122,200 | 85,095 |
| Audit Fees | 800,000 | 750,000 |
| Diwali Gifts & others | 763,358 | 345,841 |
| Donation | 5,240,000 | 10,506,420 |
| Exchange Difference | 19,691,585 | 10,695,964 |
| General Exp | 999,676 | 1,005,900 |
| Loss on Sale of Car | 198,091 | 0 |
| Prior period expenses | 201,971 | 0 |
| vat on expenses | 624,377 | 0 |
| Service Tax | 0 | 41,610 |
| Garden, landscaping expenses | 11,098 | 168 |
| TOTAL | 173,206,218 | 136,294,117 |

NOTE - 26.1

Additional information to the financial statement for the year ended 31st MARCH 2014 Contingent liabilities and commitments (to the extent not provided for

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

NOTE - 26.2

(I) Details of derivatives instruments and unhedged foreign currency exposures for the year ended 31st MARCH 2014

| Particulars | Year ended 31st March, 2014 | Year ended 31st March, 2014 | Year ended 31st March, 2013 | Year ended 31st March, 2013 |
|----------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | | Rs. | | Rs. |
| Sell (Hedge of receivables and expected future sales) | \$ 17,85,153 | 10,72,87,693 | 146,587,048 | 103,735,358 |

(II) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise for the year ended 31st March 2014

| Particulars | Year ended 31st March, 2014 | Year ended 31st March, 2014 | Year ended 31st March, 2013 | Year ended 31st March, 2013 |
|----------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | USD | Rs. | USD | Rs. |
| Payable | | | | |
| USD | \$ 9,20,852 | 5,89,56,020 | 674,574 | 36,690,105 |

NOTE - 26.3

(I) Value of imports calculated on CIF basis for the year ended 31st MARCH 2014

| | Year ended 31st March, 2014 | Year ended 31st March, 2013 |
|-------------------------|-----------------------------|---------------------------------------|
| I) Raw Material | (USD 334916, EURO 150955) | (USD 422984 , EURO 163143 POUND 3700) |
| II) Components & Spares | | |
| III) Capital Goods | | NIL |

NOTE - 26.4

Details of consumption of imported & indigenous items for the year ended 31st MARCH 2014

| | Year ended 31st March, 2014 | Year ended 31st March, 2013 |
|--------------------------------------|--------------------------------|-----------------------------------|
| Imported | Rs. (lacs) | Rs. (lacs) |
| Raw Material (Incl. custom duty,etc) | 315.61 | 349.42 |
| % of total consumption | 5.43% | 6.31% |
| Indigenous | | |
| Raw Material (Incl. custom duty,etc) | 5803 | 5187.92 |
| % of total consumption | 94.57% | 93.69% |

NOTE - 27.1

Employees benefit plans for the year ended 31st March 2014

| | Year ended 31st March, 2014 | Year ended 31st March, 2013 |
|-----------------------------------------------|--------------------------------|--------------------------------|
| Defined contribution schemes | | |
| Company's contribution to Provident Fund | 1,113,851 | 1,053,816 |
| Company's contribution to Superannuation Fund | Nil | Nil |

NOTE - 27.2a

Related party transactions for the year ended 31st MARCH 2014

| Description of relationship | Names of related parties |
|-------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Holding Company | AJI Commercial Pvt. Ltd |
| Fellow Subsidiaries (with whom company has made transactions during the year) | Bk Giulini Specialities Pvt. Ltd Europa chemicals Pvt. Ltd. Dudhwala Builders Pvt. Ltd |
| Key management Personnel (KMP) | Mr. Amol Kapadia - Managing Director |
| Fellow Associates | AJI Investment Pvt. Ltd, AJK Investment Pvt. Ltd, Oriental Pharmaceuticals Industries Ltd New Commercial Investment & Trading Co. Ltd The New Commercial Mills Ltd Lotus Mills Ltd |

NOTE - 27.2b
The significant related party transactions for the year ended 31st MARCH 2014

| Nature of transactions | Fellow subsidiaries | KMP | Transaction during the year | Year ended 31st March 2014 |
|---------------------------------|---------------------------------|------------------|-----------------------------|----------------------------|
| | | | Rs. | Rs. |
| Sale of goods | BK Guilini Specialities Pvt Ltd | | 316,172,731 | |
| | Europa Chemicals Pvt Ltd | | 18,172,165 | |
| Trade receivables | BK Guilini Specialities Pvt Ltd | | | 30,416,544 |
| | Europa Chemicals Pvt Ltd | | | (1,405,185) |
| Remuneration paid | Mr. Amol Kapadia | Mr. Amol Kapadia | 9,000,000 | |
| Expenses re-imburement received | Mr. Amol Kapadia | Mr. Amol Kapadia | 2,881,927 | |
| Expenses re-imburement paid | Mr. Amol Kapadia | Mr. Amol Kapadia | 2,881,927 | |
| Deposit & Advances | AJI INVESTMENT P LTD | | 4,300,000 | 13,800,000 |
| | AJK INVESTMENT P LTD | | 1,300,000 | 4,800,000 |
| | Europa Chemicals P Ltd | | | 28,500,000 |
| | Lotus Mills Ltd | | | 2,400,000 |
| Loans and Advances | Dudhwala Builders P Ltd | | (25,663,360) | 158,213,305 |
| Unsecured Loans | AJK INVESTMENT P LTD | | (1,244,000) | 11,163,284 |
| | New CommI Mills Ltd | | 2,300,000 | 11,663,000 |
| | New CommI Invest & Trading Ltd | | (300,000) | 2,370,000 |
| | Oriental Pharmaceuticals Co Ltd | | 475,000 | 14,312,000 |
| | J.J.Kapadia | | 100,000 | 1,000,000 |
| | Sushila J. Kapadia | | (9,762,000) | 1,298,000 |
| | AJI Commercial Pvt Ltd | | 450,000 | 450,000 |
| | Europa Chemicals P Ltd | | 2,500,000 | 8,400,000 |

In terms of our report attached.

For A. S. MADON & CO.

Chartered Accountants
Registration no. 105725W

JAY M SHAH
Partner
Membership No. 48417

Place : Mumbai
Date : 24-05-2014

For and on behalf of the Board of Directors

Sd/-
SUSHILA. J. KAPADIA
Chairman

Sd/-
AMOL J. KAPADIA
Director

Place: Mumbai
Date: 24.05.2014

STATEMENT OF ASSETS AND LIABILITIES [CONSOLIDATED] AS AT MARCH 31, 2014 (Rs. In lakhs)

| | Particulars | Year ended | |
|----------|-------------------------------------------|------------------|------------------|
| | | 31.03.2014 | 31.03.2013 |
| | | Audited | Audited |
| A | EQUITY AND LIABILITIES | | |
| 1 | Shareholders' funds | | |
| | (a) Share capital | 60.00 | 60.00 |
| | (b) Reserves and surplus | 3,871.00 | 3,445.00 |
| | (c) Money received against share warrants | | |
| | Sub-total - Shareholders' funds | 3,931.00 | 3,505.00 |
| 2 | Share application money pending allotment | - | - |
| 3 | Minority interest * | - | - |
| 4 | Non-current liabilities | | |
| | (a) Long-term borrowings | 3,745.00 | 3,866.00 |
| | (b) Deferred tax liabilities (net) | 20.00 | 20.00 |
| | (c) Other long-term liabilities | | |
| | (d) Long-term provisions | 12.00 | - |
| | Sub-total - Non-current liabilities | 3,777.00 | 3,886.00 |
| 5 | Current liabilities | | |
| | (a) Short-term borrowings | 2,174.00 | 1,911.00 |
| | (b) Trade payables | 1,252.00 | 977.00 |
| | (c) Other current liabilities | 556.00 | 758.00 |
| | (d) Short-term provisions | 9.00 | 5.00 |
| | Sub-total - Current liabilities | 3,991.00 | 3,651.00 |
| | TOTAL - EQUITY AND LIABILITIES | 11,699.00 | 11,042.00 |
| B | ASSETS | | |
| 1 | Non-current assets | | |
| | (a) Fixed assets | 2,977.00 | 3,064.00 |
| | (b) Goodwill on consolidation * | 77.00 | 77.00 |
| | (c) Intangible Assets | | |
| | (d) Capital WIP | | |
| | (e) Non-current investments | 0.50 | 0.50 |
| | (f) Deferred tax assets (net) | | |
| | (g) Long-term loans and advances | 688.50 | 731.50 |
| | (h) Other non-current assets | - | 155.00 |
| | Sub-total - Non-current assets | 3,743.00 | 4,028.00 |
| 2 | Current assets | | |
| | (a) Current investments | - | - |
| | (b) Inventories | 3,685.00 | 3,665.00 |
| | (c) Trade receivables | 1,477.00 | 948.00 |
| | (d) Cash and cash equivalents | 470.00 | 444.00 |
| | (e) Short-term loans and advances | 2,324.00 | 1,957.00 |
| | (f) Other current assets | | |
| | Sub-total - Current assets | 7,956.00 | 7,014.00 |
| | TOTAL - ASSETS | 11,699.00 | 11,042.00 |

* Applicable in the case of consolidated statement of assets and liabilities.

In terms of our report attached.

For A. S. MADON & Co

Chartered Accountants
Registration no. 105725W

JAY M. SHAH
Partner
Membership No. 48417

Place : Mumbai
Date : 24.05.2014

For and on Behalf of the Board of Directors

Sd/-
Sushila J Kapadia
(Chairman)

Sd/-
Amol Kapadia
(Managing Director)

Place : Mumbai
Date : 24.05.2014

Notes

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POLSON LIMITED

Regd Off: Ambaghat Tallluka Shahuwadi, Kolhapur Maharashtra 415101

FORM OF PROXY

I / We _____ of _____ in the District of _____ Being a member / members of the above-named company hereby appoint _____ of _____ of _____ or failing him / her _____ of _____ in the district of _____ as my / our proxy to vote for me / our behalf at the ANNUAL GENERAL MEETING of the Company to be held on Tuesday September 30, 2014 and any adjournment thereof.

Signed this _____ day _____ 2014



Signature _____

Regd. Folio No. _____

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

.....TEARHERE.....

POLSON LIMITED

Regd. Off: Ambaghat Tallluka Shahuwadi, Kolhapur Maharashtra 415101

ATTENDANCE SLIP

Annual General Meeting to be held on Tuesday, September 30, 2014 at 11.30 A.M. at Ambaghat Tallluka Shahuwadi, Kolhapur Maharashtra 415101

Regd. Folio No. _____

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

I hereby record my presence at the Annual General Meeting to be held on Tuesday, September 30, 2014 at 11.30 A.M. at Ambaghat Tallluka 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