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ANNUAL REPORT  
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**Harsh Polymers (India)  
Limited**

## Annual Report 2002-2003

# Harsh Polymers (India) Limited

**Board of Directors**

Prakashbhai Amin	<i>Chairman &amp; Managing Director</i>
Ashokbhai P. Patel	<i>Director</i>
Jeetendra J. Patel	<i>Director</i>
Narendrakumar J. Shah	<i>Director</i>
Kiritkumar Desai	<i>Director (Resigned w.e.f. 30/07/2003)</i>
Ajaybhai H. Bhavsar	<i>Director (Appointed w.e.f. 30/07/2003)</i>

**Audit Committee**

Ashokbhai P. Patel	<i>Chairman</i>
Jeetendra J. Patel	<i>Member</i>
Narendrakumar J. Shah	<i>Member</i>

**Bankers**

The Chansma Nagrik Sahakari Bank Ltd.  
Naranpura Branch, Ahmedabad.

Corporation Bank, Ahmedabad

**Shareholders' Grievance Committee**

Narendrakumar J. Shah	<i>Chairman</i>
Ashokbhai P. Patel	<i>Member</i>

**Auditors**

Khese Associates  
Chartered Accountant

**Registered office**

S.L. No. 134, At Budasan,  
Tal.: Kadi, Dist. Mehsana.

**Administrative office**

513, Golden Triangle,  
Stadium Road, Navrangpura,  
Ahmedabad.

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## Harsh Polymers (India) Limited

### NOTICE

**NOTICE** is hereby given that 12th Annual General Meeting of the Members of Harsh Polymers (India) Limited, will be held on Monday, the 29th September 2003 at 11.00 a.m. at Registered Office situated at S.L.No. 134, At Budasan, Tal. Kadi, Dist. Mehsana to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2003 and Profit & Loss Account for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Ashokbhai P. Patel, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors of the Company and fix their remuneration.

#### SPECIAL BUSINESS

4. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:  
**"RESOLVED THAT** Mr. Ajaybhai H. Bhavsar, be and is hereby appointed as a Director of the Company pursuant to section 255 and other applicable provisions of the Companies Act, 1956, whose period of office shall be liable to determination by retirement of Directors by rotation."

Date : 23rd August, 2003

#### Regd. Office

S.L.No. 134, At Budasan,  
Tal. Kadi, Dist. Mehsana  
Gujarat.

By order of the Board  
For Harsh Polymers (India) Limited

**Narendra J. Shah**  
Director

#### Notes

- Explanatory Statement pursuant to 173(2) of the Companies Act, 1956 is annexed as a part of this Notice.
- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. Proxies in order to be effective must reach the Registered office of the Company not less than 48 hours before the time fixed for the meeting.
- The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, the 22nd September 2003 to Monday the 29th September 2003 (both days inclusive).
- The copies of relevant documents can be inspected at the Registered office of the Company on any working day between 11.00 a.m. to 5.00 p.m. up to the date of A.G.M.
- Members are requested to notify any change of address and to bring the copy of Annual Report at the meeting.
- At the ensuing Annual General Meeting, Mr. Ashokbhai Patel, retire by rotation and being eligible offer himself for re-appointment. The information or details pertaining to him to be provided in terms of clause 49 of the Listing Agreement with the Stock Exchanges is furnished in the statement of Corporate Governance published elsewhere in this Annual Report.
- The Company's shares are listed at Ahmedabad, Vadodara and Mumbai Stock Exchanges. The Company have paid the listing fees to Mumbai Stock Exchanges for the financial year 2003-04 in time. The Stock Exchange, Mumbai has suspended the trading in the securities of the Company.

#### Explanatory Statement

[pursuant to Section 173(2) of the Companies Act, 1956]

#### Item No. 4

As per clause 49 of the Listing Agreement, the compliance of Corporate Governance is mandatory for the company effective from financial year 2002 - 2003. To comply the said provisions, the company has appointed Mr. Ajaybhai H. Bhavsar, as a Non-Executive Independent Director.

At the Board Meeting held on 30th July, 2003, the Board of Directors have appointed Mr. Ajaybhai H. Bhavsar as an Additional Director of the Company under Section 260 of the Companies Act, 1956, w.e.f. 30th July, 2003 to hold the office of Director till the conclusion of this Annual General Meeting. The Company has received notice in writing from some member proposing his candidature for the office of Director, under the provisions of Section 257 of the Companies Act. Consent of the Members is required.

Your directors recommend this resolution.

None of the Directors is concerned or interested in passing this resolution.

Date : 23rd August, 2003

#### Regd. Office

S.L.No. 134, At Budasan,  
Tal. Kadi, Dist. Mehsana  
Gujarat.

By order of the Board  
For Harsh Polymers (India) Limited

**Narendra J. Shah**  
Director

## Annual Report 2002-2003

### REVIEW OF BOARD OF DIRECTORS

Your Directors have pleasure in presenting 12th Annual Report together with the Audited accounts for the year ended 31st March 2003.

Financial Results	(Rs. In lacs)	
	2001-02	2002-03
Turnover	1.68	0.81
Operating Loss	4.02	38.01
Financial charges	4.62	3.11
Depreciation	0.88	0.84
Loss before tax	9.52	41.96
Provision for tax	—	—
Loss after tax	9.52	41.96

#### Review of Operation

The Company has not carried out any production activity during the year. Total turnover, which includes other Income from the rent received and dividend income. During the year, the manufacturing plant remained close and so there was no income generation from that. Due to higher administrative cost and decrease in value of the stock, the net loss is Rs. 41.96 Lacs as compared to last year's loss of Rs. 9.52 Lacs.

#### Dividend

Your Directors do not recommend any dividend for the year 2002-03, in view of loss.

#### Fixed Deposit

Your Company has not invited or accepted any deposits under Section 58A of the Companies Act, 1956, from the public, during the year.

#### Directors

In accordance with the provisions of the Articles of Association and of the Companies Act, 1956, Mr. Ashokbhai P. Patel, Director retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment.

During the year, the Company has appointed Mr. Ajaybhai H. Bhavsar, as Additional Director, with effect from 30th July, 2003, for strengthening the Board. Mr. Kiritkumar Desai has resigned from the Board w.e.f. 30th July, 2003, due to his personal reason. The Board of Directors appreciate the valuable contribution made by him, during his tenure.

#### Statutory Disclosure

The information required under section 217(2A) of the Companies Act, 1956 and the rules made thereunder, is not applicable to the Company, as no employees drawing remuneration of Rs. 24,00,000/- or more per annum employed throughout the year or Rs. 2,00,000/- or more per month employed for a part of the year.

#### Particulars required to be furnished by the Companies (Disclosure of particulars in the report of the Board of Directors) Rule, 1988.

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are as under:

As the production unit of the Company is closed, the Research and development activities programs and Technology absorption are not carried out by the Company. There is no energy consumption or additional investment to conserve the energy is made during the year.

There is no foreign exchange earning and outgo during the year.

#### Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956 your Directors confirm the following :

1. In the preparation of the annual accounts, the applicable accounting standards have been followed.
2. Your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on 31st March, 2003.
3. Your 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 the Company and for preventing and detecting fraud and other irregularities.
4. Your Directors have prepared the attached statements of accounts for the year ended 31st March, 2003. on a going concern basis.

#### Management Discussion and Analysis Report

The Management Discussion and Analysis Report as required under clause 49 of the Listing Agreement with the Stock Exchange has been attached as a part of the Directors' Report.

#### Corporate Governance

The Company has adopted Corporate Governance practices and has complied with all the mandatory requirements as specified under clause 49 of the Listing Agreement by SEBI. As required under the listing agreement, a separate Report on Corporate Governance forms part of this Annual Report. The certificate from statutory Auditors of the Company regarding compliance of conditions of Corporate Governance is part of this report and is annexed.

The Board of Directors supports the basic principles of corporate governance. In addition to this, the board lays strong emphasis on transparency, accountability and integrity.



## Harsh Polymers (India) Limited

### Formation of various committees

Details of various committees constituted by the Board of Directors are given in the Corporate Governance Report annexed and forms part of this report.

### Depositories

The Company has already approached NSDL and CDSL for obtaining electronic connectivity for company's shares. CDSL has principally agreed for the same. However, as soon as the connectivity is obtained, the company will inform to the members, requesting to dematerialise their shares.

### Auditors

M/s. Khese Associates, Chartered Accountants, retire at the forthcoming Annual General Meeting. You are requested to appoint auditors from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting and fix their remuneration.

### Acknowledgements

Your Directors would like to place on record their sincere gratitude for the support received from clients, suppliers and bankers. The Board of Directors also takes this opportunity to acknowledge the dedicated efforts and commitment made by employees at all levels and their contribution to the Company during the year.

For and behalf of the Board of Directors

Ahmedabad,  
August 23, 2003

**Narendra J. Shah**  
Director

## MANAGEMENT DISCUSSION AND ANALYSIS

### a. Industry Structure and Developments :

The scenario of the Polymer industry and economy in general have undergone drastic changes during the past few years. The Industry is now exposed to global competition with globalization policy of the government. The Industry is passing through a bad phase in respect of the availability of raw materials, very high cost of power and steam. More than that, due to Global competition and lower price realization, the future of this industry appears very dull.

### b. Opportunities and Threats :

The Polymer industry is subject to competition among various segments of manufactures within the country and from manufactures of outside the country. The threats of competition is very high in the products which your company was manufacturing.

### c. Segment wise Performance :

As such, the Company has no different segments, as its total involvement is in Polymer only. The Company's plant is closed, there is no production/turnover during the year.

### d. Recent Trend and Future Outlook :

The Polymer industry in India is facing server competition, as every big Companies and Government Organisation, specially Diaries have started their own plant with latest technology. Due to this, the Company is unable to generate the demand and as the technology and machinery of the Company is old, it is not viable to run the plant. The Management is intend to sell it out the whole plant to reduce the cost of maintaining the same.

### e. Risks and Concerns :

Like any other industry, Polymer industry is also exposed to risk of competition, government policies, natural factor etc. As the Company is neither importing nor exporting raw materials/finished product, the Company has no risk on account of Exchange Rate fluctuations. However, as the manufacturing plant of the Company is closed, there is not much risk, except the realisable value of the plant at the time of sale will be less.

### f. Internal Control Systems and their Adequacy :

The Company has adequate systems of Internal Controls commensurate with its size and operations to ensure orderly and efficient conduct of business. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information. However, as the manufacturing facility is closed, most of the things will not apply to the Company.

### g. Financial Performance with respect to Operational Performance :

The financial performance of the Company for the year 2002-03 is described in the Directors' Report under the head 'Financial Results' and 'Review of Operations'.

### h. Material Developments in Human Resources and Industrial Relations Front :

The Company has continued to give special attention to Human Resources/Industrial Relations development. Industrial relations remained cordial throughout the year. However, as the manufacturing facility is closed, most of the things will not apply to the Company.

### i. Cautionary Statement :

Statement in this Management Discussion and Analysis Report, describing the Company's objectives, estimates and expectations may constitute 'Forward Looking Statements' within the meaning of applicable laws or regulations. Actual things may differ materially from those either expressed or implied.