

POLSON LIMITED (& REDUCED)

ANNUAL REPORT - 2001 - 02.

DIRECTORS

JAGDISH J. KAPADIA	-	Chairman
AMOL J. KAPADIA	-	Managing Director
SUSHILA J. KAPADIA	-	Director
DHARMASUKH H. NANAVATI	-	Director

SOLICITORS

D. H. NANAVATI

AUDITORS

A.S. MADON & CO
Chartered Accountants

BANKERS

CENTRAL BANK OF INDIA

REGISTERED OFFICE

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

Certified True copy
For POLSON LTD.

DIRECTOR

POLSON LIMITED (& REDUCED)

2001- 02

NOTICE

Notice is hereby given that the Sixty Third Annual General Meeting of the Members of Polson limited will be held at the registered Officer of the Company at ambaghat, Vishalgad, Taluka Shahuwadi, Dist. Kolhapur – 415 101 on Monday, the 30th day of September, 2002 at 10.30 a.m. to transact the following business :

1. To receive and adopt the Balance Sheet as at 31st March 2002 and Profit and Loss Account for the year ended 31st March, 2002 and the Reports of the Directors and auditors thereon.
2. To appoint a director in place of Mr Amol J. Kapadia, who retires by rotation but being eligible , offer himself for re-appointment.
3. To appoint a Director in place of Mr D. H. Nanavati, who retires by rotation but being eligible , offer himself for re-appointment.
4. To appoint Auditor of the Company and to fix their remuneration.

By order of the Board of Directors of Polson Limited

J. J. KAPADIA
Chairman

Mumbai, August, 28th August, 2002

Registered Office :
Ambaghat, Vishalgad,
Taluka Shahuwadi,
Dist. Kolhapur,
Kolhapur – 415 101.

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. Proxies, in order to be effective, should be duly deposited at the Registered Officer of the Company not less than forty-eight hours before the commencement of the Meeting.
3. The transfer books and the Register of Members will be closed on Saturday, the 28th September, 2002 to 30th September, 2002 both

POLSON LIMITED (& REDUCED)**2001- 02****DIRECTORS' REPORT TO THE MEMBERS OF POLSON LIMITED**

The Directors hereby present Sixty Third Annual Report and the audited Statement of Accounts for the year ended 31st march, 2002 for adoption at the ensuing Annual general Meeting of the Members conveyed on Monday, the 30th day of September, 2002 at 10.30 a.m. as per the accompanying Notice.

After providing for interest of Rs 24,58,991/-, depreciation of Rs 23,12,517/- and provision of tax of Rs 50,00,000/-, there is a surplus of Rs 135,78,290/-. After adjusting a carry forward loss of Rs 30,10,960/- the balance Profit is transferred to the Balance Sheet under the head Reserve and Surplus.

In view to preserve funds, the Directors do not recommend dividends on Equity Shares of the Company.

Mr M. R. Shah tender his resignation due to indifferent health and with deep regret the Board has accepted the same on 28.11.2001 the Company puts on record the valuable guidance rendered by Mr M. R. Shah to the Company during the tenure of his directorship. The company also wish him a long life with health, wealth, peace, prosperity for the number of years to come.

As the Members are aware that an Extra Ordinary General Meeting of the Members of the Company was called on 29th October, 2001, in the same Meeting the borrowing power of the Company increased to Rs 10 crores. Articles of Association were amended to have minimum strength of three directors on the Board.

In spite of higher sales, due to pressure on margins the Percentage of Profits of the company on sales has been reduced.

There has been all round increase in cost. The Company has introduced number of new products during the year. Exports of the Company has increased during the year. The total exports has been Rs 8.88/- crores.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the Preparation of the Annual Accounts, the applicable Accounting standards have been followed along with proper explanation relating to material departures, if any.

2. Appropriate accounting policies have been selected and applied consistently and judgements and estimates that are responsible and prudent , so as to give a true and fair view of the state of affairs of the company as on 31st March, 2002 and of the profit of the company for the financial year ended on that date, have been made;

3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

4. The Annual Accounts have been prepared on going concern basis.

As the provision of Section 217(1)(e) as well as Section 217(2A) of the companies Act, 1956 do not apply the relative particulars required, have not been given.

Regarding the observations of the Auditors in their Report to the members, the same relate mostly to the Notes forming part of the accounts enclosed. These notes emanate from the Directors themselves and are self-explanatory.

The Members are requested to re-appoint the Auditor.

By Order of the Board of Directors of Polson Limited

J. J. KAPADIA
Chairman

Mumbai, August, 28th August, 2002

Registered Office :
Ambaghat, Vishalgad,
Taluka Shahuwadi,
Dist. Kolhapur,
Kolhapur – 415 101.

AUDITORS' S REPORT
TO THE MEMBERS OF POLSON LIMITED
ON THE ACCOUNTS FOR THE YEAR 2001 - 2002.

We have audited the attached Balance Sheet of POLSON LIMITED as at 31st March, 2002 and also its Profit and Loss Account for the year ended on that date, annexed thereto (including the Schedules and Notes forming part of the Accounts) and report that:

1. As required by the Manufacturing and Other Companies (Auditor's Report), 1988, issued by the Company Law Board in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraph 4 & 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report as follows:
 - a. We have obtained all the informations and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit except item no. 4 of notes to accounts regarding confirmation of balances.
 - b. In our opinion, proper books of accounts, as required by law, have been kept by the Company, so far as appears from our examination of these books.
 - c. The Balance Sheet and the Profit and Loss Account referred to in this Report comply with accounting standards as referred to in Section 211 (3C) of the Companies Act, 1956.
 - d. The aforesaid Balance Sheet and Profit & Loss Account are in agreement with the books of accounts.
 - e. In our opinion, and to the best of our information and according to the explanations given to us, the accounts give :
 - i. Subject to the Note No.D clause 4 of the Notes To Accounts, regarding confirmation of balances, the information required by the Companies Act, 1956 in the manner so required :
and
 - ii. A true and fair view subject to Note No.D clause 1 of the Notes to Accounts regarding non-provision for the unascertained uncovered accumulated Gratuity Liability, Note No. D clause 2 of the Notes to Accounts regarding the doubtful debts :
 1. In the case of Balance Sheet, of the State of affairs of the Company, as at 31st March, 2002.
and
 2. in the case of the Profit & Loss Account, of the profit for the year ended on that date.

FOR A. S. MADON & CO
 CHARTERED ACCOUNTANTS

(JAY M. SHAH)
 PARTNER

Mumbai.
 Dated : 28th August, 2002.

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in para 1 of our report of even date)

- i. The Company has not prepared Registers of various Fixed Assets. We are informed that only some of the Fixed Assets have been physically verified and that, in the case of assets which were verified, no serious discrepancies were noticed.
- ii The Fixed Assets of the Company have not been revalued during the period under audit.
- iii The Stocks of finished goods, stores and spare parts, raw and packing Materials of the Company have been physically verified by the Management at reasonable intervals.
- iv The procedures of the physical verification of stocks followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
- v The discrepancies noticed on physical verification of stocks as compared to book records were not material and these have been properly dealt with in the books of accounts.
- vi On the basis of our examination of the valuation of stocks, we are of the opinion that such valuation is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
- vii In our opinion, the rate of interest and terms and conditions on which loans have been obtained, from Companies listed in the Register under Section 301 of the Companies Act 1956, are not, prima facie prejudicial to the interest of the Company. We are informed that the provisions of Section 370 (1C) of the Companies Act, 1956, do not apply to the Company.
- viii As regards loans and advances in the nature of loans given by the Company, we have to state as under :

The Company has not granted any loan, secured or unsecured, to companies, firms and other parties listed in the Register maintained under Section 301 of the Companies Act 1956, or to the Companies under the same Management and defined under Section 370 (1B) of The Companies Act, 1956.
- ix As regards the loans, no interest is charged on the loans to the employees.
- x As per the information given to us, there is an adequate internal control procedure, commensurate with the size of the Company, and the nature of its business, for the purchases of stores, raw materials, including components, plant and machinery, equipment and other assets, and for the sale of goods.
- xi In our opinion and according to the information and explanation given to us, there are no transactions of purchase of goods and materials from and sale of goods and materials and services to Companies, Firms and other parties listed in the Register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs.50,000/- or more in respect of each party.
- xii The Company has a regular procedure for the determination of unserviceable or damaged stores, raw and packing materials and finished goods and necessary adjustments for the loss have been made in the accounts.
- xiii The Company has not accepted any deposits from the public.
- xiv The Company has no by-products and it has no production of scrap during the year.
- xv The Company has no internal audit system.

Contd ...