

POLSON LIMITED (& REDUCED)

ANNUAL REPORT - 2002 - 03

DIRECTORS

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

SOLICITORS

D. H. NANAVALI

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



POLSON LIMITED

2002- 03

NOTICE

Notice is hereby given that the Sixty Fourth Annual General Meeting of the Members of Polson Limited will be held at the Registered Office of the Company at Ambaghat, Vishalgad, Taluka Shahuwadi, Dist. Kolhapur – 415 101 on Monday, the 29th day of September, 2003 at 11 a.m. to transact the following business :

1. To receive and adopt the Balance Sheet as at 31st March 2003 and Profit and Loss Account for the year ended 31st March, 2003 and the Reports of the Directors and auditors thereon.
2. To appoint a director in place of Mr J.J. Kapadia, who retires by rotation but being eligible , offer himself for reappointment.
3. To appoint a Director in place of Mrs Sushila J. Kapadia who retires by rotation but being eligible , offer herself for reappointment.
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, 19th August, 2003

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 Office 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 remain closed from 23rd September, 2003 to 27th September, 2003 both days inclusive.

POLSON LIMITED

2002- 03

DIRECTORS' REPORT TO THE MEMBERS OF POLSON LIMITED

The Directors hereby present Sixty Fourth Annual Report and the audited Statement of Accounts for the year ended 31st March, 2003 for adoption at the ensuing Annual General Meeting of the Members conveyed on Monday, the 29th day of September, 2003 at 11 a.m. as per the accompanying Notice.

After providing for interest of Rs 76,70,243/-, depreciation of Rs 41,40,251/- and provision of tax of Rs 30,00,000/-, there is a surplus of Rs 61,90,237/-. The same after adding to a carry forward profit of Rs 163,57,696/- and crediting excess provision of Income Tax, the resultant surplus is transferred to the Balance Sheet under the head Reserve and Surplus.

To preserve funds, the Directors do not recommend dividend on Equity Shares of the Company.

Your directors have obtained a Certificate from a Secretary in whole time practice for the compliance of all the provisions of the Companies Act as required under section 383A of the Companies Act 1956 and a copy of the Report is attached with this Report.

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

There has been all round increase in cost due to increase in oil prices and as such raw material cost has gone up substantially. The Company continued to introduce new products during the year. Exports of the Company has increased during the year. The total exports has been Rs 14.61/- 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 the affairs of the company as on 31st March, 2003 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 the 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, 19th August, 2003
Registered Office :
Ambaghat, Vishalgad,
Taluka Shahuwadi,
Dist. Kolhapur,
Kolhapur - 415 101.

A . S . M A D O N & C o .

CHARTERED ACCOUNTANTS

79-80, ESPLANADE MANSION, 144, M. G. ROAD, FORT, MUMBAI - 400 001.
Tel: 2284 4754, 2281 4347. Fax: 2284 6643.

REPORT OF THE AUDITOR'S TO THE SHARE HOLDERS OF POLSON LIMITED

We have audited the attached Balance Sheet of POLSON LIMITED, Mumbai as at 31st March, 2003 and also the Profit & Loss Account of the Company for the year ended on that date annexed thereto. Our responsibility is to express an opinion on these financial statements based on our audit.

We concluded our audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) & (4D) of the Companies Act, 1956 and on the basis of such checks of the books and records as we considered necessary and appropriate and according to the information and explanations given to us during the course of the audit, we enclose in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.

Further to our comments in the Annexure referred to in paragraph above, we report as follows:

- 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 accounts as required by Law have been kept by the company, so far as appears from our examination of the books;
- c. The Balance sheet and Profit & Loss Account dealt with by the Report are in agreement with the books of accounts;
- d. In our opinion, the balance sheet and profit & loss account dealt with by this report are in compliance with the accounting standard referred to in sub section (3C) of section 211 of the Companies Act, 1956 in so far as they apply to the company.
- e. On the basis of written representation received from such directors, and taken on record by Board of Directors, we report that none of the directors of the company are disqualified as on 31st March, 2003 from being appointed as director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

f. 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 :

i) In the case of Balance Sheet of the state of affairs of the Company at 31st March 2003.

AND

ii) In the case of the Profit & Loss Account of the Profit for the year ended on 31st March 2003.

For M/S. A.S. MADON & CO.
CHARTERED ACCOUNTANTS

Place: Mumbai.
Date: 15th August , 2003.

(JAY MAHENDRA SHAH)
PARTNER

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.