

POLSON LIMITED (& REDUCED)

**ACCOUNTS
FOR THE YEAR ENDED 31st MARCH, 2005**

DIRECTORS

JAGDISH J. KAPADIA	-	Chairman
AMOL J. KAPADIA	-	Managing Director
SUSHILA J. KAPADIA	-	Director
PRAVIN D. SAMANT	-	Director
K.P. DAYANAND	-	Director

SOLICITORS

D. H. NANAVALI

AUDITORS

A.S.MADON & CO
Chartered Accountants

BANKERS

CITIBANK N.A

REGISTERED OFFICE

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

Certified True Copy
for **POLSON LIMITED**

[Signature]

DIRECTOR

POLSON LIMITED (& REDUCED)

Fin. Year 2004-05

NOTICE

Notice is hereby given that the Sixty Sixth Annual General Meeting of the Members of Polson Limited(& Reduced) will be held at the Registered Office of the Company at Ambaghat, Vishalgad,, Taluka Shahuwadi, Dist Kolhapur- 415 101 on Thursday the 29th day of September, 2005 at 11.30 a.m. to transact the following business :

1. To receive and adopt the Balance Sheet as at 31st March, 2005 and Profit and Loss Account for the year ended 31st March, 2005 and the Report of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. J.J.Kapadia, who retires by rotation and being eligible, offer for re-appointment.
3. To appoint a director in place of Mrs. Sushila .J.Kapadia, who retires by rotation and being eligible, offer for re-appointment.
4. To appoint M/s A.S. Madon & Co., Chartered Accountants, as Statutory Auditor of the company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors of the Company.

By Order of the Board of Directors of Polson Limited (&Reduced).

J. J. Kapadia
Chairman

Mumbai- August, 16th , 2005.

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.

POLSON LIMITED (& REDUCED)

Fin. Year: 2004-05

DIRECTORS' REPORT

To
THE MEMBERS OF POLSON LIMITED (& REDUCED)

The Directors hereby present their Sixty Sixth Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2005

<u>Financial Results :</u>	<u>Amount</u>
	<u>Rs</u>
Profit before Interest, Depreciation and Tax	32,183.995
Less : Interest	52,82.319
Less : Depreciation	56,01.164
Profit before Tax	21,300.492
Provision for Taxation	78,74.357
Deferred Tax assets-A.Y. 05-06	177.199
Net Profit after Tax	136,03.335
Balance brought forward	29,318.899
Balance Carried Forward	42,922.234

During the year, the company's Sales were as follows :

	Year ended 31.03.05 Rs.	Year ended 31.03.04 Rs.
SALES	37,71,83,882/-	271,783,375/-
Out of the above....		
Domestic Sales	143,410,479/-	148,621,477/-
Export Sales	233,773,403/-	121,590,048/-

Thus, Members will observe that during the current year, in spite of competition, the Company has been in a position to show improved Sales.

Dividend

To preserve funds, the directors do not recommend dividend on Equity shares of the company.

Your directors have obtained a Certificate from a Company 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 herewith.

Mr. J.J.Kapadia & Mrs Sushila J. Kapadia retire by rotation and being eligible offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217 (2AA) of the companies Act 1956, your Director wish to 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 judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on 31st March 2005 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 (& Reduced).

J.J.KAPADIA
Chairman

Mumbai, 16th August, 2005.

Registered Office :

Ambaghat, Vishalgad, Taluka Shahuwadi, Dist. Kolhapur,
Kolhapur – 415 101.

AUDITOR'S REPORT

To the Members of Polson Limited (& Reduced)

1. We have audited the attached balance sheet of Polson Limited as at 31st March 2005, and also the profit and loss account and the cash flow statement for the year ended on that date, annexed thereto. These financial statements are responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with our accounting standard generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosure in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India 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 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that
 - (i) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) In our opinion, proper books of Accounts as required by Law have been kept by the company, so far as appear from our examination of our books;
 - (iii) The balance sheet, profit and loss account and cash flow statement dealt with in my report are in agreement with the books of account;
 - (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standard referred to in sub-section (3c) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representation received from the directors, as on 31st March, 2005 and taken on record by the Board of Directors, we report that none of the directors is qualified as on 31st March 2005 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statement together with the notes thereon/ attached thereto and the Schedule of the significant Accounting policies give in the prescribed manner the information required by the Act 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 31st March 2005;
 - (b) in case of the profit and loss Account of the profit for the year ended on that date; and
 - (c) in the case of the Cash flow statement, of the cash flow on the year ended on that date.

Place : Mumbai
16.8.2005

For A.S.Madon & co
(Chartered Accountant)

Jay.M.Shah
Partner

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITOR'S REPORT TO THE MEMBERS OF POLSON LTD (& REDUCED) ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2005.

- (i) (a) The company has not maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) A substantial portion of the fixed assets has been physically verified by the management during the year. According to the information and explanation given to us no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanation given to us, the company has not made any substantial disposals during the year.
- (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 procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of the business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventories as compared to the book record were not material.
- (iii) (a) The company has granted loan or taken loans to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from/granted to 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 or granted to 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 explanation given to us, there are adequate internal control procedure commensurate with the size of the company and the nature of the business for the purchase of inventory, fixed asset and sale of goods. Further, on the basis of our examination of the books and records of the company, and according to the information and explanation given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control procedures.
- (v) There were no transaction that need to be entered into the register in pursuance of section 301 of the Companies act, 1956.
- (vi) The company has not accepted deposit from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the companies (Acceptance of Deposits) Rules, 1975.
- (vii) The Company has an internal audit system which, in our opinion in commensurate with its size and nature of the business.
- (viii) According to the information and explanation given to us, the notification issued by Central Government 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.