

POLAR INDUSTRIES LTD.

BOARD OF DIRECTORS

Sri Anil Kumar Agarwal
Chairman & Managing Director

Sri Sunil Agarwal
Vice Chairman

Sri Kishan Lal Sharma
Non-Executive Director

AUDITORS

M/s Singhi & Co.
Chartered Accountants

REGISTERED OFFICE

18, Rabindra Sarani,
Poddar Court Building,
Kolkata-700 001
Email: cs@polarinc.com
Visit us at: www.polarinc.com

CORPORATE OFFICE

Z-80, Ground Floor, Sector - 12,
Noida - 201 301

PRINCIPAL BANKERS

ICICI Bank, Calcutta Branch,
Rasoi Court, 20, Sir R. N. Mukherjee Road,
Kolkata – 700 001

REGISTRARS & SHARE TRANSFER AGENTS

MCS Limited
77/2A, Hazra Road,
Kolkata-700 029

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NOTICE

To All Members of the Company

NOTICE is hereby given that 29th Annual General Meeting of the Members of Polar Industries Limited will be held at Natya Shodh Sansthan situated at Natya Bhavan, EE 8 Sector-II Bidhan Nagar, Kolkata – 700 091 on Saturday the 29th day of September, 2012 at 10:00 A.M. to transact the following business:-

I) ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as on 31st March, 2012, Profit & Loss Account and the Cash Flow Statement for the Financial Year ended on that date and the Reports of the Directors' and the Auditor's thereon.
2. To appoint a director in place of Mr. Sunil Agarwal, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors to hold office from conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

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 224 and other applicable provisions, if any, of the Companies Act, 1956 M/s. Singhi & Co., Chartered Accountants (FRN 302049E), the retiring Statutory Auditors of the Company be and are hereby reappointed as the Statutory Auditors of the Company to conduct audit for the financial year 2012-2013 and to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at a remuneration to be decided mutually by the Chairman & Managing Director of the Company and the said Firm."

II. SPECIAL BUSINESS:

4. **To consider and, if though fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT Mr. Kishan Lal Sharma who was appointed as Additional Director of the Company by the Board to hold office upto the date of this Annual General Meeting and in respect of whom a notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose, Mr. Kishan Lal Sharma as a candidate for the office of the Director be and is hereby elected and appointed as a director of the Company, liable to retire by rotation."

5. **To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT in accordance with the provision of section 316, 269 read with Part I & Part III of Schedule XIII and other applicable provision, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to such other Statutory approvals, if any, as may be required, the consent of the Members of the Company be and is hereby accorded for re-appointment of Mr. Anil Kumar Agarwal as the Chairman & Managing Director of the Company for a period of three (3) years w.e.f. 1st April, 2012 without any remuneration on the terms and conditions as contained in the Agreement dated 1st April, 2012, an abstract whereof is set out in the Explanatory Statement relating to this resolution.

RESOLVED FURTHER THAT the Directors of the Company be and are hereby authorized to do such acts, deeds & things and to file necessary e-form to give effect to the aforesaid Resolution."

Registered office:
18, Rabindra Sarani, Poddar Court Building, Kolkata – 700 001

By Order of the Board
For **POLAR INDUSTRIES LTD.**

Dated : 14th day of August, 2012

Sd/-
Anil Kumar Agarwal
Chairman & Managing Director

NOTES:

1. 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, SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING i.e. BY 10.00 A.M. ON 27TH SEPTEMBER, 2012.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 20th September, 2012 to 29th September, 2012 (both days inclusive).
3. In terms of Article 98 of the Articles of Association of the Company, Mr. Sunil Agarwal, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Brief resume of Director, nature of his expertise in specific functional areas and names of Companies in which he hold Directorships and Memberships/Chairmanships of Board Committees, as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges in India, are provided in the Report on Corporate Governance forming part of the Annual Report. The Board of Directors of the Company recommends his re-appointment.
4. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting is annexed hereto and forms part of the notice.
5.
 - a) Members are requested to notify immediately any change of address to their Depository Participants in respect of their electronic share accounts, and to the Company and its Registrars & Share Transfer Agent, M/s. MCS Ltd., 77/2A, Hazra Road, Kolkata – 700 029 in respect of their holdings in physical mode.
 - b) In case the mailing address mentioned on the Annual Report is without the Pin Code, members are requested to kindly inform their Pin Code, immediately.
 - c) To quote their Registered Folio Nos. /Client ID Nos. in all correspondences with the Company/with the Registrars.
6. Non-resident Indian shareholders are requested to inform us immediately:
 - the change in the residential status on return to India for permanent settlement;
 - the particulars of NRI Account with a Bank in India, if not furnished earlier.
7. Members desirous of making nomination as permitted under Section 109A of the Companies Act, 1956 in respect of the shares held by them in the Company, can make the nomination in Form 2B.
8. Members holding more than one account, in the same name are requested to send the details of their folios along with the share certificates to the Company so as to enable us to consolidate their shareholdings into one folio.
9. Members who hold shares in Dematerialized Form are requested to write their Client ID and DP ID numbers and those who hold the shares in physical form are requested to write their folio number in Attendance Slip for easy identification of attendance at the Meeting.
10. Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting.
11. As an economy measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are, therefore, requested to bring their copies of Annual Report to the meeting.
12. Corporate Members intending to send their authorized representative are requested to send a duly certified true copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the meeting.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Agenda Item No. 4

To broad base the Board of Directors and to meet up with the requirement of section 252 of the Companies Act, 1956 Mr. Kishan Lal Sharma, was appointed by the Board as an Additional Director in the category of non-executive director of the Company w.e.f. 24th January, 2012 to hold office till the date of the ensuing Annual General Meeting.

The Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing his appointment for the office of the Director of the Company.

The Board recommends for the appointment of Mr. Kishan Lal Sharma and proposes to pass the resolution as set out in item No. 4 of the Notice as an Ordinary Resolution.

Except, Mr. Kishan Lal Sharma, none of the directors of the Company are interested or concerned in the resolution.

Agenda Item No. 5

Mr. Anil Kumar Agarwal had been appointed as the Chairman & Managing Director of the Company for a period of three (3) years w.e.f. 1st April, 2009 vide Board Resolution dated 27th May, 2009 and Special Resolution dated 21st August, 2009. The Company had sought Central Government's approval vide filing e-form 25A, vide SRN - A64447220. The Central Government vide letter dated 25th January, 2010 approved Mr. Agarwal's appointment for the said period of 3 years but approved remuneration for only two years, reason being non submission of the resolution of the Remuneration Committee.

On expiry of 2 (Two) years of his tenure, the Company upon personal request made by Mr. Anil Kumar Agarwal in this regard, did not approach the Central Government for further regularizing the remuneration payable to him for the remaining period of 1 year of his tenure as the Chairman & Managing Director of the Company. Thus Mr. Anil Kumar Agarwal continued as the Chairman & Managing Director of the Company for the remaining period of 1 year without any remuneration, in the best interest of the Company.

The term of office of Mr. Anil Kumar Agarwal as the Chairman & Managing Director of the Company expires on the 31st Day of March, 2012.

The Company in its Board Meeting held on 14th day of November, 2011 approved re-appointment of Mr. Agarwal as the Chairman & Managing Director of the Company for a further period of three (3) years w.e.f. 1st April, 2012 without any remuneration.

Pursuant to provision of Part III of Schedule XIII of the Companies Act, 1956 such re-appointment shall be subject to the approval of the shareholders of the Company in the ensuing Annual General Meeting (AGM) of the Company.

Mr. Anil Kumar Agarwal is a B. Com (Hons.) by qualification. He is the promoter of Polar Industries Ltd. which was established in 1982 under the flagship of the Polar group. He is also the Managing Director of Polar Pharma India Ltd. since September 1, 2005 and serves as Chairman of its Board. He has a rich experience in the field of finance, production, technology, commerce, marketing, administration, labour relations etc.

The Board feels that the Company would benefit immensely from his knowledge and experience and thus recommends the resolution for your approval.

The Agreement between the Company and Mr. Anil Kumar Agarwal is available for inspection on any working day of the Company between 11:00 am to 1:00 pm only at the Registered Office of the Company.

The terms as given above may also be regarded as an abstract under section 302 of the Companies Act, 1956.

Mr. Anil Kumar Agarwal and Mr. Sunil Agarwal are considered interested in this resolution as set out in item no. 5 of the notice which pertains to Mr. Anil Kumar Agarwal's re-appointment as the Chairman & Managing Director of the Company.

Other Directors are deemed to be concerned or interested in this resolution to the extent of their shareholding in the Company.

Registered office :

18, Rabindra Sarani, Poddar Court Building, Kolkata – 700 001

Dated : 14th day of August, 2012

By Order of the Board
For **POLAR INDUSTRIES LTD.**

Sd/-
Anil Kumar Agarwal
Chairman & Managing Director

DIRECTORS' REPORT

To
The Members,

Directors of the company have pleasure in submitting the 29th Annual Report of the Company together with Audited Accounts for the period ended 31st March 2012. A brief summary of financial results and other operational aspects are being detailed herein as under;

FINANCIAL RESULTS

| Particulars | 31st March 2012 | 31st March 2011 (Rs. In Lacs) |
|---|--------------------|-------------------------------------|
| Total Income | 120.87 | 152.30 |
| Profit/(Loss) before Depreciation, | | |
| Interest & Tax | (465.31) | (69.69) |
| Less: Depreciation | 12.84 | 14.56 |
| Interest | 80.40 | 32.76 |
| Principal Amount of Loan & Interest Written Back | - | 501.54 |
| Profit/ (Loss) before Tax | (558.56) | (117.01) |
| Less: Provision for Taxation | | |
| - Current Tax | | - |
| - Fringe Benefit Tax | | - |
| Profit/(Loss) after Tax | (558.56) | (117.01) |
| Transfer from Debenture Redemption Reserve | | - |
| Profit/(Loss) brought forward from | | |
| previous period | (14328.53) | (14712.57) |
| Loss carried forward to Balance Sheet | (14887.09) | (14328.03) |

Restructuring of Secured Debts

One Time Settlement (OTS) of all the secured debts of the Company was sanctioned at Rs. 32 Crores under Corporate Debt Restructuring (CDR) mechanism followed by individual sanction from the lenders.

In the meanwhile, Asset Reconstruction Company (India) Ltd. (ARCIL) has acquired the debts of all the secured lenders except IIBI and have restructured the total secured debts of Rs.95.22 Crores as on 31.03.2008.

As per ARCIL's sanction, the Company allotted 30,74,300 equity shares at par for Rs.3.07 Crores to ARCIL and the balance debt of Rs. 59 Crores would be repaid over a period of 5 years between 2008-2013.

The Company in spite of all efforts could not infuse working capital into the system on time. The Company unable to bring in required working capital pruned down its structure to almost half by closing down various divisions other than the core business of fans, with only one Fan unit remaining.

The Company has received letters under Section 13(2) & 13(4) of the SARFAESI Act, 2002 from ARCIL. The Company

has considered One Time Settlement of dues with ARCIL and the same is under discussion.

DIRECTORATE

In accordance with the provisions of Article 98(1) of the Articles of Association of the Company, Mr. Sunil Agarwal will retire by rotation in the ensuing Annual General Meeting of the Company and being eligible, offers himself for re appointment. The Board recommends his re appointment.

Mr. Shashank Prashad who had been appointed as Director in the last Annual General Meeting held on 28th September, 2011 after ceasing to be Additional Director resigned from the Directorship of the Company w.e.f. 14th January, 2012.

Mr. Uday Chand Kungilwar resigned from the Directorship of the Company w.e.f. 25th January, 2012.

In order to Broad Base the Board of Directors and to meet up with the requirement of section 252 of the Companies Act, 1956, Mr Kishan Lal Sharma, was appointed as an Additional Director in the category of non-executive director of the Company w.e.f. 24th January, 2012 & holds office upto the ensuing Annual General Meeting of the Company. The Company has received notice from a member pursuant to Section 257(1) of the Companies Act, 1956 signifying his intention to propose the candidature of Mr. Kishan Lal Sharma for the office of Director. The Board recommends for the appointment of Mr. Kishan Lal Sharma as a candidate for the office of Director liable to retire by rotation.

Mr. Anil Kumar Agarwal's tenure as the Chairman & Managing Director of the Company expires on 31.03.2012. The Company in its Board Meeting held on 14th November, 2011 has re-appointed him as the Chairman & Managing Director of the Company for a period of 3 years w.e.f. 01.04.2012 subject to the approval of the Shareholders in the ensuing Annual General Meeting of the Company. The Notice convening the Annual General Meeting contains the Ordinary Resolution along with the Explanatory Statement to that effect. The Board recommends his re appointment.

The brief resume details relating to directors who are to be appointed/ re-appointed are furnished in the Corporate Governance Report which forms part of separate section of Annual Report.

AUDITORS

M/s. Singhi & Co., Chartered Accountants, (FRN 302049E) Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment as Statutory Auditor of the Company. A certificate, required under Section 224(1B) of the Companies Act, 1956 to the effect that, the re-appointment, if made, shall be within the limits specified in the said section, has been obtained from them.

AUDITOR'S OBSERVATIONS

The company has been legally advised that as the company replaced the debt represented by the debentures by a Memorandum of Understanding entered into with the so-called Debenture Holder (references to Debenture Holder below are, therefore, only for ease of reference), the said MoU amounted to replacement of the debt acknowledged by the debentures by a new contractual debt, the terms of which were incorporated in the MoU. Such new terms were neither incorporated on the debenture certificate, nor done with the concurrence of the debenture trustee. Hence, the debentures have effectively been replaced by a new contractual debt, which is not a "security" as defined in sec. 2(45AA) of the Securities Contract Regulation Act, and hence, not a "debenture" as defined in sec. 2 (12) of the Companies Act.

In any case the disqualification of Directors u/s 274(1) (g) of the Companies Act, 1956 is for a maximum period of 5 years. Two Directors of our Company attracted disqualification on 31.03.2006. Hence the period of 5 years expires on 31.03.2011.

In respect of Auditor's Observations regarding debt acquired by ARCIL without prejudice to the contentions of the company as to legality of ARCIL's actions, ARCIL has enforced security interest on one of the company's property, effect of which has been given in this account. The right of ARCIL, if any, to recall the loan or demand any other payment is equivalent to rights of an unsecured creditor, which is no different from the rights of the original lenders from whom these loans were acquired by ARCIL. The loans/debts were reportedly acquired by ARCIL in year 2008, and the company has been carrying on business since then. In the opinion of the Board, there is no significant change in circumstances that impairs or affects the ability of the company to carry on its business.

In respect of Auditor's Observation regarding sale of residential property by ARCIL it may be noted that the required information is pending from ARCIL w.r.t. the sale consideration of Company's residential property situated at A-8 Maharani Bagh, New Delhi – 110 065 the Company has considered a minimum reserve price of Rs. 27.50 crores for the purpose of provisional adjustment in the books of accounts.

In respect of Auditor's observations regarding valuation of finished goods stock for Rs. 86,40,825 pertaining to the discontinued business segment and non provision of interest, demurrages etc. on the goods lying in the custom bonded warehouse it may be noted that the Company is taking necessary steps to liquidate the same at best resalable value

In respect of Auditor's observations regarding the account has been prepared on going concern basis, it may be noted that the management feels that due to likely impact on the restructuring, induction of working capital and future profitability on the net worth, the Company will be able to revive itself.

In respect of Auditor's Observations regarding non-provision and non-ascertainment of interest/penalties on various outstanding statutory dues it may be noted that the Company will provide the said liabilities if the same arises in future in the books of accounts.

Regarding mortgage of property in favor of a corporative bank as a collateral security for obtaining loan by a body corporate for which share holder approval not obtained by the company, the Company is of the opinion that the mortgage created was an equitable mortgage and the provision of section 293(1)(a) of the Companies Act, 1956 requiring approval of the shareholders of the Company is not attracted when an equitable mortgage is created on a companies property, for the same does not amount to disposal of 'undertaking' of the Company. Hence the Shareholders approval was not taken.

In respect of Auditor's observation that in accordance with the explanations given to them and considering their observations in vi above, the Company's accounts read together with notes thereon, do not give the information required by the Companies Act, 1956, in the manner so required and not give a true and fair view in conformity with the accounting principles generally accepted in India; it may be noted that mentioned above is the point wise explanation to all the Auditor's observation raised in pt. no. (vi) of the Auditor's Report which goes on to explain that the Company's accounts read together with the notes thereon, do give the information required by the Companies Act, 1956, in the manner so required and do give a true and fair view in conformity with the accounting principles generally accepted in India.

In respect of Auditor's Observation regarding non filing of Return of Deposits it may be noted that the Company has discontinued accepting deposit from the public since long and all the remaining amount to be transferred to the Investor Education & Protection Fund account has been transferred in the last year itself and therefore nothing as on date is due to be transferred to the Investors Education and Protection Fund.

In respect of Auditor's Observation regarding the Company having no internal audit system during the year, it may be noted that there were no such major activities in the company in the year concerned which might call for conducting internal audit in a major scale, the company do have internal audit, commensurate with the size and activity of the company.

In respect of Auditor's Observation regarding Company not regular in depositing undisputed statutory dues, it may be noted that the Company despite of its best efforts, due to cash crunch, was not regular in payment of statutory dues. The Company is taking steps to pay undisputed outstanding statutory dues which are due for more than six months, out of the fresh funds to be infused.

The other notes to the accounts referred to in the Auditor's Report are self-explanatory.

COST AUDIT

The Company has made an application to the Advisor Cost, Govt. of India, Ministry of Corporate Affairs, Cost Audit Branch, praying for exemption from maintaining the Cost records and for conducting of Cost Audit for the year 2009-10 and 2010-11 due to low operational activities of the Company. Central Government's relief to the same is awaited.

Seeing through the company's continued low operational activities the company will also apply for exemption from conducting Cost Audit from the year 2011-12 and onwards.

In the above view and also because of the Company's low operational activities the Company has taken a call of not appointing Cost Auditor for the Financial Year 2012-2013.

SHARE CAPITAL

The Final Listing approval for allotment of 30,74,300 equity shares to Asset Reconstruction Company (India) Ltd. (ARCIL) as a part settlement towards restructuring the total secured debts of the Company by ARCIL from Bombay Stock Exchange Limited and National Stock Exchange of India Limited is awaited.

DEPOSITS

The Company's Public deposit scheme closed long back. There was no failure to make repayments of Fixed Deposits on maturity and the interest due thereon in terms of the conditions of the Company's erstwhile schemes.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed report on Management Discussion and Analysis is provided as a separate chapter in the Annual Report.

DIVIDEND

In view of the huge losses incurred by the Company in the previous years, your Directors express regret for not declaring any dividend for the year under review.

COMPLIANCE OF ALL LAWS

The Company has devised a proper system to ensure compliance of all laws applicable to the Company.

CORPORATE GOVERNANCE

The Code of Corporate Governance has already been implemented as per the listing agreements and a separate note on Corporate Governance has been given. The certificate of the Auditors, M/s. Singhi & Co. regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange in India is annexed along with this report.

The Chairman & Managing Director has certified to the Board w.r.t financial reporting, in the manner required under the Clause 49 of the Listing Agreement concerning the annual financial statement.

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars required under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure

of Particulars in the Report of the Board of Director) Rules, 1988 are set out in Annexure-I forming part of this Report.

PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 2011, as amended, regarding employees is given as Annexure II to the Directors' Report.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Sub-section (2AA) of section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that:

- i) in the preparation of annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii) 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 a true and fair view of the state of affairs of the Company at the end of financial year and the profit and loss of the Company for that period;
- iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) the directors have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to thank all investors, business partners, clients, banks, regulatory foreign authorities and Stock Exchanges for their continuous support.

Registered office: 18, Rabindra Sarani
Poddar Court Building, Kolkata – 700 001

For and on behalf of the Board
Sd/-
Anil Kumar Agarwal
Chairman & Managing Director

Dated : 14th day of August, 2012

Annexure I**TO THE DIRECTORS' REPORT**

Information required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, for the period ended March 31, 2012.

FORM-A**Conservation of Energy**

The Company's operations involve low energy consumption. Wherever possible, energy conservation measures have already been implemented and there are no major areas where further energy conservation measures can be taken. However, efforts to conserve and optimize the use of energy through improved operational methods and other means will continue.

FORM-B

Form of disclosure of particulars with respect to Absorption of Technology Research & Development (R&D).

Research & Development (R&D)**1. Specific areas in which R&D carried out by the Company :**

The R&D efforts of the Company are directed towards quality control, improvements/up-gradation of existing production methods and development of new products.

2. Benefits derived as result of the above R&D:
Improvement in product quality, reduction in consumption of raw materials with cost effectiveness, development of new models.**3 Future Plan of Action :**

To continue with the above line of action.

4 Expenditure on Research and Development

| Particulars | (Rs in lacs) | |
|--|------------------------------|------------------------------|
| | 12 months Period ended | 12 months Period ended |
| | 2011-12 | 2010-11 |
| A Capital (Deferred) | - | - |
| B. Recurring | - | - |
| C. Total | - | - |
| D. Total R & D expenditure as a percentage of total turnover | - | - |

Technology absorption, adaptation and innovation**1. Efforts in brief, made towards technology absorption, adaptation and innovation.**

There is constant endeavor to achieve consistent end product performance with less & less material consumption

2. Benefits derived as a result of the above efforts eg. product improvement, cost reduction, product development, import substitution etc

Company has been able to produce products at a reduced cost.

3. In case of imported technology (imported during the last five years reckoned from the beginning of the financial year) following information may be furnished.

- Technology imported
- Year of Import
- Has technology been fully absorbed?
- If not fully absorbed, areas where this has not taken place, reasons thereof and future plans & action.

Not applicable as the Company has indigenous technology.

**Annexure II
TO THE DIRECTORS' REPORT****Statement pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 2011**

None of the personnel are in receipt of remuneration aggregating not less than Rs. 5,00,000 per month and employed for the part of the year.

Registered office: For and on behalf of the Board

18, Rabindra Sarani
Poddar Court Building,
Kolkata – 700 001

Sd/-
Anil Kumar Agarwal
Chairman & Managing Director

Dated : 14th day of August, 2012

MANAGEMENT DISCUSSIONS & ANALYSIS REPORT**1. RESTRUCTURING OF SECURED DEBTS**

One Time Settlement (OTS) of all the secured debts of the Company was sanctioned at Rs. 32 Crores under Corporate Debt Restructuring (CDR) mechanism followed by individual sanction from the lenders.

In the meanwhile, Asset Reconstruction Company (India) Ltd. (ARCIL) has acquired the debts of all the secured lenders except IIBI and have restructured the total secured debts of Rs.95,22 Crores as on 31.03.2008.

As per ARCIL's sanction, the Company allotted 30,74,300 equity shares at par for Rs.3.07 Crores to ARCIL and the balance debt of Rs. 59 Crores would be repaid over a period of 5 years between 2008-2013.

The Company in spite of all efforts could not infuse working capital into the system on time. The Company unable to bring in required working capital pruned down its structure to almost half by closing down various divisions other than the core business of fans, with only one Fan unit remaining.

The Company has received letters under Section 13(2) & 13(4) of the SARFAESI Act, 2002 from ARCIL. The Company has considered One Time Settlement of dues with ARCIL and the same is under discussion.

2. Consolidation of Manufacturing Units

The Company's one manufacturing unit at Noida, is presently under the possession of ARCIL. The said unit was already seized by the UP Sales Tax Department. This has affected the Company resulting in generating low operational activities.

3. Opportunities & Threats**Opportunities**

- * The macro economic policies of the government and continuous emphasis on infrastructure activities have lead to the booming housing sector.
- * Urbanization & Rural Prosperity due to agro-revolution has improved the rural economy. Also, the aspiration level has improved by media and advertising, there is a vast scope of fans, as essential items in rural and semi –urban areas.
- * One of the major opportunities is Conversion from Unorganized sector. There is a shift in consumer mindset from low priced non-branded products to branded (value for money).
- * The small appliances market is growing vigorously and offers an equal opportunity to grow.
- * Polar has very strong Brand Recall, its Brand Identity and Brand Personality is well known and hence creating awareness for sub-brands of each product segment will not entail much time, effort and cost.

Threats

- * A major threat for the branded fan manufacturers has been the lack of government regulations for curbing unscrupulous manufacturers producing and selling duplicate fans of renowned brands. This primarily should be the responsibility of the government to curb the development and growth of these manufacturers.
- * The most challenging and uphill task before the Company is to restructure its operations and regain lost market share from its close competitors.

4. Internal control systems & their adequacy

The accounting and administrative controls established by the Company are appropriate to the size and nature of the business of the Company.

The Company has adequate internal checks in day to day transactions and proper checks and balances in its accounting procedure and practice, to eliminate frauds.

The Company has system of adequate audit to ensure that accounting and other allied records have been maintained properly. Budgets are prepared for each segment separately on monthly and yearly basis. Actual performances nowhere have been near to budget as the inflow of funds has never been in line with the budget.

The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets. The fixed assets of the Company are physically verified by the management at regular intervals.

5. Cautionary Statement

Statements in the Management Discussion and Analysis may be “forward looking statement” which may be identified by the use of words in that direction or connoting the same.

Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation include economic conditions affecting demand/supply and price conditions in the markets in which the Company operates, changes in government regulations, policies, tax laws and other statutes and other incidental factors. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events.

For and behalf of the Board of Directors

sd/-

Anil Kumar Agarwal
Chairman & Managing Director

Place : Kolkata

Date : 14th August, 2012

REPORT ON CORPORATE GOVERNANCE FOR THE PERIOD 01.04.2011 TO 31.03.2012**1) Company's philosophy on Corporate Governance**

Polar's philosophy on Corporate Governance envisages the attainment of transparency, accountability and equity, in all facets of its operations, and in all its interactions with its stakeholders, including shareholders, employees and lenders. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, over a sustained period of time.

2) Board of Directors

The composition of the board of directors of the Company is as given below :

| Name | Category | Director (Independent) | Designation | Attendance in Board Meeting Held Attended | Attendance In last AGM | Other Directorship | Committee Membership (Membership in Audit Committee and Shareholders' Grievance Committee has been considered) | Committee Chairmanship (Chairmanship in Audit Committee and Shareholders' Grievance Committee has been considered) | Shareholding |
|--------------------------------|----------|------------------------|-------------|---|------------------------|--------------------|--|--|--------------|
| 1. Mr. Anil Agarwal | PD | No | CMD | 4 4 | Yes | 3 | 2 | - | 2730178 |
| 2. Mr. Sunil Agarwal | PD | No | NED | 4 4 | Yes | 1 | 3 | 1 | 167512 |
| 3. Mr. Shashank Prashad (a) | NPD | Yes | IND | 3 3 | Yes | 5 | 2 | 1 | 1071 |
| 4. Mr. Uday Chand Kungilwar(b) | NPD | Yes | IND | 3 3 | Yes | - | 1 | - | - |
| 1. Mr. Kishan Lal Sharma (c) | NPD | No | NED | 1 1 | - | 1 | 3 | - | - |

a) Mr. Shashank Prashad had been appointed as Director in the last Annual General Meeting held on 28th September, 2012 after ceasing to be Additional Director. He resigned from the Directorship of the Company w.e.f. 14th January, 2012.

b) Mr. Uday Chand Kungilwar resigned from the Directorship of the Company w.e.f. 25th January, 2012.

c) Mr. Kishan Lal Sharma was appointed as an Additional Director w.e.f. 24th January, 2012 subject to regularization by the shareholders at the ensuing Annual General Meeting.

(PD: Promoter Director, NPD: Non Promoter Director, NED: Non Executive Director, ND: Nominee Director, IND: Independent Director WTD: Whole Time Director CMD: Chairman & Managing Director)

During the year, four board meetings were held on (i) 14.05.2011, (ii) 10.08.2011, (iii) 14.11.2011 (iv) 14.02.2012. The maximum time gap between any two meetings did not exceed four calendar months.

No pecuniary transactions have been entered into with any of the Non-Executive Directors of the Company save and except the payment of sitting fees to the Independent and Non-Executive Directors for attending the Meetings of the Board and the Committees with which they are associated.

Non executive Directors' compensation and disclosures

In accordance with the decision of the Board of Directors, only sitting fees is paid to independent directors/ non-executive directors for attending Meetings of the Board/the Committees of which they are members.

Code of Conduct

The Board of Directors has adopted the Code of Ethics and Business Conduct with effect from 28.01.2005 for Directors and Senior Management. The said Code has been communicated to the Directors and Members of the Senior Management. For the year under review, all the Directors and Senior Management Members have confirmed their adherence to the provisions of the said Code. A declaration to the effect that the Directors and Senior Management Personnel have adhered to the same, signed by the CMD of the Company is attached to this Report.

Re-appointment / Appointment of Directors

The details of Director seeking re-appointment as Director / appointment as Director after ceasing to be Additional Director at the Annual General Meeting are as follows:-

| | |
|---|---|
| Name of the Director | Mr. Sunil Agarwal |
| Brief Resume | Mr. Sunil Agarwal, son of Late Sajjan Kumar Agarwal is 52 years old and resides at 5C, Alipore Park Road, Kolkata – 700027. He is B.Com (Hons.) by qualification. He is an Industrialist. Mr. Sunil Agarwal has been the Vice Chairman and Whole time Director of Polar Pharma India Limited since July 30, 2007. Mr. Sunil Agarwal serves as the Vice Chairman of the Company and as a Non-Executive Director since January 20, 1990. He is a person of great integrity; his devotion in his work reflects his grit and determination to overcome every hurdle that comes his way. His excellent analytical abilities and competence to oversee all activities has helped in taking prompt business decisions. He is the brother of Mr. Anil Kumar Agarwal, the Chairman & Managing Director of the Company. |
| Qualifications | B.Com (Hons.) |
| Date of Birth | 11.05.1960 |
| Date of Appointment | 20.01.1990 |
| Expertise in specific functional areas | Industrialist |
| Shareholding in the Company | 167512 (0.79%) |
| List of outside Directorship held | a) Polar Pharma India Ltd. – Whole Time Director |
| Chairman/Member of the Committee of the Board of Directors of the Company | 1. Shareholders' Grievance Committee – Chairman 2. Hardship Committee – Chairman 3. Audit Committee – Member 4. Remuneration Committee – Member 5. Share Allotment Committee – Member |
| Chairman/Member of the Committee of other companies in which he is a Director | a) Polar Pharma India Ltd. 1. Share Transfer Committee – Chairman 2. Audit Committee – Member |
| Name of the Director | Mr. Kishan Lal Sharma |
| Brief Resume | Mr. K.L. Sharma, son of Nath Mal Sharma aged 53 years resides at 31/5/A, Bhujanga Dhar Road, 29, Liluah, Howrah - 711204. He is B.Com by qualification. Apart from academic qualification, his practical and professional expertise is more fully reflected in the valuable advises he gives. |
| Qualifications | B.Com |
| Date of Birth | 01.10.1959 |
| Date of Appointment | 24.01.2012 |
| Shareholding in the Company | - |
| Expertise in specific functional areas | Industrialist |
| List of outside Directorship held | a) Polar Phama India Ltd. |
| Chairman/Member of the Committee of the Board of Directors of the Company | 1. Audit Committee – Member 2. Shareholders' Grievance & Share Transfer Committee – Member |
| Chairman/Member of the Committee of other companies in which he is a Director | a) Polar Pharma India Ltd. 1. Audit committee - Member 2. Selection Committee – Member 3. Remuneration Committee – Member |

| | |
|---|---|
| Name of the Director | Mr. Anil Kumar Agarwal |
| Brief Resume | Mr. Anil Kumar Agarwal, son of Late Sajjan Kumar Agarwal is 56 years old and resides at A-8, Maharani Bagh, New Delhi – 110065. He is B. Com (Hons.) by qualification. He is the promoter of Polar Industries Ltd. which was established in 1982 under the flagship of the Polar group, which is primarily a ceiling-fan producer, but has re-fashioned itself into an electro-mechanical syndicate by diversifying into synergical products like fractional horse power (FHP) motors and water/chemical lifting pumps. Mr. Anil Kumar Agarwal serves as the Chairman and Managing Director of Polar Industries Ltd. Mr. Agarwal has also been the Compliance Officer of Polar Industries since January 11, 2012. He has been the Managing Director of Polar Pharma India Ltd. since September 1, 2005 and serves as its Chairman of the Board. |
| Qualifications | B.Com (Hons.) |
| Date of Birth | 16.09.1956 |
| Date of Appointment | 16.12.1983 |
| Expertise in specific functional areas | Industrialist |
| Shareholding in the Company | 2730178 (12.88%) |
| List of outside Directorship held | a) Polar Pharma India Ltd. – Chairman-cum-Managing director b) Sheffield Appliances Ltd. – Director c) Polar LLC (Virginia Limited Liability Company) -Director |
| Chairman/Member of the Committee of the Board of Directors of the Company | 1. Audit Committee – Member 2. Remuneration Committee – Member 3. Financial Review Committee – Member 4. Share Allotment Committee – Member 5. Assest Sale Committee - Chairman |
| Chairman/Member of the Committee of other companies in which he is a Director | a) Polar Pharma India Ltd. 1. Shareholders' Grievance Committee – Member 2. Selection Committee - Member |

3. **Audit Committee**

The composition of the Audit Committee was in accordance with the provisions of Clause 49 (II) (A) of the Listing Agreement with the Stock Exchanges and that of Section 252 of the Companies Act, 1956 until the resignation of Mr. Shashank Prasad and Mr. Uday Chand Kungilwar, Independent Directors of the Company w.e.f. 14th January, 2012 & 25th January, 2012 respectively, from the Directorship of the Company. At present the Committee consists of Two Non-Executive Directors and One Executive Director. Mr. Anil Kumar Agarwal, Mr. Sunil Agarwal and Mr. Kishan Lal Sharma are the Members of the Committee.

Mr. Shashank Prasad continued as the Chairman of the Audit Committee till 14.01.2012. Thereafter Mr. Sunil Agarwal became the Chairman of the Audit Committee w.e.f. 25.01.2012.

All the Committee Members are financially literate and all of them have accounting and financial management expertise.

The Internal Auditors and the Representatives of the Statutory Auditors and such other officials of the Company are invited to attend the Audit Committee Meetings as and when required.

The Minutes of the Audit Committee Meetings are noted by the Board of Directors in their subsequent Meeting.

The Committee met four times during the year under review on (i) 14.05.2011, (ii) 10.08.2011, (iii) 14.11.2011 (iv) 14.02.2012

Attendance of Members at the Meeting of the Audit Committee

| Name of the Directors | No. of Meetings | |
|--|-----------------|----------|
| | Held | Attended |
| 1. Mr. Anil Kumar Agarwal | 4 | 4 |
| 2. Mr. Shashank Prashad (Resigned w.e.f. (14.01.2012) | 3 | 3 |
| 3. Mr. Uday Chand Kungilwar (Resigned w.e.f. 25.01.2012) | 3 | 3 |
| 4. Mr. Sunil Agarwal (w.e.f. 25.01.2012) | 1 | 1 |
| 5. Mr. Kishan Lal Sharma (w.e.f. 25.01.2012) | 1 | 1 |

The terms of reference of the Audit Committee are in conformity with the revised requirements of Clause 49 of the Listing Agreement read in conjunction with section 292A of the Companies Act, 1956.

The Audit Committee has been vested with the following powers:

- a) to investigate any activity within its terms of reference;
- b) to seek information from any employee;
- c) to obtain outside legal or other professional advice;
- d) to secure attendance of outsiders with relevant expertise, if it considers it so necessary.

Terms of Reference:

Role of Audit Committee:

The role of the Audit Committee is as follows:

- a) to oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) to recommend the appointment and removal of external auditor, fixation of audit fees and also approval of payment for any other services;
- c) reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
 - i) any changes in accounting policies and practices;
 - ii) major accounting entries based on exercise of judgment by management;
 - iii) qualifications in draft audit report;
 - iv) significant adjustments arising out of audit findings;
 - v) the going concern assumption;
 - vi) compliance with accounting standards;
 - vii) compliance with stock exchange and legal requirements concerning financial statements;
 - viii) any related party transactions, i.e., transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large;
- d) reviewing with the management, external and internal auditors, the adequacy of internal control systems;
- e) reviewing with the management the quarterly financial statements before submission to the Board;
- f) reviewing the adequacy of internal audit function and frequency of internal audit;
- g) discussion with internal auditors on any significant findings and follow up thereon;
- h) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- i) discussion with external auditors before the audit commences, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern;
- j) to look into the reasons for substantial defaults, if any, in the payment of the depositors, debenture holders and creditors.

Review of Information by the Audit Committee:

The Audit Committee shall mandatorily review the following information:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters/letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit report relating to internal control weaknesses;
- e) The appointment, removal and terms of remuneration of the Internal Auditor;
- f) The Company's financial risk management policies.

4. Remuneration Committee

The members of the Remuneration Committee are:

1. Mr. Sunil Agarwal
2. Mr. Anil Kumar Agarwal

The remuneration policy of the Company for managerial personnel is decided by the Remuneration Committee on the basis of track record, potential and performance of individual managers.

During the period, no remuneration committee meeting was held.

The appointment of Executive Directors are governed by resolutions passed by the board of directors and the shareholders of the Company, which covers the terms and conditions of such appointment. Payment of remuneration to Executive Directors are governed by the respective agreements executed between them and the Company, subject to Central Government approval, if required.

Details of remuneration paid to all Directors for the year ended 31.03.2012 :**(i) Executive Director –Whole-time Director/Managing Director**

Mr. Anil Kumar Agarwal, Chairman & Managing Director of the Company has not been paid any remuneration for the year under review.

Mr. Anil Kumar Agarwal was appointed w.e.f. 1st April, 2009 for a period of 3 years. Central Government vide letter dated 25/01/2010 approved his appointment for a period of three years but gave approval for remuneration for a period of two years only. The Company upon personal request made by Mr. Anil Kumar Agarwal in this regard, has not approached the Central Government for regularizing the remuneration payable to him for the remaining period of 1 year of his tenure as the Chairman & Managing Director of the Company. Thus Mr. Anil Kumar Agarwal has continued as the Chairman & Managing Director of the Company for the remaining period of 1 year i.e. from 01.04.2011 – 31.03.2012 without any remuneration, in the best interest of the Company.

(ii) Non-Whole-Time/Non-Executive Director

The Company has, during the 12 months period ended 31.03.2012, paid sitting fees for attending Board and Audit Committee Meetings to the Non Executive Directors as follows:

| Name of the Directors | Sittings Fees paid for attending Board Meeting and Audit Committee Meetings |
|-----------------------------|---|
| 1. Mr. Shashank Prashad (a) | 4000 |
| 2. Mr. Uday Chand Kungilwar | 6000 |
| 3. Mr. Sunil Agarwal | - |
| 4. Mr. Kishan Lal Sharma | 2000 |

(a) Mr. Shashak Prasad has been paid sitting fees for attending 2 Audit Committee Meetings & Board Meetings dated 14th May, 2011 & 10th August, 2011. The Company received a personal request from him requesting to do away with payment of sitting fees. The company took note of the same in its meeting held on 10th August, 2011 and consented to do away with the payment of sitting fees to him for attending Board and Committee Meetings in future.

(b) Non-Executive Directors are being paid sitting fees of Rs. 1000/- for attending each Board Meeting and Audit Committee Meeting.

(c) Neither any Stock option was issued nor was any bonus paid to any Directors. No severance fee is payable to Directors and there was no Notice Period.

(d) There has been no pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the Company during the year under review.

(e) There is no performance linked incentive paid to the Executive Directors.

5. Remuneration Policy

- (i) The remuneration of employees include basic remuneration and perquisites.
- (ii) The remuneration policy is well structured and directed towards rewarding performance based on periodical review. The component of the total remuneration varies for different grades, qualifications and experience of the employee, responsibilities undertaken by him and his individual performance, etc. and is driven by industry norms.
- (iii) The objectives of the remuneration policy are to motivate, record merit and retain talent.

6. Share Transfer Committee & Shareholders' Grievance Committee

The Committee looks into redressal of shareholders' complaints like transfer of shares, non-receipt of declared dividends, non-receipt of Balance Sheet, etc. The Committee oversees the performance of the Registrar and Share Transfer Agents and recommends measures for overall improvement in the quality of investor services.

The Constitution of Share Transfer & Shareholders Grievance Committee is as under :-

| Members | Particulars |
|---------------------------|-------------|
| (1) Mr. Sunil Agarwal | Chairman |
| (2) Mr. Kishan Lal Sharma | Member |

The total number of complaints received and replied to the satisfaction of the shareholders during the year ended March 31, 2012 were 12. There were no complaints outstanding as on March 31, 2012.

Mrs. Samta Agarwal, Company Secretary and the Compliance Officer of the Company has placed her resignation citing personal reason w.e.f. 10th January, 2012.

Mr. Anil Kumar Agarwal, Chairman & Managing Director of the Company has been appointed as the Compliance Officer of the Company w.e.f. 11th January, 2012

The Company has been trying its best to appoint another Company secretary at the earliest.

7. General Body Meetings

The last three Annual General Meetings were held as under:-

| Year | Date | Time | Venue | Whether any special resolutions passed |
|---|------------|------------|--|--|
| 2010 – 2011 period of 12 months (01.04.2010 – 31.03.2011) | 28.09.2011 | 10.00 A.M. | "Natya Shodh Sansthan", Natya Bhawan, EE- 8, Sector – II, Bidhan Nagar, Kolkata - 700091 | Yes |
| 2009- 2010 period of 12 months (01.04.2009 – 31.03.2010) | 24.09.2010 | 3.30 P.M. | "Aikatan", IA-209, Sector – III, Salt Lake, Kolkata – 700 097 | Yes |
| 2008 – 2009 period of 12 months (01.04.2008- 31.03.2009) | 21.08.2009 | 10:00 A.M. | Merchants' Chamber of Commerce, 15B, Hemanta Basu Sarani, Kolkata – 700 001 | Yes |

Postal Ballot:

The Company had on 18th August, 2011 issued Notice u/s 192A of the Companies Act, 1956, read with the Companies (Passing of Resolution by Postal Ballot) Rules 2011 for obtaining consent of the Shareholders of the Company through Postal Ballot to extend Corporate Guarantee in excess of the specified limit u/s 372A of the Companies Act, 1956 in favour of The Saraswat Co-Operative Bank Limited on behalf of M/s. Polaron Marketing Limited.

Voting Pattern and Procedure for Postal Ballot:

1. The Board of Directors of the Company, at its meeting held on 10th August, 2011, had appointed Mr. Vinod Kothari of Vinod Kothari and Company, as the Scrutinizer for conducting the postal ballot voting process in a fair and transparent manner.
2. The Company had completed on 18th August, 2011 the dispatch of postal ballot forms along with the business reply envelopes to its Members whose name(s) appeared on the Register of Members/list of beneficiaries as on 12th August, 2011.
3. All postal ballot forms received/receivable up to the close of working hours on 17th September, 2011., the last date and time fixed by the Company for receipt of the forms, had been considered for the scrutiny.
4. The Scrutinizer submitted his Report to the Chairman & Managing Director of the Company after completion of the scrutiny and the result of the voting by Postal Ballot were announced by the Chairman & Managing Director of the Company on 28th September, 2011 at the 28th Annual General Meeting of the Company held at Natya Shodh Sansthan, Natya Bhavan, EE-8, Sector II Bidhan Nagar, Kolkata – 700 091 at 10.00 a.m.
5. The result of the Postal Ballot was also put on the Notice Board and Website of the Company.

Details of Postal Ballot forms received, valid or invalid, as per the Scrutinizer's Report are as follows:

| Votes received as | Total Shares representing voting | Percentage of total votes casted |
|----------------------------|----------------------------------|----------------------------------|
| Assents to the Resolution | 6086805 | 83.72% |
| Dissents to the Resolution | 2550 | 0.04% |
| Defective Ballots | 1180901 | 16.24% |
| Total | 7270246 | 100 |

8. Disclosures:

- (a) Disclosure on material significant related party transactions i.e., transactions of the Company of a material nature with its promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large. Declarations have been received from the senior management personnel to this effect.**

The Company has entered into few transactions with the related parties (promoters, the Directors or the management, their subsidiaries or relatives, etc) the details whereof have been given in notes to the Accounts in the Annual Report. However these are not prejudicial to the interest of the Company. The material, financial and commercial transactions with related parties is reported to Audit Committee regularly.

- (b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years.**

None in the last three years.

- (c) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of Clause 49:**

The Company has duly complied with all the mandatory requirements of the Clause 49 pertaining to Corporate Governance of the Listing Agreement with the Stock Exchanges. However due to resignation of Mr. Shashank Prasad and Mr. Uday Chand Kungilwar, Independent Directors of the Company w.e.f. 14th January, 2012 & 25th January, 2012 respectively, from the Directorship of the Company, the composition of the Board of Directors as per clause 49(1)(A) of the Listing Agreement has been disturbed.

Presently the composition of the Board consists of two Non Executive Directors and one Executive Director.

As per clause 49 (I) (c) of the Listing Agreement with the Stock Exchanges, the Company is trying its best to maintain an optimum level of directorship by appointing another Independent Director so as to comply with the requirements of the listing agreement within the stipulated period of 180 days from the date of resignation of the said directors.

The company is continuously trying all avenues to appoint the requisite numbers of Independent Directors within the time frame prescribed in the Listing Agreement.

Adoption of Non-mandatory requirements of Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

9. CEO/CFO Certification:

The CMD has certified to the Board w.r.t. financial reporting, in the manner required under the Clause 49, concerning the Annual Financial Statement.

10. Means of communication

- a) Quarterly results are published in leading daily newspapers viz, 'Business Standard'/'Financial Express'(English) and 'Arthik Lipi'/'Duranta Barta' (Bengali). The Annual report is posted to every Shareholder of the Company.
- b) The Company has since the 28th Annual General Meeting started the green Initiative following the circulars issued by the Ministry of Corporate Affairs. The Company follows paper less compliance w.r.t. sending Annual Reports to the members who have registered their e-mail addresses with the Company's RTA. The Annual Report is also posted in the Company's Website i.e. www.polarinc.com.
- c) Management's Discussion & Analysis Report forms part of this Annual Report, which is also being posted to all Shareholders of the Company.
- d) The relevant information like financial information, compliance with corporate governance, etc. are also posted in the Company's website i.e. www.polarinc.com.
- e) Official news releases are given to the press from time to time.
- f) Presentations made to the institutional investors or to the analysts as and when required.

10. General Shareholders Information

10.1. Annual General Meeting

- Date and Time : 29th September, 2012 at 10.00 A.M.
- Venue : Natya Shodh Sansthan,
Natya Bhawan, EE-8, Sector II,
Bidhan Nagar, Kolkata-700 091

Financial Calendar (already published & tentative) :

| | |
|---|-------------------------------|
| First Quarter Results | Second week of August, 2012 |
| Second Quarter & Half Yearly Results | Second week of Nov, 2012 |
| Third Quarter & Nine Months Results | Second week of February, 2013 |
| Fourth Quarter & Annual Results | Fourth week of May, 2013 |
| AGM for the year ending March 31, 2013 | September, 2013 |

- 10.3. Book closure date : 20th September, 2012 to 29th September, 2012
(both days inclusive)

- 10.4. Dividend payment date : No dividend is recommended by
the Board of Directors for the year

- 10.5. Listing of Equity Shares on : Bombay Stock Exchange Ltd.
The National Stock Exchange of India Ltd.
- 10.6. (a) Stock Code : National Stock Exchange: POLARIND EQ
Bombay Stock Exchange: 504288
- (b) Demat ISIN Number in NSDL & CDSL for Equity Shares : ISIN No.INE057B01010
- 10.7. Stock Market Price of the Company's share

| 2011-2012 Month | National Stock Exchange (in Rs.) | | Bombay Stock Exchange (in Rs.) | |
|--------------------|-------------------------------------|-----------|-----------------------------------|-----------|
| | High Price | Low Price | High Price | Low Price |
| April, 2011 | 6.40 | 4.05 | 6.33 | 3.86 |
| May, 2011 | 5.00 | 4.05 | 5.04 | 3.92 |
| June, 2011 | 5.05 | 3.80 | 5.10 | 3.51 |
| July, 2011 | 8.25 | 4.85 | 8.30 | 4.09 |
| August, 2011 | 4.95 | 3.80 | 5.02 | 3.83 |
| September, 2011 | 4.60 | 3.65 | 4.69 | 3.62 |
| October, 2011 | 4.35 | 3.70 | 4.25 | 3.50 |
| November, 2011 | 4.25 | 2.85 | 4.45 | 2.80 |
| December, 2011 | 3.40 | 2.50 | 3.55 | 2.55 |
| January, 2012 | 3.75 | 2.50 | 3.85 | 2.73 |
| February, 2012 | 5.20 | 3.25 | 5.10 | 3.26 |
| March, 2012 | 3.80 | 2.55 | 3.85 | 2.51 |

10.8. Registrar and Transfer Agents :

M/s. MCS Limited, 77/2A, Hazra Road, Kolkata - 700 029 (Tel. No.:- 2454-1892/3), a SEBI Registered Registrar, are the Registrar & Share Transfer Agent of the Company and are processing the transfers, sub-division, consolidation, splitting of securities, etc. The Company's shares can be traded in the Stock Exchanges only in the dematerialized form and any request for dematerialization and rematerialisation should be sent directly to M/s. MCS Limited, 77/2A, Hazra Road, Kolkata - 700 029. The Company has already entered into agreements with NSDL and CDSL for the purpose of dematerialization of shares.

10.9. Share Transfer System

Presently, the request for share transfers which are received in physical form are processed and the share certificates returned within a period of 10 to 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

10.10 Shareholding Pattern and Distribution of Shareholding as on 31st March, 2012:

Shareholding Pattern as on 31st March, 2012:

| Shareholders | No of shareholders | No of shares held | Percentage to total issued shares |
|---|--------------------|-------------------|-----------------------------------|
| Promoter Group | 13 | 7548273 | 35.60 |
| Financial Institution/ Banks/ Mutual Funds | 7 | 4853159 | 22.89 |
| NRIs | 30 | 25996 | 0.12 |
| Private Bodies Corporate | 263 | 1677151 | 7.91 |
| Individual Public | 10833 | 7097489 | 33.48 |
| T O T A L | 11146 | 21202068 | 100.00 |

Distribution of Shareholding as on 31st March, 2012:

| Range of Shares | No. of Shares | No. of Folios | Percent Shares | Percent Folios |
|-----------------|-----------------|---------------|----------------|----------------|
| 1 - 500 | 1122278 | 9505 | 5.2932 | 85.1932 |
| 501 - 1000 | 674094 | 777 | 3.1794 | 6.9642 |
| 1001 - 2000 | 640167 | 407 | 3.0194 | 3.6479 |
| 2001 - 3000 | 339402 | 130 | 1.6008 | 1.1652 |
| 3001 - 4000 | 214824 | 59 | 1.0132 | 0.5288 |
| 4001 - 5000 | 340579 | 70 | 1.6063 | 0.6274 |
| 5001 - 10000 | 725270 | 98 | 3.4208 | 0.8784 |
| 10001 - 50000 | 1427046 | 76 | 6.7307 | 0.6812 |
| 50001 - 100000 | 193538 | 3 | 0.9128 | 0.0269 |
| And above | 15524870 | 32 | 73.2234 | 0.2868 |
| TOTAL | 21202068 | 11157 | 100.00 | 100.00 |

10.11 Dematerialization of Shares:

As per the notification issued by SEBI, the shares of the Company are traded compulsorily in dematerialized form by all investor's w.e.f. 28.11.2000 (in NSDL) and 22.12.2000 (in CDSL).

As on 31st March, 2012, 64.11% of the Company's paid up equity representing 13592891 shares were held in demat form.

| | | |
|-----------------------------------|----------|--------|
| No. of shares in physical segment | 7609177 | 35.89% |
| No. of shares in demat segment | 13592891 | 64.11% |

The break up of unlisted 1,00,71,655 Equity Shares held in physical form are as under:

The Company allotted 25,04,500 equity shares (bearing distinctive nos.11130414-13634913) on 29.07.04 in physical form. The Company did not receive in-principal approval for listing of 25,04,500 equity shares on Bombay Stock Exchange & National stock Exchange. The Company is following up the matter with the Stock Exchanges for obtaining in principle approval for listing of shares which is still pending due to some of the shares of allottees still being in physical form which are lying pledged with FI & Bank.

The Company converted Warrants into 44,92,855 Equity Shares (bearing distinctive nos.13634914-18127768) on 20.08.07 and issued the same in physical against allotment of 70,00,000 warrants issued on 14th October, 2005. The Company vide its letter dated 11.06.2008 had applied to Bombay Stock Exchange & National Stock Exchange for in-principal approval for final listing of the same. The in-principal approval for Final listing of the same is pending as on date.

As settlement of part of its dues to Asset Reconstruction Company India Limited (ARCIL), the Company allotted 30,74,300 Equity Shares to ARCIL on Preferential basis so as to give ARCIL equal to 14.5% of the post expanded capital with face value of Rs.10 each on 23.06.2009 after receiving in principal approval from both the Stock Exchanges. The in-principal approval for Final listing of the same is pending as on date.

10.12 Outstanding GDRs/ ADRs/ Warrants/ Any Convertible Instruments, conversion date and likely impact on Equity. The Company has not issued any GDRs, ADRs and doesnot have any outstanding warrants or any convertible instruments.

10.13. Investor Correspondence

For Transfer/Dematerialisation of shares : MCS Limited
payment of dividend on shares, interest 77/2A, Hazra Road
and redemption of debentures, and any Kolkata - 700 029
other query relating to the shares and Ph. No.: (033)40724052
debentures of the company

For shares held in demat form To the Depository Participant

11. The Details of adoption / non-adoption of the non-mandatory requirements as specified in Annexure ID of Clause 49 are as under:

a) **The Board**

The Chairman of the Company being an executive Chairman, this requirement is not applicable to the Company.

The Board has not adopted the non-mandatory requirement regarding limiting the maximum tenure of the Non-executive Directors to the terms of three years each.

b) **Remuneration Committee**

The Board has a Remuneration Committee whose terms of reference, composition and other relevant particulars have been mentioned in this report.

c) **Shareholders Rights**

The Company does not send any communication to shareholders covering financial performance or summary of the significant events on half-yearly basis. Instead, the Company publishes the quarterly financial results in major newspapers. Further, significant events are informed to the Stock Exchanges from time to time.

d) **Audit qualifications**

Observations of the Auditors in their report to the members have been appropriately addressed in the Directors' Report and Notes to the accounts.

e) **Training of Board Members**

The members of the Board, being well versed in their respective area of functioning, are aware of their responsibilities as directors and the best ways to discharge them.

f) **Mechanism for evaluating non-executive Board Members**

The matter has not, as yet, been considered by the Board members.

g) **Whistle Blower Policy**

The Company has not adopted any Whistle Blower Policy. However, the Company promotes ethical behaviour in all its business activities and has put in place mechanism of reporting illegal or unethical behaviour. Employees are free to report to the management, concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Directors and senior management are obliged to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practices.

No person has been denied access to the Audit Committee.

**AFFIRMATION OF COMPLIANCE WITH
THE CODE OF CONDUCT
FOR DIRECTORS AND SENIOR EXECUTIVES**

I, Anil Kumar Agarwal, Chairman & Managing Director of the Company, declare that the Company has received affirmation of compliance with "Code of Conduct for Directors and Senior Executives" laid down by the Board of Directors, from all the Directors and Senior Management personnel of the Company, to whom the same is applicable, for the financial year ended March 31, 2012.

Place: Kolkata

Anil Kumar Agarwal

sd/-

Date: 14th May, 2012

Chairman & Managing Director

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members
Polar Industries Limited

We have examined the compliance of conditions of Corporate Governance by Polar Industries Ltd. for the period ended 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, subject to the following:-

- (i) No annual operating plans, Revenue & Capital budget were placed before the board.
- (ii) The composition of the board of Directors of the Company is not in compliance to clause 49(1)(A) of the Listing Agreement. However the Company is taking proper care of the issue to resolve the same within the stipulated time frame as permissible in Clause 49 (I)(C) of the Listing Agreement.
- (iii) Company does not have risk assessment and minimization procedure to inform the board members.

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Kolkata

Date: 14th August, 2012

For SINGHI & CO.
Chartered Accountants
Firm Regn. No.302049E
B. K. SIPANI
Partner
Membership No. 88926

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of POLAR INDUSTRIES LTD., as at 31st March, 2012 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 the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards 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 of material misstatement. An audit includes examining, on a 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 management, as well as evaluating, the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion, proper books of account as required by law, *subject to notes given in paragraph (vi) below*, have been kept by the Company so far as appears from our examination of those books. The reports on the account of branches audited by other auditor have been forwarded to us and have been appropriately dealt with by us in preparing our report.
- iii. The Balance Sheet, Profit and Loss account and Cash Flow statement dealt with by this report are in agreement with the books of account and with the returns from the sale depots.
- iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 *subject to notes given in paragraph (vi) below*.
- v. *We report that two of the directors are disqualified as on 31st March 2012 from being appointed as directors in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956..*
- vi. (a) *Regarding corporate guarantees given in excess of limit approved by the shareholders and considered the same as contingent liability by the management and not provided for as referred in note no. 2 of Note No. 31.*
 - (b) (i) *Regarding debt acquired by ARCIL which is subject to compliance of terms & Condition and recalling of loan and demanding of others payments as referred in Note No.4 of note no 31 Pending negotiation with the ARCIL we are unable to comment about impact on the liquidity position of the company due to recalling of loan / demanding of others payments and consequent impact on the ability of the company to continue business.*
 - (ii) *Regarding sale of residential property and provisional adjustment thereof in accounts and Possession of another property by ARCIL as referred in note no 4(e) of Note no 31 . We are unable to comment about impact on secured loan, and on the profit for the year and on debit balance in the profit and loss account at year end due to non availability of required information*
 - (c) *Regarding valuation of finished goods stock for Rs. 86,40,825 pertaining to discontinued business segment and non provision of interest, demurrages etc on the goods lying in custom bonded warehouse for which amount was not ascertained as referred in note no 5 of Note No.31 . We are unable to comment about the extent of realization on such stock and impact thereof including non-provision referred above on profit for the year and consequently impact on debit balance in the profit and loss account at year end.*
 - (d) *Regarding preparation of accounts on going concern basis as referred in Note No.6 of Note No. 31. The company has sold a substantial part of its fixed assets in earlier year. According to the information and explanations given to us, the company has so far not made any plan to replace the substantial part of the fixed that have been sold. The company has also negative net worth, substantial negative working capital, inability to pay its debts repayments / creditors etc indicating that going concern assumption may no longer be appropriate. Therefore, in our opinion, there exists substantial doubt that the company will be able to continue as a going concern for the foreseeable*

future. Consequently, adjustment may be required to the recorded amount of assets and classification of liabilities. The financial statement (and notes thereto) do not disclose this fact.

- (e) Regarding pending recovery of advances / dues aggregating Rs 2,23,09,160 from various parties and ex- employees as referred Note No 7 of Note No. 31 . We are and unable to comment about the extent of realization of such advances / dues due to uncertainty involved.
- (f) Regarding refusal of insurance claim for Rs. 6, 76,27,254 by the insurance company but considered good by the company as referred Note No 12 of Note No. 31. We are unable to comment about the realizability of the claim pending decision of the National Consumer Forum.
- (g) Regarding remuneration paid in earlier year to an Ex-Executive Director for which Company intent to file application with Central Government for waiver of excess remuneration paid as referred in Note No. 16 of Note No.31.
- (h) Regarding non-provision and non-ascertainment of penalties on various outstanding statutory dues as referred in note no 17 of Note No. 31. We are unable to comment about the impact on the profit for the year and debit balance in profit and loss account at year end due to non ascertainment of amount.
- (i) Regarding mortgage of one of the property having original book value of Rs 2,47,26,244 in favor of a corporative bank as a collateral security for obtaining loan by a body corporate as referred note no 13 of Note No.31 for which share holder approval not obtained by the company. Due to non availability of the latest audited balance sheet of the body corporate, we are not in a position to comments whether above security given is prejudicial to the interest of the Company.
- (j) Regarding the after sale services expenses aggregating to Rs 137,85,470 related to prior period reimbursement to a marketing Company for which necessary details/documents were not available till date hence we are unable to comments on such expenses.

vii. In our opinion and to the best of our information and according to the explanations given to us and considering our observations in vi above, the said accounts read together with notes thereon, do not give the information required by the Companies Act, 1956, in the manner so required and not 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, 2012.
- b) In the case of the Profit and Loss account, of the profit of the Company for the year ended on that date and
- c) In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Place: Kolkata
Date: 14th August, 2012

For SINGHI & CO.
Chartered Accountants
Firm Regn. No.302049E
B. K. SIPANI
Partner
Membership No. 88926

Annexure referred to in paragraph 3 of our report of even date**Re: Polar Industries Limited**

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- b. According to the information and explanation given to us, fixed assets of significant value have been physically verified by the management during the year in accordance with a phased programme of verification adopted by the company. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its fixed assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- c. *In our opinion and according to information and explanations given to us, the Company has disposed off substantial part of its fixed assets during the previous year. The company has so far not made any plan to replace the fixed assets that have been sold, Therefore there are substantial doubt about the company's ability to continue as a going concern in the foreseeable future.*
- (ii) a. As explained to us, inventories (except stock lying with third parties) were physically verified by the management during the year at reasonable intervals.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are 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 explanation given to us, the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) a. According to the information and explanations given to us, the Company has not taken any loan during the year from any party covered in the register maintained under Section 301 of the Companies Act, 1956. However, the company has taken unsecured interest free credit on current account aggregating Rs 3,85,500 and debit aggregating Rs. Nil on current account during the year from two bodies corporate listed in the register maintained under section 301 of the Companies Act, 1956. Maximum balance during the year was Rs 60,32,894 (Net) as payable and year end balance was Rs. 60,32,894 as payable. *However, there is no stipulation as to interest on these transactions.*
- b. According to the information and explanations given to us, the company has not granted any loans during the year to any parties covered 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, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in internal control system.
- (v) a. In our opinion and according to the information and explanations provided by the management, we are of the opinion that the particulars of contract or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b. In our opinion and according to the information and explanations given to us, no transactions were made exceeding the value of five lakhs rupees from any party during the year.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with, the directives issued by the Reserve Bank of India and provisions of Section 58A and 58AA of the Companies Act, 1956 and rules framed there under with regard to the deposits accepted from the public *except not filing of Return of Deposits*. The order passed by Company Law Board in earlier year has been complied with.
- (vii) *In our opinion, the Company has no internal audit system during the year.*
- (viii) As information provided to us that no major manufacturing activities were carried out during the year, *hence the Company has not maintained cost records under section 209(1)(d) of the Companies Act, 1956*
- (ix) a. *According to the records of the Company, the Company was not regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, services tax, wealth tax, custom duty, excise duty, cess and other statutory dues applicable to it with the appropriate authorities. The undisputed outstanding statutory dues as at the year end for a period of more than six months from the date they became payable were Fringe Benefit Tax Rs 44,93,612, Sales Tax/ VAT Rs. 4,30,45,370, TDS Rs 46,44,237, TCS Rs. 49,430 Provident Fund Rs 62,24,446, and service tax Rs 2172. The company has applied for remission of custom duty Rs 1,58,10,965 on stock lost on fire in earlier year. Pending remission of duty by custom department, the company has not deposited the same. The company has not provided and ascertained interest / penalties on outstanding statutory dues except partial interest Rs.64,56,806 on outstanding sale tax / VAT, hence same have not been included in above.*
- b. According to the records of the Company, there are no dues outstanding of sales tax, income tax, service tax, custom

tax, wealth tax, excise duty and cess on account of any dispute, other than the following (to the extent quantified by the assessing authorities):

| Nature of Dues | Amount (Rs.)* | Forum where disputes are pending |
|-----------------------------|---------------|---------------------------------------|
| Central and State Sales Tax | 1,05,07,748 | Sales Tax Appellate Authorities |
| | 148,56,050 | Rajasthan High Court |
| | 7,32,86,106 | Commissioner Appeal UP |
| | 76,95,597 | Sales Tax Tribunal |
| Central Excise Duty | 3,11,449 | Central Excise Tribunal |
| | 3,44,60,124 | Allahabad High Court |
| | 8,52,792 | Commissioner of Excise |
| | 64,72,404 | In the process of filling appeal with |
| | | CESTAT |

*Net of payments made.

- (x) *The Company has accumulated losses at the end of the financial year which are not less than fifty percentage of its net worth. However, it has not incurred cash loss in the current and immediately preceding financial year.*
- (xi) *As per information's and explanations provided to us, the Company has made provisional adjustment of reserve price of property as indicated in note 4(e) of Note No. 31 against secured loans dues to ARCIL as on 31.03.2012, Pending final adjustment defaults in repayment of dues, if any can not be ascertained. Further the Company has in default in repayment of debenture Rs 1,51,61,000 due since December 2009 onwards.*
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted any loan and advance 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, the provisions of clause 4 of the Companies (Auditor's Report) Order, 2003 (as amended), are not applicable to the Company.
- (xiv) The Company does not deal or trade in shares, securities, debentures and other securities except that it has investments of long-term nature in shares and these are held in the name of the Company.
- (xv) According to the information and explanations given to us, the Company has given corporate guarantees aggregating Rs.1,37,61,99,219 (to the extent of outstanding dues) at year end in favour of financial institution/bank & others for loans taken by other bodies corporate/firms. *In our opinion, terms and conditions of such corporate guarantees is prejudicial to the interest of the Company in view of the weak financial position of the said companies/firms.*
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, company has not obtained any term loan during the year.
- (xvii) According to the information and explanation given to us, company has not raised any fund during the year on short term basis
- (xviii) According to the information and explanation given to us, the company has not made any preferential allotment of shares to parties or companies covered in register maintained under Section 301 of Companies Act, 1956.
- (xix) The Company has not raised any money through a public issue during the year.
- (xx) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India and according to the information and explanations given to us, no fraud on or by the Company, noticed or reported during the year.

For SINGHI & CO.
Chartered Accountants
Firm Regn. No.302049E
B. K. SIPANI
Partner
Membership No. 88926

Place: Kolkata
Date: 14th August, 2012

BALANCE SHEET AS AT 31st March 2012

| Particulars | Note No | As at 31st March 2012 Rs. | As at 31st March 2011 Rs. |
|--|---------|---------------------------------|---------------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 1 | 214520680 | 214520680 |
| (b) Reserves and Surplus | 2 | (1188853233) | (1132582587) |
| (2) Non-Current Liabilities | | | |
| (a) Long-term borrowings | | 0 | 0 |
| (3) Current Liabilities | | | |
| (a) Trade payables | 3 | 564549771 | 536183616 |
| (b) Short-term borrowings | 4 | 55276517 | 44037312 |
| (c) Other current liabilities | 5 | 521605886 | 506408668 |
| (d) Short-term provisions | 6 | 1898122 | 2095622 |
| Total | | 168997744 | 170663311 |
| II. Assets | | | |
| (1) Non-current assets | | | |
| <i>(a) Fixed assets</i> | | | |
| (i) Tangible assets | 7 | 31960829 | 33660602 |
| (b) Non-current investments | 8 | 810595 | 810595 |
| (c) Long term loans and advances | 9 | 34276976 | 33415389 |
| (d) Other non-current assets | 10 | 67633375 | 67633375 |
| Total | | 134681775 | 135519961 |
| (2) Current assets | | | |
| (a) Current investments | | 0 | 0 |
| (b) Inventories | 11 | 8740825 | 8940825 |
| (c) Trade receivables | 12 | 2272249 | 2567731 |
| (d) Cash and cash equivalents | 13 | 3739972 | 2016377 |
| (e) Short-term loans and advances | | 0 | 0 |
| (f) Other current assets | 14 | 19562923 | 21618414 |
| Total | | 34315969 | 35143348 |
| Total (A + B) | | 168997745 | 170663311 |
| Summary of Significant Accounting Policies | 30 | - 1 | 0 |
| Other Notes of Accounts | 31 | | |

The accompanying notes are an integral part of the Financial Statement
In terms of our Report of even date attached.

For and on behalf of the Board Of Directors

For SINGHI & CO.
Chartered Accountants
From Regn. No. 302049E

Anil Kumar Agarwal *Chairman & Managing Director*

Sunil Agarwal *Director*

B.K.Sipani
Partner
M.No.88926
Place :Kolkata
Dated : 14th August 2012.

Profit and Loss statement for the year ended 31st March, 2012

| Particulars | Note No | As at 31.03.2012 | As at 31.03.2011 |
|--|---------|---------------------|---------------------|
| I- Gross Sales from Operations | 15 | 525170 | 4269873 |
| Less: Excise Duty | | 0 | 0 |
| Net Revenue from Operations (AS-9) | | 525170 | 4269873 |
| II-Other Income | 16 | 2821167 | 2018129 |
| III) Total Revenue (I + II) | | 3346337 | 6288002 |
| IV) Expenses : | | | |
| Cost of materials consumed | 17 | 277796 | 1355347 |
| Changes in inventories of finished goods and Work-in-progress | 18 | 200000 | 1905960 |
| Employee benefit expenses | 19 | 1492765 | 3350924 |
| Financial costs | 20 | 8039886 | 3275659 |
| Depreciation expense | 7 | 1284246 | 1456393 |
| Other expenses | 21 | 47907165 | 6694330 |
| Total Expenses | | 59201858 | 18038613 |
| V. Profit before exceptional and tax (III - IV) | | (55855521) | (11750611) |
| VI. Exceptional Items | 22 | 0 | 50154401 |
| VII. Profit before tax (V - VI) | | (55855521) | 38403790 |
| VIII. Tax expense: | | | |
| (1) Current tax | | - | - |
| (2) Deferred tax | | - | - |
| IX. Profit/(Loss) for the period (VII - VIII) | | (55855521) | 38403790 |
| X. Earning per equity share of Rs. 10 each | 29 | | |
| (1) Basic | | (2.65) | (0.57) |
| (2) Diluted | | (2.65) | 1.79 |

The accompanying notes are an intergral part of the Financial Statement
In terms of our Report of even date attached.

For and on behalf of the Board Of Directors

For SINGHI & CO.
Chartered Accountants
From Regn. No. 302049E

Anil Kumar Agarwal *Chairman & Managing Director*

Sunil Agarwal *Director*

B.K.Sipani
Partner
M.No.88926
Place :Kolkata
Dated : 14th August 2012.

Note-1 - Share Capital

| Particulars | (Amount in Rs.) | |
|--|------------------|------------------|
| | 31.03.2012 | 31.03.2011 |
| a. Authorised | | |
| 2,77,50,000 Equity Shares of Rs. 10 each | 277500000 | 277500000 |
| 25,000 14% Redeemable Cumulative Preference Shares of Rs. 100 each | 2500000 | 2500000 |
| TOTAL (Rs.) | 280000000 | 280000000 |
| b. Issued, subscribed and fully paid | | |
| 2,12,02,068 Equity Shares of Rs.10 each fully paid up | 212020680 | 212020680 |
| 25,000 14% Redeemable Cumulative Preference Shares of Rs. 100 each fully paid up | 2500000 | 2500000 |
| TOTAL (Rs.) | 214520680 | 214520680 |

Of the above :

3074300 Equity Share allotted on 23.06.2009 to the Asset Reconstruction Company India Ltd. (ARCIL) on assignment of loan as per agreed terms & conditions.

- c. Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

| | 31.03.2012 | 31.03.2011 | 31.03.2012 | 31.03.2011 |
|--|---------------|------------|-------------------|------------|
| | Equity Shares | | Preference Shares | |
| No. of shares at the beginning of the year | 277500000 | 277500000 | 25000 | 25000 |
| Add : Issue of Shares during the year | — | — | — | — |
| Less : Buy back of Shares | — | — | — | — |
| No. of shares at the end of the year | 277500000 | 277500000 | 25000 | 25000 |

| D. Shareholder holding more than 5 percent Equity shares of the Company | 31.03.2012 | | 31.03.2011 | |
|---|---------------|-------|---------------|-------|
| | Equity Shares | % | Equity Shares | % |
| Mr. Anil Kr. Agarwal | 2739178 | 12.92 | 2839928 | 13.39 |
| Asset Reconstruction Company India Ltd. (ARCIL) | 3074300 | 14.5 | 3074300 | 14.5 |
| Industrial Finance Corporation of India | 1411191 | 6.65 | 1411191 | 6.65 |

Terms/ rights attached to equity shares

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportion of the number of equity shares held by the shareholders. There is no restriction on distribution of dividend. However, same is subject to the approval of the shareholders in the Annual General Meeting.

Terms/ rights attached to preference shares

The Company has allotted 14% Redeemable Cumulative Preference Shares having a value of Rs. 100 per shares. The Preference Shareholders enjoy a preferential right in the payment of dividend at a fixed rate of 14% p.a. and repayment of capital in case of winding up. Such shareholders are not entitled for any voting right except in case of nonpayment of dividend for continuous period of 3 years. CCPS shall rank senior to all present and future preference shares and /or equity shares issued by the Company and their rights, references and restrictions are governed by / in terms of their issue under the provisions of the Companies Act, 1956.

14% Redeemable Cumulative Preference Shares were due for redemption during 24.01.1999 to 24.01.2002. However, during previous period company has applied with General Insurance Corporation of India and its subsidiaries for one time settlement of principal amount to be repaid with in three months from the date of sanction and waiver of outstanding dividend as on date for which decision is awaiting. As on 31.03.2012 Rs. 44,62,500 (previous period Rs. 41,12,500) were the arrears of dividend @ 14% on above preference shares.

| Note-2 Reserves & Surplus : | | | |
|---|--|---------------------------------------|---------------------------------------|
| | Particulars | (Amount in Rs.) 31.03.2012 | (Amount in Rs.) 31.03.2011 |
| (a) | Capital Reserve : | | |
| | As per Last Balance Sheet | 15403143 | 4173143 |
| | Add : On forfeiture of Zero Coupon Convertible Warrants | - | 11230000 |
| | Total (a) | 15403143 | 15403143 |
| (b) | Securities Premium Reserve : | | |
| | As per Last Balance Sheet | 274638499 | 274638499 |
| (c) | Debenture Redemption Reserve : | | |
| | As per Last Balance Sheet | 3790250 | 3790250 |
| (d) | Revaluation Reserve : | | |
| | As per Last Balance Sheet | 3938937 | 4368525 |
| | Less : Transferred to Profit & Loss Statement (Refer Note No. 7) | (415125) | (429588) |
| | Total (d) | 3523812 | 3938937 |
| (e) | Preference Shares Redemption Reserve | | |
| | As per Last Balance Sheet | 2500000 | 2500000 |
| (f) | Profit & Loss Statement | | |
| | As per Last Balance Sheet | (1432853416) | (1471257206) |
| | Add : Profit/Loss for the period | (55855521) | 38403790 |
| | Total (f) | (1486708937) | (1432853416) |
| | TOTAL (a+b+c+d+e+f) | (1188853233) | (1132582587) |
| Note-3 Trade Payables : | | | |
| | | 31.03.2012 | 31.03.2011 |
| | Trade payable | 564549771 | 536183616 |
| a) | The Company has no information from its suppliers being registered under Micro, Small & Medium Enterprises as defined under MSME Act 2006. Hence requirement regarding payment within specified date, interest on payment beyond specified date, if any, and other disclosures requirements in Annual Accounts could not be determined/provided. | | |
| b) | Trade payable includes unhedged exposures of Rs. 25,56,31,102 (Previous Year Rs. 22,80,32,901) | | |
| Note-4-Short Term Borrowings : | | | |
| | Particulars | 31.03.2012 | 31.03.2011 |
| A) | Unsecured Loans : | | |
| a) | Loans Repayable on Demand | 0 | 0 |
| b) | Loans from Bodies Corporate (Interest free) | 55276517 | 44037312 |
| | TOTAL | 55276517 | 44037312 |
| Note - 5 Other Current Liabilities : | | | |
| | Particulars | 31.03.2012 | 31.03.2011 |
| a) | Current Maturities of Long-Term Debt : | | |
| i) | Debts acquired by M/s Asset Reconstruction Company (India) Limited (ARCIL) & NBFC (Refer Note No. 4 of Note No. 31) | 267015599 | 267015599 |
| ii) | Car Loan from Banks (a) | 763668 | 1031443 |
| b) | Interest Accured and due on Borrowing : | 2752976 | 2752976 |
| c) | Unpaid matured debentures & interest thereon (b) | 15161000 | 15161000 |
| d) | Overdraft from a Bank | 736889 | 736889 |
| e) | Security Deposit and Credit Balance of Dealers | 3245859 | 3245859 |
| f) | Credit balance & Advance from Customers | 85372608 | 70173062 |
| g) | Advance against sale of property now refundable | 86832265 | 86832265 |
| h) | Statutory Dues | 59725022 | 59725022 |
| | TOTAL | 521605886 | 506408668 |
| a) | Car Loan carries interest rate 10% PA and became overdue for payment in 2012 | | |
| | Car Loans from Banks are secured by hypothecation of vehicles financed by banks. | | |
| b) | Debentures are secured/to be secured by first pari apassue charge on all fixed assets and second charge on the current assets of the company. Debenture already due for redemption Rs. 1,541,61,000 | | |
| Note-6-Short Term Provisions : | | | |
| | Particulars | 31.03.2012 | 31.03.2011 |
| a) | Provision for Employee Benefits | 898122 | 1095622 |
| b) | Provision for warranty | 1000000 | 1000000 |
| | TOTAL | 1898122 | 2095622 |

| Note No 7 | | | | | | | | | | | | |
|--|---------------------|--------------------------|------------------------------------|----------------------|----------------|--------------|-------------------------|----------------------|----------------|----------------|----------------|--|
| FIXED ASSETS | | | | | | | | | | | | |
| | GROSS BLOCK | | | | | DEPRECIATION | | | | | NET BLOCK | |
| | Cost as at 31.03.11 | Addition during the year | Sales/ Adjustments during the year | Costs as at 31.03.12 | Up To 31.03.11 | For the Year | Deductions/ Adjustments | Impairment of Assets | As at 31.03.12 | As at 31.03.12 | As at 31.03.11 | |
| Leasehold Land | 16252274 | 0 | 0 | 16252274 | 1304430 | 180365 | 0 | | 1484795 | 14767479 | 14947844 | |
| Freehold Land | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | |
| Building | 24422033 | 0 | 0 | 24422033 | 10941824 | 805645 | 0 | | 11747469 | 12674564 | 13480209 | |
| Plant & Machinery etc. | 1760045 | 0 | 0 | 1760045 | 1401933 | 0 | 0 | | 1401933 | 358112 | 358112 | |
| Furniture, Fixture & Office Equipments | 4777912 | 0 | 402 | 4777510 | 3666697 | 145129 | 0 | | 3811826 | 965684 | 1111215 | |
| Vehicles | 5981392 | 0 | 0 | 5981392 | 2218170 | 568232 | 0 | | 2786402 | 3194990 | 3763222 | |
| Trademark | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | |
| TOTAL | 53193656 | 0 | 402 | 53193254 | 19533054 | 1699371 | 0 | 0 | 21232425 | 31960829 | 33660602 | |
| Previous Period | 53901094 | 73000 | 780438 | 53193656 | 17868062 | 1885979 | 220989 | 0 | 19533054 | 33660602 | 36033032 | |

| | |
|--|---------|
| 1. Vehicles includes purchased under hire purchase scheme | |
| 2. Building on lease hold land Rs. 42,64,595 (Original cost) | |
| Refer Note 4(g) of Note No. 31 | |
| Total Depreciation as above | 1699371 |
| Less : Transferred from revaluation | |
| Reserve account | 415125 |
| Net Depreciation as per Profit & Loss Statement | 1284246 |

Note-8 Non-Current Investments :

| Particulars | (Amount in Rs.) | |
|--|-----------------|---------------|
| | 31.03.2012 | 31.03.2011 |
| (i) Other than Trade Investments : | | |
| (a) In Equity Instruments : | | |
| Quoted Fully Paid Up : Equity Shares of Rs. 10/- each | | |
| 3.05.350 Polar Pharma India Limited | 3349854 | 3349854 |
| Less : Aggregate amount of Provisions for Diminution in Value of Investments : | 2572759 | 2572759 |
| | 777095 | 777095 |
| (b) In Government or Trust Securities : | | |
| National Saving Certificate | 33500 | 33500 |
| | 810595 | 810595 |

The Company has pledged following equity shares of Polar Pharma (India) Ltd

- (a) 300 Shares with financial institution against terms loan.
1,95,000 Shares with financial institution as collateral against term loans taken by body corporate.
1,10,000 Shares with others against unsecured loan by other body corporate.

Note-9 Long Terms Loans & Advances :

| Particulars | (Amount in Rs.) | |
|---|-----------------|-----------------|
| | 31.03.2012 | 31.03.2011 |
| (a) Security Deposits with Government Department | | |
| Unsecured, Considered Good | 11967816 | 11940558 |
| (b) Other Loans & Advance | | |
| Unsecured, Considered Good | | |
| Advance to Employee (Refer Note No. 7, 10 of Note No. 31) | 21809167 | 20974831 |
| Deposited with custodian (Refer Note No. 11 of Note No. 31) | 5,00,000 | 5,00,000 |
| | 34276976 | 33415389 |

Note-10-Other Non Current Assets :

| Particulars | (Amount in Rs.) | |
|--|-----------------|-----------------|
| | 31.03.2012 | 31.03.2011 |
| Other Loans & Advances : | | |
| Unsecured, Considered Good | 0 | 0 |
| Insurance Claim Receivable (Refer Note No 12 of note no 31) | 67633375 | 67633375 |
| | 67633375 | 67633375 |

Note-11 Inventories :

| Particulars | (Amount in Rs.) | (Amount in Rs.) |
|--|-----------------|-----------------|
| | 31.03.2012 | 31.03.2011 |
| (a) Work-in-Progress : | | |
| Fans, Spares | 0 | 300000 |
| (b) Finished Goods : | | |
| Goods on transit (Refer Note No. 5 of Note No. 31) | 8640825 | 8640825 |
| (c) Scrap | 100000 | 0 |
| | <u>8740825</u> | <u>8940825</u> |

Note-12 Trade Receivables :

| Particulars | (Amount in Rs.) | (Amount in Rs.) |
|--|-------------------|-------------------|
| | 31.03.2012 | 31.03.2011 |
| Due for a Period Exceeding Six months : From due date | | |
| Unsecured | 0 | 0 |
| Considered Good | 2272249 | 2567731 |
| Doubtful | 16743367 | 16743367 |
| Less : Provision for Doubtful Debts | <u>(16743367)</u> | <u>(16743367)</u> |
| | <u>2272249</u> | <u>2567731</u> |

Refer Note No 10 of Note No. 31

Note-13 Cash & Bank Balance

| Particulars | (Amount in Rs.) | (Amount in Rs.) |
|-------------------------------------|-----------------|-----------------|
| | 31.03.2012 | 31.03.2011 |
| (a) Cash and Cash equivalent | | |
| Balance with Banks | 3355541 | 1601738 |
| Cash in Hand | 102895 | 133103 |
| (b) Other Bank Balance | 281536 | 281536 |
| | <u>3739972</u> | <u>2016377</u> |

Note-14 Other Current Assets :

| Particulars | (Amount in Rs.) | (Amount in Rs.) |
|---------------------------------------|-----------------|-----------------|
| | 31.03.2012 | 31.03.2011 |
| Unsecured, Considered Good | 19562923 | 21618414 |
| SAD refundable from custom department | | |
| | <u>19562923</u> | <u>21618414</u> |

Note-15 Gross Revenue from Operations :

| Particulars | (Amount in Rs.) | (Amount in Rs.) |
|---------------------------|-----------------|-----------------|
| | 31.03.2012 | 31.03.2011 |
| (a) Sale of Fans & Spares | 467670 | 4269873 |
| (b) Scrap Sale | 57500 | 0 |
| | <u>525170</u> | <u>4269873</u> |

Note-16-Other Income :

| Particulars | (Amount in Rs.) | (Amount in Rs.) |
|--|-----------------|-----------------|
| | 31.03.2012 | 31.03.2011 |
| Shares of claim received | 2700000 | 0 |
| Profit on sale of Long terms Investment - other than trade | 0 | 149512 |
| Sundry Balances written back | 121167 | 0 |
| Net gain on foreign currency transactions and translations | 0 | 1868617 |
| | <u>2821167</u> | <u>2018129</u> |

Note-17 Cost of Materials Consumed :

| Particulars | (Amount in Rs.) | (Amount in Rs.) |
|--------------------------|-----------------|-----------------|
| | 31.03.2012 | 31.03.2011 |
| Raw Materials Consumed : | | |
| Spares | 277796 | 1355347 |
| | <u>277796</u> | <u>1355347</u> |

Note-18 Changes in Inventories of finished goods and work in progress :

| Particulars | (Amount in Rs.) | (Amount in Rs.) |
|---|-----------------|-----------------|
| | 31.03.2012 | 31.03.2011 |
| (a) At the end of the Period : | | |
| (i) Finished Goods – Fan | 8640825 | 8640825 |
| (ii) Work in Progress – Fan | 0 | 300000 |
| (iii) scrap | 100000 | 0 |
| | 8740825 | 8940825 |
| (b) At the beginning of the Period : | | |
| (i) Finished Goods | | |
| (ii) Work in Progress – Fan | 8640825 | 8640825 |
| (iii) Stock in trade | 300000 | 2205960 |
| | 8940825 | 10846786 |
| Change in Inventories | 200000 | 1905960 |

Note-19 Employee Benefits Expenses :

| Particulars | (Amount in Rs.) | (Amount in Rs.) |
|--|------------------|------------------|
| | 31.03.2012 | 31.03.2011 |
| (1) Employee Benefits Expenses : | | |
| (a) Salaries & Wages | 1,001,965 | 2,470,128 |
| (b) Contribution to Provident Fund Other Funds | 116,789 | 747,928 |
| (c) Staff welfare Expenses | 374011 | 132868 |
| | <u>1,492,765</u> | <u>3,350,924</u> |

Note-20 Finance Costs :

| Particulars | (Amount in Rs.) | (Amount in Rs.) |
|-------------------|-----------------|-----------------|
| | 31.03.2012 | 31.03.2011 |
| Interest Expenses | 8039886 | 3275659 |
| | <u>8039886</u> | <u>3275659</u> |

Note-21 Other Expenses :

| Particulars | (Amount in Rs.) | (Amount in Rs.) |
|--|-----------------|-----------------|
| | 31.03.2012 | 31.03.2011 |
| (a) Consumption of Stores and Spare Parts | 0 | 11338 |
| (b) Power & Fuel | 22178 | 109757 |
| (c) Repairs to Machinery | 7365 | 81247 |
| (d) Leases Rent | 112600 | 112600 |
| (e) Loss on sale of work in progress | – | 1053129 |
| (f) Sales Promotion and Advertisement Expenses | 90850 | 47262 |
| (g) Brokerage, Discount and Commission | 0 | 21001 |
| (h) Carriage Outwards | 0 | 25857 |
| (i) After sales service | 13823858 | 452732 |
| (j) Rent | 140369 | 375477 |
| (k) Rates & Taxes | 282478 | 223408 |
| (l) Insurance | 15071 | 29955 |
| (m) Payment to Auditors | 0 | 0 |
| (i) Audit Fees | 84270 | 205000 |
| (ii) Branch Auditor Fee | 0 | 50000 |
| (iii) For certification | 42575 | 49635 |
| (iv) Reimbursement | 0 | 55456 |
| (n) Legal & Professional Expenses | 217352 | 1087021 |
| (o) Director's Sitting Fees | 12000 | 18000 |
| (p) Travelling & Conveyance | 220938 | 562745 |
| (q) Net Loss on Sale of Fixed Assets | 0 | 207449 |
| (r) Adjustments to the carrying amount of investments | 0 | 93374 |
| (s) Net loss on Foreign Currency Transaction and Translation (Other than considered as Finance Cost) | 31903252 | 0 |
| (t) Prior Period Expenses | 18386 | 626969 |
| (u) Miscellaneous Expenses | 913623 | 1194920 |
| | <u>47907165</u> | <u>6694330</u> |

(a) Previous year Includes Rs. 130000/- pertaining to earlier year.

(b) Including of service tax

Note-22 Exceptional Items :

| Particulars | (Amount in Rs.) | (Amount in Rs.) |
|--|------------------------|------------------------|
| | 31.03.2012 | 31.03.2011 |
| Principal Amount of Loan & Interest Written off (Income) | 0 | 50154401 |
| | 0 | 50154401 |

Note-23 CIF Value of Imports :

NIL NIL

Note-24-Expenditure in Foreign Currency :

NIL NIL

Note-25-Value of Raw Material, Spares and Components Consumed :

| Particulars | 31.03.2012 | 31.03.2011 |
|--|-------------------|-------------------|
| (a) Raw Material Consumed : | | |
| (i) Imported | | |
| (ii) Indigenous | | |
| (b) Spare Parts and Components Consumed : | | |
| (i) imported | | |
| (ii) Indigenous | 277796 | 1355347 |
| | 277796 | 1355347 |

Note-26 Remittance in Foreign Currency on Account of Dividend :

NIL NIL

Note-27-Earning in Foreign Currency :

NIL NIL

| Note-29 : Earning per Shares (EPS) | Current Year Rs. | Previous Year Rs. |
|---|-----------------------------|------------------------------|
| (a) Calculation of weighted Average Number of Equity Shares of Rs. 10 each Basic & Diluted | | |
| Number of Shares at the beginning of the year | 21202068 | 21202068 |
| Additions during the year | 0 | 0 |
| Number of shares at the end of the year | 21202068 | 21202068 |
| Weighed Average of the Number of Shares | 21202068 | 21202068 |
| Profit/(Loss) after exceptional items & Tax for the year (in Rupees) | (55855521) | 38403790 |
| Add : Dividend on Cumulative Preference Shares for the year including Dividend Tax | 409483 | 408131 |
| Profit / (Loss) after Tax attributable to Equity Shares (in Rupees) | (56265004) | 37995659 |
| Less : Exception Items (Net) | 0.00 | 5015441 |
| Net Profit / (Loss) before exceptional items attributable to equity shares (in Rupees) | (56265004) | (12158742) |
| Basic & Diluted Earning per share (In Rupees) | | |
| (i) Before exceptional items | (2.65) | (0.57) |
| (ii) After exceptional items | (2.65) | 1.79 |

Note No. : 30

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Preparation of Financial Statements

- a) The financial statements have been prepared under the historical cost convention and in accordance with the mandatory Accounting Standards notified by the Central Government under the Accounting standard Rules (2006) and the provision of the Companies Act' 1956 . All Income and Expenditure are accounted on the accrual basis.

Use of Estimates

- b) The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and the estimates are recognised in the period in which results are known / materialise.

ii) Fixed Assets :-

Fixed Assets are stated at cost net of modvat/cenvat , less accumulated depreciation and impairment loss, if any, and also include amount added on revaluation of Land, Buildings, Plant & Machinery and Electrical Installation as on 31.03.1992. Cost includes expenditure incurred in the acquisition and construction/ installation and other related expenses. The carrying amounts of fixed assets are reviewed at each balance sheet date , if there is any indication of impairment based on internal / external factors, an impairment loss is recognised where-ever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimate future cash flows are discounted to their present value at the weighted average cost of capital.

iii) Depreciation :-

- a) Depreciation is being calculated on straight line method as per the rates & manner specified in Schedule XIV (as amended) of the Companies Act, 1956 and on amount added on revaluation, depreciation is provided on residual life as estimated by the valuers. Depreciations on additions on rented premises has been provided over the lease period.
- b) Leasehold Land/Buildings is amortised over the period of the lease.

iv) Capital Work in Progress :-

Capital Work in Progress is stated at cost of acquisition, installation, other related costs and is inclusive of advances paid against purchase/creation of assets.

v) Investments :-

Investments are stated at cost. Provision for diminution in the value of long term investments is made only if there is a decline other than temporary in nature.

vi) Inventories :-

Inventories (other than scrap) are valued at lower of cost or net realisable value. Scrap is valued "at estimated realisable value". Cost is determined on FIFO basis. Cost of own manufactured Finished Goods and Work-in-Process includes cost of conversion and other related cost incurred in bringing the inventories to their present condition and location as certified by the Cost Accountant. The valuation is in accordance with the Accounting Standard (AS-2) (Revised) " Valuation of Inventories".

vii) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; 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 except those disclosed elsewhere in the notes to the financial statements,are not discounted to its 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 estimate.

viii) Provisions for Warranty

Product warranty costs are determined on the basis of past reasonable estimates made by the management and provided for in the year of Sale.

ix) Borrowing Costs :-

Borrowing Costs incurred in relation to the acquisition, construction of qualifying assets upto the date such assets are ready for intended use are capitalised as part of the cost of such assets. Other borrowing costs are charged as an expenses in the year in which they are incurred.

(x) Taxation :-

Provision for tax for the year comprises current tax liability and deferred tax which recognises (subject to the consideration of prudence in case of deferred tax assets) timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or have substantive effect of actual enactment at the balance sheet date.

(xi) Sales :-

Sales are recognised on delivery or passage of title of the goods to the customer and are inclusive of excise duty and net of trade discounts and sales returns..

(xii) Retirement Benefits :-

Year-end liability for accrued leave is provided on actuarial valuation basis. Year end liability towards Gratuity in respect of eligible employees is provided/ funded on actuarial valuation basis.

(xiii) Foreign Exchange Transactions :-

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transactions. Foreign currency monetary assets and liabilities outstanding at the year end are translated at the exchange rate prevailing as on Balance Sheet date . Exchange rate difference arising on account of conversion / transactions of such assets/ liabilities are recognised in Profit & Loss account.

(xiv) Research & Development Expenses:-

The revenue expenditure on research and development is charged to profit & loss account of the year in which it is incurred. Expenditure which results in creation of capital assets is treated similar to other fixed assets.

(xv) Contingent Liabilities :-

Contingent Liabilities are generally not provided for in the accounts and are separately shown in the schedule of Notes on Accounts, except certainties which are likely to effect the future outcome, are provided as specifically mentioned in the accounts.

Note No. 31**NOTES ON THE ACCOUNTS****31.03.2012****31.03.2011**

1) Contingent Liabilities not provided for in respect of:

(other than as disclosed in notes no 2, 10 & 14 below)

a) Demand from Central Excise, sales Tax etc.disputed by the Company**

95017523

95017523

**Amount deposited Rs.3141733 (previous year Rs 3141733)

b) Interest on delayed payments to suppliers not provided in accounts**

NIL

Nil

**As on date the extent of uncertainties involved, cannot be determined, hence not provided for

2)(a)In earlier years, the company has given corporate gurantees to banks and financial institutions on behalf of such bodies corporate & others on account of credit facilities provided by such banks and financial institutions to them and to Government Departments against their disputed demands, Based on the informations submitted by the such bodies corporate & others, following amounts were overdue as on 31 st March 2012 Due to financial constraints all parties have suspended their operations. As on 31st March 2012 corporate gaurantees given by the company have not been invoked by the lenders & the Government Departments. Therefore the company continue to consider obligations under these gurantees as contingent liability and not provided for the same. However the company holds counter gurantees from the Chairman and Managing Director to reimburse the outgo, if any, on these accounts.

To Banks & Financial Institutions**31st March 2012****31st March 2011**

Polar Pharma India Limited

96,86,96,025

96,86,96,025

Other bodies Corporate

40,49,35,657

40,49,35,657

Others 25,67,537

25,67,537

To Govt Authorities

Polar Pharma India Limited

85,87,283

85,87,283

Other bodies Corporate

35,31,467

35,31,467

Others 15,000

15,000

Total

1,38,83,32,969**1,38,83,32,969**

- b) In earlier years the company has given a corporate guarantee to a financial institution for buy back of share of a body corporate at agreed rate within agreed time frame. The agreed time has been expired and said financial institution has not invoked the guarantee till date. As on 31.03.2012 the company has considered the estimated liability of Rs 16,28,07,234 (previous year Rs13,79,72,232) on this account as contingent liability. However the company holds the counter guarantee by the Chairman & Managing Director to reimburse the outgo, if any, on this account
- c) Above guarantees are in excess of Rs 52,63,05,201 (previous year Rs 52,63,05,201)of the approved limit by the shareholders.Increase in dues of M/s Polar Pharma India Limited to bank and financial institutions from initial Rs 19.60,00,000 to Rs 96,86,96,025 arised due to non compliance of terms of OTS by PPIL resulting thereby increase in their loan liabilities and consequent impact on the corporate guarantee furnished by the company.
- d) The Company has given Corporate guarantee for Rs 9,00,00,000 to a Co-Operative Bank on behalf of Polaron Marketing Limited for credit facility for which approval of shareholders has been taken.
3. Debentures, Rupee Term Loans, Funded Interest Term Loans (including the loans acquired by ARCIL and NBFC) are secured/to be secured by first pari passu charge on all fixed assets and second charge on the current assets of the company. Working capital loans acquired by ARCIL are secured / to be secured by first charge on the current assets and second charge on the fixed assets. ARCIL's loan will be further secured by pledge of equity shares of the company by the promoters to bring ARCIL voting rights to a level of 51% post restructuring, including the including the shares allotted to ARCIL. Term Loans are also Guaranteed by Chairman & Managing Director and one of the Directors of the company. Also these are further secured by shares pledged by third parties as Collateral Security.
- 4.a) In earlier years Asset Reconstruction Company (India) Ltd and a NBFC have restructure secured debts under CDR Mechanism aggregating to Rs. 32.00,00,000 at Rs. 62,07.43,000 to be repaid by issue of 3074300 Nos equity at par for Rs. 30743000 and the balance debts of Rs. 59,00,00,000 to be repaid over a period of 5 years without any interest ARCIL & NBFC had acquired the debts including debenture on the basis of individual sanction from all but one lender.
- b) As per the sanction of ARCIL & NBFC restructuring would become effective after compliance of certain conditions as mentioned in the sanction letter of ARCIL dated 31.03.2008
- c) In the earlier years the company has issued 3074300 equity shares of Rs. 10 each at par aggregating Rs. 3,07,43,000.
- d) ARCIL has issued a notice dated 05.05.2009 u/s 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 (SARFASI) for recalling of the its loan and interest thereon & others charges aggregating Rs. 92,17,81,197.
- e) Thereafter ARCIL has taken the possession of residential property located at Maharani Bagh New Delhi having book value Rs. 3,86,14,213 (WDV Rs. 2,78,83,502) & disposed off the same at undisclosed amount Despite repeated request by the company ARCIL has not provided about the details of the amount realised on sale of property. Pending receipt of information from ARCIL the Company has considered minimum reserve price of Rs. 27,50,00,000 for the purpose of provisional adjustment in insured loan due as on 31.03.2012 and Fixed Assets of appearing the books of accounts. Final adjustment will be carried out on receipt of detail information from ARCIL.
- f) ARCIL has further issued noticed dated 26.11.2009 under section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 (SARFASI) for demanding payment of Rs. 73,84,91,390 together with further interest and other amount at document rate from 27.11.2009 till repayment.
- g) Subsequently ARCIL has taken the possession of one of the property located at Noida having book value or Rs. 1,56,47,141 (WDV Rs. 41,34,662) which was already seized by the UP Sale Tax Department. The Company has disputed such position by ARCIL. Pending settlement, on accounting adjustment has been carried out.
- 5) The Stock of Finished goods Rs 86,40,825 under the custom bonded Godown is relating to one business segment,the operation of which has been suspended, The stock has been valued at lower of Cost or Net Relisable Value. In the opinion of the management these stocks are expected to realise the value at which they have been stated, The company has not provided interest, demurrage charges etc on above material lying in custom bonded warehouse. Amount not ascertained
- 6) The net worth of the company became negative due to continuous loss incurred by the company and provisions made for doubtful recovery.In view of restructuring/acquisition of loans by ARCIL and its likely impact on the network, the company is hopeful of recovery, hence account has been prepared on Going Concern basis.
- 7) The Management is taking necessary step to recover advances/due aggregating Rs 2,23,09,160 (Previous year 2,14,74,831) from various parties and ex- employees, Pending recovery same have been considered good.

- 8) Loans, Advances, Sundry Debtors, and Creditors are subject to reconciliation & confirmations. Adjustment, if any, will be carried out on completion of reconciliations & confirmations. The Management do not expect any material adjustment on this account.
- 9) As a measure of prudence, the company has decided not to recognise any deferred tax assets due to substantial unabsorbed depreciation and brought forward losses under the Income Tax Act.
- 10) In the opinion of the management value of Current Assets and other loans and advances, considered good, will be realised at not less than their stated value in the ordinary course of business.
- 11) The Company had executed agreement, jointly with other promoters of Polar Marmo Agglomerates Ltd (PMAL) to buyback 1,85,000 Equity Shares of PMAL, subscribed, by Rajasthan State Industrial & Investment Corporation Limited (RIICO). RIICO has initiated legal action in the Hon'ble High Court at Kolkata for the enforcement of buyback clause. Against the decision of single bench judgement, company has gone into appeal before the full bench of High Court, Kolkata. In terms of the Hon'ble High Courts order, the Company has advanced/deposited a sum of Rs. 5,00,000 to a third party who is acting as a custodian. The company has also pledged 5,000 equity shares of PMAL with RIICO as per the Buy back agreement. Shares of PMAL has been written off in the books of accounts.
- 12) Based on the insurance claim filed by the owner of Custom warehouse, the Company has accounted for insurance claim of Rs 6,76,27,254 in the earlier year. The insurance company has declined the claim against which the Company has filed the petition in the National Consumer Forum Delhi, pending decision of the Forum the company has considered above claim as good for recovery. Further custom duty Rs. 1,58,10,965 on above stock remains unprovided and unpaid as the company has applied for the remission of the same.
- 13) The Company has Mortgaged Land & Building at value of Rs 2,47.26,244/- (WDV Rs 2,31,04,394) SIDCUL Haridwar with one of the secured lender of Polaron Marketing Limited.
- 14) a) In earlier years the sales tax authorities had disallowed certain transactions of the sale by a Branch and raised demand of Rs. 1,48,56,050 The company has filed a writ petition against the order in the Hon'ble High Court of Rajasthan. The Hon'ble High Court had remanded back to the assessing authority for fresh hearing, but the Sales Tax Department had filed revision petition before the Hon'ble High Court against the remand order. The management is of the opinion that there would not be any liability in this case and therefore, no provision is made in the books of accounts.
- b) In one of the unit, the company has disputed the basis of determination of the assessable value for payment of excise duty on post manufacturing expenses for the period from 01.04.1981 to 30.09.1984 and preferred an appeal with the Appellate Authorities. The said appeal has yet to be disposed off and in the absence of the decision of Appellate Authorities, it is difficult to ascertain the Excise Duty liability, if any.
- c) In two unit of the company demand arising from the order of the Central Excise Authorities passed on 02.05.2002 in pursuance of show cause notice received in the year 1999-2000 was set aside in appeal by CEGAT with direction to recompute the duty demand for the period within the permissible time limit U/s 11A of the Act. Pending receipt of the final order recomputing such demand from the Central Excise Authorities, an amount Rs. 1,33,652 was provided in earlier year and paid.
- d) The Central Excise Department has raised demand and penalty of Rs 8,52,792 on the unit as per objection raised by CERA against which company has already filed an appeal to Commissioner on 25.05.2009. Based on legal opinion; management was of the opinion that there will not be any liability against this demand. Order of the Excise Commissioner Dt. 15.02.2010 received by company whereby the stay and waiver of predeposit was rejected. The Company has filed a Misc. Application on 26.02.2010 for waiver stating financial constraint and BIFR status of the company.
- e) The Central Excise Department has raised demand and penalty of Rs 74,73,404 for the period 01.10.2001 to 09.02.2005 against which the company has filed an appeal with CESTAT. The unit has paid Rs. 10,01,000 against the said demand which has been disclosed under Loan & Advance.
- f) In the previous year the Commercial Tax Department UP has raised the demand of Rs 7,32,86,106 for the period 2006-07 to 2007-08 against which the Company has filed an appeal disputing demand.
- 15) No forward contracts/ hedging instruments are outstanding at the Balance Sheet date. As on the Balance Sheet date amount payable for unhedged foreign currency exposures was Rs.25,56,31,102 (previous year Rs 22,80,32,901)
- 16) In Earlier year the Company has applied to the Central Government for approval of Rs 12,07,480 paid to the Ex- executive director (finance and corporate affairs). In the previous year the Company has received approval of Rs 7,95,346. The Company intend to apply to the Central Government for waiver of Rs 4,12,134. Pending approval no adjustment has been made in the books of accounts.
- 17) Company has not provided penalties on various outstanding statutory dues except interest on Sale tax / VAT, Amount not ascertained.

18) Being not material, the Company has provided Rs NIL for the year (previous year 68,417) liabilities under Define benefit (Gratuity) on Actual basis instead of actuarial valuation basis. In the current year Company has not provided gratuity provision as per AS -15.

19) The segment reporting of the Company has been prepared in accordance with Accounting Standard (AS-17), "Accounting for Segment Reporting" notified under Accounting Standard Rules 2006.

20(a) List of Related Parties (To the extent identified by the Company)

Enterprises owned or significantly influenced by key Management Personnel & their relatives

1. Sheffield Appliances Ltd
2. Polar Pharma India Ltd
3. S.A.Engineering Works
4. Vinsa Electricals (P) Limited
5. A.V.Enterprises
6. Polaron Marketing Limited
7. Koyo Tech Electro Pvt Limited
8. Vishva Electotech Limited
- 9 Human Sales Pvt. Ltd.

(b) Co-promoters & Associates

1. Polar Marmo Agglomerates Ltd
2. Heynen India Ltd

(c) Key Management Personnel

Mr. Anil Kumar Agarwal Chairman & Managing Director
Mr.Sunil Agarwal Director

(d) Relatives of Key Management Personnel

| | |
|---------------------------|--|
| Mrs. Savitri Devi Agarwal | Mother of Mr.Anil Kumar Agarwal and Mr.Sunil Agarwal |
| Mrs. Shailja Agarwal | Wife of Mr.Anil Kumar Agarwal |
| Mrs. Vinita Agarwal | Wife of Mr.Sunil Agarwal |
| Mr. Viraj Agarwal | Son of Mr.Anil Kumar Agarwal |
| Mr. Achintya Agarwal | Son of Mr.Sunil Agarwal |
| Ms. Mansi Agarwal | Daughter of Mr.Sunil Agarwal |

21) Previous year figures have been regrouped and/or rearranged wherever considered necessary.

POLAR INDUSTRIES LTD.

| | Current Year Value in Rs. | Previous Year Value in Rs. |
|---|--|---|
| CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2012 | | |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit/(Loss) before tax and Exceptional items | (55855521) | 38403790 |
| Add/(Deduct) Adjustments for : | | |
| Depreciation | 1284246 | 1456393 |
| Excess depreciation written back | 0 | 0 |
| Interest Expenses | 8026806 | 3202720 |
| Interest Income | 0 | 0 |
| Amortisation of Deferred Revenue Expenses | 0 | 0 |
| Bad debts written off | 0 | 0 |
| Provision for Deutful & Advances | 0 | 0 |
| Sundry Balance written back | 121167 | 0 |
| Provision for diminution in value of assets | 0 | 93374 |
| Provision for warranty (Net) | 0 | 0 |
| Foreign Exchange Fluctuation | 31903252 | (1868617) |
| (Profit) / Loss on sale of Investments | 0 | (149512) |
| (Profit) Loss on sale / discard of fixed asset | 0 | 207449 |
| Operating profit before working capital change | (14520050) | 41345597 |
| Add/(Deduct) Adjustments for : | | |
| Trade and other receivables | 1489385 | 50547579 |
| Inventories | 200000 | 3355024 |
| Trade payable | (11927896) | (31870721) |
| Cash generated from operations | (24758561) | 63377479 |
| Direct taxes (paid)/ refund | 0 | 0 |
| Miscellaneous Expenditure - VRS | 0 | 0 |
| Net cash from operating activities | (24758561) | 63377479 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of fixed assets | 0 | 73000 |
| Sale of Fixed Assets | 0 | 352000 |
| Sale of investment | 0 | 6809330 |
| Movement in Margin money and Fixed deposit | 0 | 0 |
| Interest received | 0 | 0 |
| Net Cash from investing activities | 0 | 7234330 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Issue of Share Capital* | 0 | 0 |
| Net Proceeds from Long Term Borrowings* | 267775 | (69099508) |
| Net Proceeds from other Borrowings | 11239205 | 1902692 |
| Net Proceeds from Capital Borrowings | 0 | 0 |
| Receipt of Zero Coupon Convertible Warrant Money | 0 | 0 |
| Interest and other finance charges | 14975177 | (4238040) |
| Dividends paid | 0 | 0 |
| * On conversion of Loan term borrowings | 0 | |
| Net cash from (used) financing activities | 26482157 | (71434856) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C) | 1723596 | (823047) |
| CASH AND CASH EQUIVALENTS-OPENING | 1734840 | 257891 |
| CASH AND CASH EQUIVALENTS-CLOSING | 3458436 | 1734840 |
| CASH AND CASH EQUIVALENTS INCLUDES | | |
| Cash, Cheques & Drafts in hand | 102895 | 133103 |
| Remittance in Transit | 0 | 0 |
| Balance with Scheduled Banks | 335541 | 1601738 |
| | 3458436 | 1734841 |
| <u>Note : Previous period figures have been regrouped/rearranged, wherever considered necessary</u> | | |
| As per our report of even date attached For SINGHI & CO. Chartered Accountants | For and on behalf of the Borad of Directors Anil Agarwal Sunil Agarwal | Chairman & Managing Director Director |
| B.K. Sipani Partner M. No. 88926 | | |
| Place : New Delhi | 0 | |
| Dated : 14th August 2012 | | |

POLAR INDUSTRIES LTD.



POLAR INDUSTRIES LIMITED

Registered Office: 18, Rabindra Sarani, Poddar Court Building, Kolkata – 700 001

ATTENDANCE SLIP

29TH ANNUAL GENERAL MEETING, 29TH SEPTEMBER, 2012

Mr./Mrs./Miss _____

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the TWENTY-NINTH ANNUAL GENERAL MEETING of the Company to be held at 'Natya Shodh Sansthan' Natya Bhawan, EE-8, Sector II, Bidhan Nagar, Kolkata – 700 091 on Saturday, the 29th day of September, 2012 at 10:00 A.M.

Full name of the Member (in BLOCK letter) _____

Signature _____

Folio No...../ DP ID No. * & Client ID No. *

*Applicable for members holding shares in electronic form.

Full name of the Proxy (in BLOCK letter) _____

Signature _____

- Notes
- 1) Please fill in this attendance slip and hand it over at the Entrance of the Meeting Hall.
 - 2) Member's Signature should be in accordance with the Specimen Signature registered with the Company.
 - 3) Please bring your copy of the Annual Report for reference at the Meeting.

POLAR INDUSTRIES LIMITED

Registered Office: 18, Rabindra Sarani, Poddar Court Building, Kolkata – 700 001

PROXY FORM

I/We of

being member/members of Polar Industries Limited hereby appoint

of or failing

him/her of or

failing him/her of

as my/our proxy to vote for me/us on my/our behalf at the TWENTY-NINTH ANNUAL GENERAL MEETING of the Company to be held at 'Natya Shodh Sansthan' Natya Bhawan, EE-8, Sector II, Bidhan Nagar, Kolkata – 700 091 on Saturday, the 29th day of September, 2012 at 10:00 A.M. and at any adjournment thereof.

Signed this.....day of, 2012.

Folio No...../ DP ID No.* & Client ID No.*

*Applicable for members holding shares in electronic form.

No. of Shares

Signature.....



NOTES : 1) A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote in his stead. A Proxy need not be a Member of the Company. Proxies, in order to be effective must be received by the Company not less than 48 hours before the time for holding the Meeting.

- 2) Appointment of a Proxy will not preclude a Member from attending the Meeting.
- 3) In the case of a Body Corporate, the Proxy Form should be executed under its Common Seal or be signed on its behalf by an officer or an Attorney duly authorized by it.
- 4) Where there are joint registered holders of any share, any one of such persons may vote at the Meeting either personally or by proxy in respect of such share as if he was solely entitled thereto; and if more than one of such joint holders be 'present at the Meeting either personally or by proxy, then one of the said persons so present whose name stands first on the Register of Members in respect of such share shall alone be entitled to vote in respect thereof.