

THE REPORT ON CORPORATE GOVERNANCE

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.

Polar 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 as given below meets the stipulated requirements.

Name	Category	Independent Director	Designation	Attendance in Board Meeting		Attendance In last AGM	Other Board		
				Held	Attended		Directorship	Committee Membership (including Chairmanship)	Committee Chairman
1. Mr. Anil Agarwal	PD	No	CMD	4	4	Yes	9	4	0
2. Mr. Amalendu Ray	NPD	Yes	ND	4	3	No	1	0	0
3. Mr. A.K. Sharma (a)	NPD	Yes	ND	1	1	N.A.	0	0	0
4. Mr. B.D. Basu	NPD	Yes	ND	4	3	No	2	2	0
5. Mr. Ganga Charan (b)	NPD	Yes	ND	4	4	No	2	0	0
6. Mr. K.P. Bhattacharya	NPD	No	WTD	4	2	No	0	0	0
7. Mr. M.K. Rustagi	NPD	No	WTD	4	4	No	4	0	0
8. Mr. N.G. Khaitan	NPD	Yes	NED	4	0	No	16	11	4
9. Mr. O.P. Shroff	NPD	Yes	NED	4	2	Yes	4	0	0
10. Mr. Sunil Agarwal	PD	No	NED	4	2	No	2	3	1

(a) appointed w.e.f. 17.05.2004

(b) upto 16.05.2004

PD = Promoter Director, NPD = Non Promoter Director, CMD = Chairman & Managing Director, NED = Non Executive Director, ND = Nominee Director, WTD = Whole Time Director

During the year, four board meetings were held on 30.05.2003, 30.07.2003, 30.10.2003 and 30.01.2004. The maximum time gap between any two meetings did not exceed three calendar months.

The details of directors seeking reappointment in the Annual General Meeting to be held on 14.07.2004 are as follows:

Name of the Director	Mr. Anil Agarwal	Mr. K.P. Bhattacharya
Date of Birth	16.09.1956	11.03.1946
Date of Appointment	16.12.1983	29.10.2001
Expertise in specific functional areas	Industrialist	Engineering
Qualifications	Bachelor of Commerce (Hons.)	BE (Electric) from Jadavpur University
List of outside Directorship held	1. Polar Pharma India Ltd. 2. Sheffield Appliances Ltd. 3. Polar Marmo Agglomerates Ltd. 4. Polar Forging & Tools Ltd. 5. MPS Technosoft Ltd. 6. Heynen India Ltd. 7. Tatva Biosis Ltd. 8. Khaitan Chemicals & Fertls. Ltd. 9. Rubber Reclaim Company of India Ltd.	

Name of the Director	Mr. Sunil Agarwal	Mr. O.P. Shroff
Date of Birth	11.05.1960	05.11.1940
Date of Appointment	20.01.1990	30.04.1999
Expertise in specific functional areas	Industrialist	Accounts & Finance
Qualifications	Bachelor of Commerce	Chartered Accountant
List of outside Directorship held	1. Polar Pharma India Ltd. 2. Versatile Wires Ltd.	1. Polar Marmo Agglomerates Ltd 2. Paramount Enterprises Ltd. 3. Hindusthan Vidyut Products Ltd. 4. Heynen India Ltd.

b. Compliances by the Company

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years; no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities relating to the above.

8. Means of communication**i. Half-yearly report:**

The half yearly reports are not being sent to shareholders separately.

ii. Quarterly results

The quarterly results are published in 'Business Standard'/'Financial Express', /Asian Age' and 'Dainik Lipi'. It is also displayed on our website, www.polarinc.com.

iii. The Management Discussion and Analysis (MD & A) is a part of the annual report.

iv. Official news releases are given to the press.

v. The Company has also posted information relating to its financial results and shareholding pattern in Electronic Data Information Filing and Retrieval System (EDIFAR) at www.sebidifar.nic.in

9. General Shareholder Information**9.1. Annual General Meeting**

- Date and Time : 14th July, 2004 at 10.00 a.m.

- Venue : Merchants' Chamber of Commerce, 15B, Hemanta Basu Sarani, Kolkata- 700 001.

9.2. Financial Calendar (Tentative)

: Results for quarter ending
June 30, 2004 Last week of July, 2004

Results for quarter ending
September 30, 2004 Last week of Oct., 2004

Results for quarter ending
December 31, 2004 Last week of Jan., 2005

Results for year ending
March 31, 2005 Last week of May, 2005

AGM for the year ending
March 31, 2005 August, 2005

9.3. Book closure date

9th July, 2004 to 14th July, 2004

9.4. Dividend payment date

Not Applicable

9.5. Listing of Equity Shares on

Kolkatta, Mumbai, Delhi and the National Stock Exchange.
The Company has paid listing Fees for 2004-2005 to all these Stock Exchanges.

9.6. (a) Stock Code

Trading Symbol Calcutta Stock Exchange : 10026011
Trading Symbol National Stock Exchange : POLARIND EQ
Trading Symbol Mumbai Stock Exchange : 504288
Trading Symbol Delhi Stock Exchange : 16085

(b) Demat ISIN Number in
NSDL & CDSL for Equity Shares

ISIN No.INE057B01010

9.7. Stock Market Data

Months	National Stock Exchange (In Rs.)		Bombay Stock Exchange (In Rs.)		BSE Sensex	
	High Price	Low Price	High Price	Low Price	High	Low
April, 2003	5.15	3.55	4.75	3.15	3221.90	2904.44
May, 2003	6.45	3.10	5.90	3.50	3200.48	2934.78
June, 2003	8.25	5.40	8.50	5.10	3632.84	3170.38
July, 2003	8.75	6.00	9.50	6.25	3835.75	3534.06
August, 2003	11.00	6.80	10.15	6.11	4277.64	3722.08
September, 2003	8.40	6.75	8.59	4.55	4473.57	4097.55
October, 2003	6.90	4.50	8.00	4.11	4951.11	4432.93
November, 2003	7.75	4.80	7.00	4.06	5135.00	4736.70
December, 2003	9.80	5.10	10.05	5.05	5920.76	5082.82
January, 2004	8.70	5.35	8.90	4.71	6249.60	5567.68
February, 2004	6.70	4.70	7.80	4.41	6082.80	5550.17
March, 2004	6.50	4.00	7.00	3.57	5951.03	5324.78

9.8. Registrar and Transfer Agents

(Share transfer and communication
regarding share certificates, dividends
and change of address)

MCS Limited
77/2A, Hazra Road, Kolkata - 700 029,
Tel. No. :- 2476-7350/51/52/53/54, Fax No: 24747674

9.9. Share Transfer System : Presently, the 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. The Company has, as per SEBI Guidelines offered the facility of transfer cum demat. Under the said system, after the share transfer is effected, an option letter is sent to the transferee indicating the details of the transferred shares and requesting him in case he wishes to demat the shares, to approach a Depository Participant (DP) with the option letter. The DP, based on the option letter, generates a demat request and sends the same to the company along with the option letter issued by the company. On receipt of the same, the company dematerialise the shares. In case the transferee does not wish to dematerialise the shares, he need not exercise the option and the company will despatch the share certificates after 15 days from the date of such option letter.

9.10. Distribution of Shareholding as on 31st March, 2004:

No. of Shares	No. of Shares	No. of Folios	Percent Shares	Percent Folios
1 - 1000	1085520	9413	9.75	97.37
1001 - 5000	312881	163	2.81	1.68
5001 - 10000	133137	19	1.20	0.20
10001 – 50000	714794	26	6.42	0.27
50001 – 100000	1381381	19	12.41	0.20
100001 - And above	7502700	27	67.41	0.28
T O T A L	11130413	9667	100.00	100.00

9.11. Share Holding Pattern as on 31st March, 2004

<u>Category</u>	<u>No. of Shares</u>	<u>Shareholding %</u>
Promoter, Relatives & Associates	5262999	47.28
Financial Institutions/Banks/Mutual Funds	3960217	35.58
N R Is	28988	0.27
Private Corporate Bodies & Public	1878209	16.87
TOTAL	11130413	100.00

9.12. Dematerialisation of Shares

Trading in Equity Shares of the Company is permitted only in dematerialised form as per notification issued by the Securities and Exchange Board of India (SEBI). As on 31st March, 2004, 82.35% shares have been dematerialised.

9.13. Plant locations

Ceiling Fan Division, A-2, Sector-5, Noida Roorkee Division, Plot No. 9, Ram Nagar Industrial Area, Roorkee Sumach Division, 58/4/2A, B.T. Road, Kolkata - 700 002 PFI Division, 167, Brahma Samaj Road, Kolkata - 700 060

9.14. (i) Investor Correspondence

For Shares held in physical form
MCS Limited, 77/2A, Hazra Road, Kolkata - 700 029

For Shares held in Demat form

To the Depository Participant

(ii) Any query on Annual Report

Secretarial Department

Polar Industries Ltd., 113, Park Street, 8'h Floor. Kolkata - 700 016

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of

Polar Industries Limited

We have examined the compliance of conditions of Corporate Governance by Polar Industries Ltd, for the year ended on 31st March, 2004, 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, we certify that Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Agreement except to the extent specified in the Corporate Governance Report.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Company and presented to the Share Transfer and Shareholders' Grievance Committee.

We further 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.

For **Singhi & Co.**
Chartered Accountants

B . L. Choraria
Partner

Dated : 17/05/2004