

BOARD OF DIRECTORS

Sri Anil Agarwal
Chairman & Managing Director

Sri Sunil Agarwal
Vice Chairman

Sri Shashank Prashad
Independent Director

Sri Uday Chand Kungilwar
Independent Director

COMPANY SECRETARY
Smt. Samta Agarwal

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, Sri. 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 28th 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 - 700091 on Wednesday, the 28th day of September, 2011 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 at 31st March, 2011, 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. Anil 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 (Regd. No. 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 2011-2012 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 thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT Mr. Shashank Prasad who was appointed as Additional Director 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 her intention to propose, Mr. Shashank Prasad 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 a Special Resolution:**

"RESOLVED THAT pursuant to section 163(1) and such other applicable provisions, if any, of the Companies Act, 1956, consent of the Members of the Company be and is hereby accorded for keeping / maintaining the Registers, Records and documents under the Companies Act, 1956 to which the provision of the section 163 applies i.e. Register of Contracts (Companies and firms in which directors are interested) maintained u/s 301, Register of Inter-Corporate Loans & Investments maintained u/s 372A of the Companies Act, 1956, at 113, Park Street, 8th Floor, Poddar Point, Kolkata-700016 with effect from 28th September, 2011, instead of being kept at the Registered Office of the Company i.e. 18, Rabindra Sarani, Poddar Court Building, Kolkata-700001, as the Company Secretary and Compliance Officer of the Company is available at the said address. The above records shall remain open for inspection at the place where they are kept, by the person entitled thereto, to the extent in the manner and on payment of fee, if any, specified in the said Act during business hours except on the day when the Registers and Books are closed under the provisions of the said Act of the Company."

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

"RESOLVED THAT pursuant to section 309(5B) and other applicable provisions if any, of the Companies Act, 1956 and subject to approval of Central Government, consent of the Members of the Company be and is hereby accorded to waive recovery of excess sum of Rs. 4,12,134/- paid to Mr. M. K. Rustagi as Director (Finance & Corporate Affairs) of the company for a period of 11 months w.e.f. 01/11/2005 to 29/09/2006 in the capacity of rendering professional service during the tenure of his Directorship, in terms of the approval of the Central Government vide its letter dated 20/07/2010.

RESOLVED FURTHER THAT the Directors of the Company be and are hereby severally authorized to make an application to Central Government by filing Form 25A for such waiver and to do all such acts, things and deeds necessary to give effect to this resolution."

By Order of the Board
For POLAR INDUSTRIES LTD.

Registered office:
18, Rabindra Sarani
Poddar Court Building, Kolkata – 700001

Dated : 10th day of August, 2011

Sd/-
Samta Agarwal
Company Secretary

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 26TH SEPTEMBER, 2011.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 19th September, 2011 to 28th September, 2011 (both days inclusive).
3. In terms of Article 98 of the Articles of Association of the Company, Mr. Anil 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 recommend 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 Indians 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.
13. The results of the Postal Ballot pertaining to resolution w.r.t. providing corporate guarantee u/s 372A of the Companies Act, 1956 shall be declared at the meeting.

ANNEXURE TO THE NOTICE

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

Agenda Item No. 4

Appointment of Mr. Shashank Prashad as Director after ceasing to be Additional Director.

To broad base the Board of Directors and to comply with the requirement of Clause 49 of the listing agreement Mr. Shashank Prashad, was appointed by the Board as an Additional Director in the category of non-executive independent director of the Company w.e.f. 22nd January, 2011 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. Shashank Prasad and proposes to pass the resolution as set out in item No. 4 of the Notice as an Ordinary Resolution.

Except, Mr. Shashank Prasad, none of the directors of the Company are interested or concerned in the resolution.

Agenda Item No. 5

Keeping of certain Registers and Records at place other than the place Registered Office of the Company.

As per proviso of sec. 163(1) of the Companies Act, 1956, some of the Registers & Records, to which provision of sec. 163 applies, can be kept at any other place within the city where Registered Office of the company is situated, instead of at the Registered Office of the Company, by passing Special Resolution in the General Meeting for approving such place and by giving in advance a copy of the proposed special resolution to the Registrar.

The Board seeks the consent of the members of the Company for keeping the Register of Contracts (Companies and firms in which directors are interested) maintained u/s 301, Register of Inter-Corporate Loans & Investments maintained u/s 372A of the Companies Act, 1956 together with all documents required to be annexed thereto, at 113, Park Street, 8th Floor, Poddar Point, Kolkata-700016, as the Company Secretary and Compliance Officer of the Company is available at the said address. The above records will be open for inspection at the place where they are kept, by the person entitled thereto, to the extent, in the manner and on payment of fee, if any, specified in the said Act on any working day during business hours, except on the day when the Registers and Books are closed under the provisions of the said Act. Extracts and copies of the aforesaid records can also be taken on payment of specified fees.

The Directors recommend that the resolution as set out in item no.5 of the Notice be adopted.

None of the Directors is deemed to be concerned or interested, directly or indirectly, in this resolution except to the extent of their shareholding in the Company.

Agenda Item No. 6**Waiver of Excess Remuneration paid to Mr. M K. Rustagi**

An Agreement dated 17/08/2005 was entered between Mr. M. K. Rustagi and Polar Industries Limited wherein Mr. Rustagi was appointed as Director (Finance & Corporate Affairs) for a period of 5 years w.e.f 01/11/2005 to 31/10/2010. Mr. M. K. Rustagi resigned from his post after serving for 11 months on 29/09/2006 thereby not completing his full term. The total remuneration paid to Mr. Rustagi by the Company for the period of 11 months was Rs. 12,07,480/-.

The Central Government vide its letter dated 20/07/2010 approved u/s 269 of the Companies Act, 1956 the re appointment of Mr. M. K. Rustagi as Director (Finance & Corporate Affairs) of the Company for a period of five (5) years w.e.f. 01/11/2005 to 31/10/2010, whereas the remuneration payable to Mr. M. K. Rustagi for the served period, as per Central Government's approval amounted to Rs.7,49,430/- only.

Mr. M. K. Rustagi having served the Company as Director (Finance & Corporate Affairs) on a pre determined contractual remuneration, the Company cannot demand the excess amount of Rs. 4,12,134/- paid to him during the tenure of his service rendered to the Company. The Company therefore has to approach the Central Government for Waiver of Recovery of Excess Remuneration already paid to him subject to Shareholders approval in the ensuing Annual General Meeting, pursuant to section 309(5B) of the Companies Act, 1956.

The Directors recommend the resolution for favorable consideration by the Shareholders.

Directors holding equity shares of the Company may be 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 – 700001

By Order of the Board
For POLAR INDUSTRIES LTD.

Sd/-
Santia Agarwal
Company Secretary

Dated : 10th day of August, 2011

Important Communication to Members / Shareholders

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that the service of notice/ documents including Annual Report can be sent by e-mail to its members

In support of MCA's endeavors in this direction, commencing this year, and in future, the Company will be sending its Annual Report as well as other correspondences by e-mail, to those Members whose e-mail addresses are registered with the Company/ Company's RTA.

Shareholders having shares in physical form are requested to register their e-mail id with our Registrar and Share Transfer Agent i.e. MCS Limited, 77/2A, Hazra Road, Kolkata -700029, for receiving future correspondences electronically.

In case any Members who are not interested to be the part of green initiative and desires to receive Company's Correspondences in physical form, the Company will be happy to provide the same on their request.

DIRECTORS' REPORT

To
The Members,

Directors of the Company have pleasure in submitting the 28th Annual Report of the Company together with Audited Accounts for the period ended 31st March 2011. A brief summary of financial results and other operational aspects are being detailed herein as under :

FINANCIAL RESULTS

Particulars	31st March	31st March
	2011	2010
		(Rs. In Lacs)
Total Income	152.30	5116.08
Profit/(Loss) before Depreciation, Interest & Tax	(69.69)	1727.90
Less: Depreciation	14.56	42.93
Interest	32.76	92.53
Principal Amount of Loan & Interest Written Back	501.54	-
Profit/ (Loss) before Tax	(117.01)	1592.44
Less: Provision for Taxation		
- Current Tax	-	-
- Fringe Benefit Tax	-	-
Profit/(Loss) after Tax	(117.01)	1592.44
Transfer from Debenture Redemption Reserve	-	-
Profit/(Loss) brought forward from previous period	(14712.57)	(16305.02)
Loss carried forward to Balance Sheet	(14328.03)	(14712.57)

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 already proposed One Time Settlement of dues with ARCIL and the same is under discussion with them.

IIBI vide its letter dated 25th August, 2010 sanctioned the settlement amount of Rs. 178.57 lacs with a condition for the Company to pay the amount within a stipulated time period. M/s Omkam Developers Limited, Strategic investors of PMAL, a group Company and the owner of the property mortgaged to IIBI by the Company paid the settlement amount on behalf of the Company.

DIRECTORATE

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

In order to Broad Base the Board of Directors and to comply with the requirement of Clause 49 of the Listing Agreement, Mr. Shashank Prashad, who had resigned on 10th December, 2010 from the Directorship of the Company was again appointed as an Additional Director in the category of non-executive independent director of the Company w.e.f. 22nd January, 2011 & 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 her intention to propose the candidature of Mr. Shashank Prashad for the office of Director. The Board recommends for the appointment of Mr. Shashank Prashad as a candidate for the office of Director liable to retire by rotation. 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, (Regn. No. 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.

MANAGEMENT'S EXPLANATION TO 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 MoJ. 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 Companies Act, and hence, not a "debenture" as defined in sec. 2 (12) of the Companies Act.

In any case, it has been noted that, as per the 'Notes to Accounts' forming part of the Balance Sheet as at 30th June, 2010 of the Debenture Holder, the Debenture Holder has received an amount from ARCIL. It is noted that ARCIL had enforced security interest in terms of sec. 13 of the SARFAESI Act and caused a sale of a property belonging to the company. ARCIL has apparently shared a part of the sale proceeds of the said property with the Debenture Holder. Such payment, made by ARCIL, is payment made on behalf of the company and in any case has been accepted by the Debenture Holder as reducing the Debenture Holder's investment in the debentures. A total amount of approx Rs 102 Lacs has been repaid to the Debenture holder by ARCIL.

As per the Repayment Schedule mentioned in the MOU entered with the Debenture holder, a total amount of Rs 102 lacs was due for repayment till 26th July, 2010. Upon ARCIL making payment of approx Rs 102 lacs to the Debenture holder, the dues of the company uptill 26th July, 2010 have been paid off, on first-due-first-paid basis. For applicability of 274 (1) (g) (B), there must be a default of 1 year from the due date. As debts upto 26th July, 2010 have been paid off, no default of more than 1 year exists as on 31st March, 2011 and hence section 274 (1) (g) (B) is not attracted.

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 pending receipt of information from ARCIL with respect to the sale consideration of Company's residential property situated at A-8 Maharani Bagh, New Delhi – 110065, the Company has considered a minimum reserve price of Rs. 27.50 crores for the purpose of provisional accounting 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.

In respect of the Auditor's observation that in accordance with the explanations given to them and considering their observations in vi, 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 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.

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

COST AUDIT

M/s K.L. Jaisingh & Co., Cost Accountants, Jaisingh House J-7, Sector – XI, Noida – 201 301 are appointed as Cost Auditor of the Company to conduct Cost Audit of the Accounts maintained by the Company for the financial year ending 31st March, 2012.

Due date of filing of Cost Audit Report is 30th September, 2011. The audit of the Cost Audit Records as maintained by the Company is being conducted. The Cost Audit Report will be filed within the stipulated time frame.

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.

PREFERENTIAL ALLOTMENT OF WARRANTS

As approved by the shareholders your Company has made preferential allotment of 39,00,000 Zero Coupon Convertible Warrants (ZCCWs) to M/s Polar Overseas Ltd. & M/s Arunima Investment Pvt. Ltd. the Associate of Promoters of the Company on 3rd July, 2009 & the same is convertible into equal no. of Equity Shares within a period of 18 months from the date of allotment of warrants (on or before January 2, 2011). The warrant holders having failed to exercise the option to acquire the equity shares within the said period, the warrants stands lapsed and the amount of Rs 1.12 crore received by the Company as advance stands forfeited.

SHIFTING OF REGISTERED OFFICE

The Registered Office of your Company has been shifted from 51, Ezra Street, 2nd Floor, Kolkata – 700 001 to 18, Rabindra Sarani, Poddar Court Building, Kolkata – 700 001 w.e.f. March 22nd, 2011.

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.

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. confirming 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 CMD 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-1 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 Exchange for their continuous support.

For and on behalf of the Board

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

ANIL AGARWAL

Chairman & Managing Director

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, 2011.

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

(Rs in lacs)

	Particulars	12 months Period ended 2010-11	12 months Period ended 2009-10
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.

a) Technology imported

b) Year of Import

c) Has technology been fully absorbed?

d) If not fully absorbed, areas where this has not taken place, reasons therefore 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.

For and on behalf of the Board of Directors

Registered office:

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

Dated: 10th day of August, 2011

ANIL AGARWAL

Chairman &
Managing Director

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 IBI 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 already proposed One Time Settlement of dues with ARCIL and the same is under discussion with them.

2. Consolidation of Manufacturing Units

The Company at present is operating from one manufacturing unit after consolidation of four units, units-two at Kolkata one at Noida and one at Roorkee, Uttaranchal. The Company has taken all the effective steps and listed out the formalities involved for closure/consolidation. However, complete closure could not be achieved due to lack of adequate funds. It shall be done on infusion of funds.

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. Actual performances no where 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 statues 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

Place : Kolkata
Date : 10th August, 2011

Anil Agarwal
Chairman & Managing Director

REPORT ON CORPORATE GOVERNANCE FOR THE PERIOD 01.04.2010 TO 31.03.2011

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 as given below meets the stipulated requirements.

Name	Category	Director (Independent)	Designation	Attendance in Board Meeting Held	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	5 5	Yes	3	2	-	2839928
2. Mr. Sunil Agarwal	PD	No	NED	5 5	No	1	1	1	167512
3. Mr. Shashank Prashad (a)	NPD	Yes	IND	5 5	Yes	5	2	1	1071
4. Mr. Uday C. Kungilwar	NPD	Yes	IND	5 5	Yes	-	1	-	-

- a) Mr. Shashank Prashad resigned from the Directorship of the Company on 10th December, 2010. He was again reappointed as Additional Director of the Company on 22nd January, 2011 by the Board of Director and 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, five board meetings were held on (i) 29.05.10, (ii) 06.08.10, (iii) 03.11.10, (iv) 07.02.11 (v) 30.03.2011. The maximum time gap between the two meetings (28.01.2010 and 29.05.2010) has exceeded by one day.

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. Anil Agarwal
Brief Resume	Mr. Anil Agarwal, son of Late Sajjan Kumar Agarwal is 54 years old and resides at A-2, (F/Floor) Maharani Bagh, New Delhi-110065. He is B.Com (Hons.) by qualification. His association with the Company dates back to the 1980s. He being a person of great integrity, his devotion to his works reflects his grit and determination to overcome every hurdle that comes in the Company's way. With his excellent analytical abilities, he has competence to oversee all activities and take prompt business decisions. He is the brother of Mr. Sunil Agarwal, the Non Executive Director of the Company.
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	2839928 (13.39%)
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. Asset Sale Committee –Chairman 2. Audit Committee – Member 3. Remuneration Committee – Member 4. Financial Review Committee – Member 5. Share Allotment Committee – Member
Chairman/Member of the Committee of other companies in which he is a Director	1. Polar Pharma India Ltd. Shareholders' Grievance Committee – Member Selection Committee - Member

Name of the Director	Mr. Shashank Prashad
Brief Resume	Mr. Shashank Prashad son of Late Sumat Prashad aged 53 years resides at 1, Dover Park, Kolkata-700019. He is B.Com (Hons.) and possess more than 25 years of rich experience in Tea Industry. Apart from academic qualification, his practical and professional expertise is more fully reflected in the valuable advises he gives.
Qualifications	B.Com (Hons.)
Date of Birth	22.05.1957
Date of Appointment	22.01.2011
Shareholding in the Company	1071(0.005%)
Expertise in specific functional areas	25 years of experience in Tea industry

List of outside Directorship held	a) SPBP Tea Plantation Ltd. – Director b) Darjeeling Dooars Plantations (Tea) Ltd. – Director
Chairman/Member of the Committee of the Board of Directors of the Company	1. Audit Committee – Chairman 2. Remuneration Committee – Chairman 3. Financial Review Committee – Chairman 4. Shareholders' Grievance & Share Transfer Committee –Member 5. Share Allotment Committee – Member 6. Hardship Committee - Member
Chairman/Member of the Committee of other companies in which he is a Director	1. Darjeeling Dooars Plantations (Tea) Ltd. Audit committee - Member

3. Audit Committee

The composition of the Audit Committee is in accordance with the revised provisions of Clause 49 (II) (A) of the Listing Agreement with the Stock Exchanges. At present the Committee consists of Two Non-Executive Directors and One Executive Director with 2/3rd of the Members being Independent Directors. Mr. Shashank Prashad, Independent Director is the Chairman and Mr. Anil Agarwal and Mr. Uday Chand Kungilwar are other Members of the Committee.

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 Company Secretary acts as the Secretary to the Committee.

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) 29.05.10, (ii) 06.08.10, (iii) 03.11.10, (iv) 07.02.11

Attendance of Members at the Meeting of the Audit Committee

Name of the Directors	No. of Meetings	
	Held	Attended
1. Mr. Anil Agarwal	4	4
2. Mr. Shashank Prashad	4	4
3. Mr. Uday Chand Kungilwar	4	4

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:

- to investigate any activity within its terms of reference;
- to seek information from any employee;
- to obtain outside legal or other professional advice;
- 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:

- 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;
- to recommend the appointment and removal of external auditor, fixation of audit fees and also approval of payment for any other services;
- reviewing with the management the annual financial statements before submission to the Board, focusing primarily on :
 - any changes in accounting policies and practices;
 - major accounting entries based on exercise of judgment by management;
 - qualifications in draft audit report;
 - significant adjustments arising out of audit findings;
 - the going concern assumption;
 - compliance with accounting standards;

- compliance with stock exchange and legal requirements concerning financial statements;
 - 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 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 Whole Time 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 Whole Time 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 31.03.2011:

(i) Executive Director –Whole-time Director/Managing Director

Particulars	Mr. Anil Agarwal (*)	Total
Salary	4,80,000	4,80,000
Medical Reimbursement	14,095	14,095
Employer's contribution to Provident & other Funds	57,600	57,600
Bonus	3,600	3,600
Special Allowance	328,800	328,800
TOTAL	8,84,095	8,84,095

(*) Service Contract entered was for the period 1st April, 2009 to 31st March, 2012. Central Government vide its letter dated 25/06/2010 approved his appointment for a period of three years but gave approval for remuneration for two years only. Mr. Anil Agarwal vide its letter dated 7th April, 2011 on his own motion, decided to forgo the remuneration payable to him in the capacity of Managing Director of the Company for the remaining period of tenure of his service i.e. one year w.e.f. 01/04/2011 in the best interest of the Company.

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

The Company has, during the 12 months period ended 31.03.2011, paid sitting fees for attending Board and Audit Committee Meetings to the Non Executive Directors as follows:

Non-Executive Director	Sitting Fees paid for attending Board Meeting and Audit Committee Meetings (Rs.)
1. Mr. Sunil Agarwal	-
2. Mr. Shashank Prashad	9,000
3. Mr. Uday Chand Kungilwar	9,000
Total	18,000

- 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.
- Non-Executive Directors are being paid sitting fees of Rs.1000/- for attending each Board Meeting and Audit Committee Meeting.
- There has been no pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the Company during the year under review.
- There is no performance linked incentive paid to the Executive Directors.

5. Remuneration Policy

- The remuneration of employees include basic remuneration and perquisites.
- 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.
- The objectives of the remuneration policy are to motivate, reward 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 Board has designated Ms. Samta Agarwal, Company Secretary as the Compliance Officer.

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

Members	Particulars
(1) Mr. Sunil Agarwal	Chairman
(2) Mr. Shashank Prasad	Member

The total number of complaints received and replied to the satisfaction of the shareholders during the year ended March 31, 2011 were 4. There were no complaints outstanding as on March 31, 2011.

7. General Body Meetings

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

Year	Date	Time	Venue	Whether any special resolutions passed
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
2007 - 2008 period of 12 months (01.04.2007 - 31.03.2008)	12.08.2008	10:00 A.M.	Merchants' Chamber of Commerce, 15B, Hemanta Basu Sarani, Kolkata – 700 001	Yes

Postal Ballot:

No special resolutions were required to be put through postal ballot last year. Pursuant to the recommendations for passing of certain important matters through postal ballot, it is confirmed that there was no special resolutions which were required to be conducted through postal ballot.

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. The Company has filed its confirmation to that effect with the concerned Stock Exchanges. 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

- Quarterly results are published in leading daily newspapers viz, 'Business Standard'/'Financial Express'/'Asian Age'(English) and 'Arthik Lipi'/'Duranta Barta' (Bengali). The Annual report is posted to every Shareholder of the Company.
- Management's Discussion & Analysis Report forms part of this Annual Report, which is also being posted to all Shareholders of the Company.
- The relevant information like financial information, compliance with corporate governance, etc. are also posted in the Company's website i.e. www.polarinc.com.
- Official news releases are given to the press from time to time.
- 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 : 28th September, 2011 at 10.00 A.M.
- Venue : "Natya Shodh Sansthan", Natya Bhawan, EE-8, Sector II, Bidhan Nagar, Kolkata - 700 091

10.2 Financial Calendar (already published & tentative):

Results for quarter ending June 30, 2011	Second week of August, 2011
Results for quarter ending Sept 30, 2011	Second week of Nov, 2011
Results for quarter ending December 31, 2011	Second week of February, 2012
Results for year ending March 31, 2012 (Unaudited)	Second week of May, 2012
AGM for the year ending March 31, 2012	September, 2012

- 10.3. **Book closure date** : 19th September, 2011 to 28th September, 2011 (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**

2010-2011	National Stock Exchange (in Rs.)		Bombay Stock Exchange (in Rs.)	
	High Price	Low Price	High Price	Low Price
April, 2010	7.35	4.65	7.68	4.60
May, 2010	6.60	4.75	6.39	4.63
June, 2010	8.00	5.05	8.01	5.00
July, 2010	6.95	5.95	7.05	5.65
August, 2010	6.95	5.40	6.99	5.19
September, 2010	6.85	5.00	6.71	5.06
October, 2010	7.50	4.80	7.29	5.47
November, 2010	6.80	4.85	6.63	4.24
December, 2010	5.95	3.45	5.57	3.50
January, 2011	6.15	4.15	6.25	4.11
February, 2011	5.75	4.05	6.20	4.30
March, 2011	5.25	3.80	5.10	3.76

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, 2011:**

Shareholding Pattern as on 31st March, 2011:

Shareholders	No of shareholders	No of shares held	Percentage to total issued shares
Promoter Group	13	7838335	36.97
Financial Institution/ Banks/ Mutual Funds	7	4853159	22.89
NRIs	31	27834	0.13
Private Bodies Corporate	253	1879720	8.87
Individual Public	10265	6603020	31.14
TOTAL	10569	21202068	100.00

Distribution of Shareholding as on 31st March, 2011:

Range of Shares	No. of Shares	No. of Folios	Percent Shares	Percent Folios
1 - 500	1041604	9123	4.9127	86.1717
501 - 1000	591406	690	2.7894	6.5174
1001 - 2000	556936	357	2.6268	3.3721
2001 - 3000	291812	112	1.3763	1.0579
3001 - 4000	178039	49	0.8397	0.4628
4001 - 5000	197360	41	0.9309	0.3873
5001 - 10000	734787	99	3.4656	0.9351
10001 - 50000	1622253	75	7.6514	0.7084
50001 - 100000	632462	9	2.9830	0.0850
And above	15355409	32	72.4241	0.3023
Total	21202068	10587	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 investors w.e.f. 28.11.2000 (in NSDL) and 22.12.2000 (in CDSL).

As on 31st March, 2011, 48.11% of the Company's paid up equity representing 10200444 shares were held in demat form.

No. of shares in physical segment	11001624	51.89 %
No. of shares in demat segment	10200444	48.11 %

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. However 39,00,000 Zero Coupon Convertible Warrants carrying a right to subscribe to an equal number of equity shares at a price of Rs.11.51 including premium of Rs.1.51 have been allotted on 03.07.2009 to the Associates of Promoters on preferential basis. These warrants are convertible into equity shares within 18 months from the date of allotment (on or before January 2, 2011). The warrant holders having failed to exercise the option to acquire the equity shares within the said period, the warrants stands lapsed and the amount of Rs 1.12 crore received by the Company as advance was forfeited.

10.13. Investor Correspondence

For Transfer/Dematerialisation of shares payment of dividend on shares, interest and redemption of debentures, and any other query relating to the shares and debentures of the company : MCS Limited
77/2A, Hazra Road
Kolkata - 700 029
Ph. No.: (033)2454-1892/3

For shares held in demat form : To the Depository Participant

Any query on Annual Report : Secretarial Department
Polar Industries Ltd.
18, Rabindra Sarani, Poddar Court Building,
Kolkata - 700 001
cs@polarinc.com



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 three 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 reportings 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 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, 2011.

Place: Kolkata
Date: 14th April, 2011

Anil Agarwal
Chairman & Managing Director

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 period ended 31st March, 2011, 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) In one case gap between two Board Meeting and Audit Committee Meeting were slightly more than four months.*
- (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: 10th August, 2011

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, 2011 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 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. On the basis of written representations received from the directors as on 31st March 2011 and taken on record by the Board of Director, we report that two of the directors are disqualified as on 31st March 2011 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. 3 in Schedule 20).*
 - (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 B-4 in Schedule 20. 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 B-4(e) in Schedule 20 We are unable to comment about impact on the profit for the year 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.7 in Schedule 20. 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.B-8 in Schedule 20. 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 asset 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 2,14,74,831 from various parties and ex- employees as referred in **Note No B-9 in Schedule 20** . We are 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 in **Note No B-15 in Schedule 20**. 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 intends to file application with Central Government for waiver of excess remuneration paid as referred in **Note No .B- 22(b) in Schedule 20**.
- (h) Regarding non-provision and non-ascertainment of penalties on various outstanding statutory dues as referred in **Note No B-25 in Schedule 20**. 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 favour of Co-operative Bank as a collateral security for obtaining loan by a body corporate as referred in **Note No. B-16 of Schedule 20** for which share holders 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 comment whether above security given is prejudicial to the interest of the company.
- 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, 2011.
- 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.

For SINGHI & CO.

Chartered Accountants
Firm Reg. No. 302049E
B.K.Sipani
Partner
Membership No. 88926

Place : Kolkata
Date: 10th August 2011

**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 previous 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. 17,08,307 and debit aggregating Rs. 45,600 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. 56,09,560 (Net) as payable and year end balance was Rs. 55,76,394 (Net) 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 loan 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 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. 42,60,897, TCS Rs. 49,430, PF Rs 60,56,536, Professional Tax Rs 9045, ESIC Rs 421 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. 13,07,162 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 States 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 formation & explanation provided to us, the Company has made provisional adjustment of reserve price of property as indicated in **Note No. B-4(e) of Schedule 20** against Secured Loans due to ARCIL as on 31.03.11. Pending final adjustment defaults in repayment of dues, if any cannot be ascertained. Further the company has defaulted in repayment of Debenture Rs.15,16,100 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 (xiii) 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.137,61,99,219 (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 yet to create securities in respect of debentures outstanding at the year end
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) 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 Reg. No. 302049E

Place: Kolkata
Date: 10th August, 2011

B.K.Sipani
Partner
Membership No. 88926

**BALANCE SHEET
AS AT 31st March 2011**

	<i>Schedule</i>	As at 31st March 2011 Rs.	As at 31st March 2010 Rs.
SOURCES OF FUNDS			
A. SHAREHOLDERS' FUNDS			
Share Capital	1	214520680	214520680
Zero Coupon Convertible Warrants		0	11222250
Reserves & Surplus	2	300270829	289470417
Zero Coupon Convertible Warrant Application Money (Refer Note B- 2 (b) of Schedule 20)		0	7750
		<u>514791509</u>	<u>515221097</u>
B. LOAN FUNDS			
Secured Loans	3	283208042	352307550
Unsecured Loans	4	50036147	21762821
		<u>333244189</u>	<u>374070371</u>
TOTAL		<u>848035698</u>	<u>889291468</u>
APPLICATION OF FUNDS			
A. FIXED ASSETS			
Gross Block	5	53193656	53901094
Less: Depreciation and impairments		<u>19533054</u>	<u>17868062</u>
Net Block		<u>33660602</u>	<u>36033032</u>
B. INVESTMENTS			
	6	810595	2657149
C. CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	8940825	12295849
Sundry Debtors	8	2567731	6915620
Cash & Bank Balances	9	2016376	2839427
Loans & Advances	10	<u>122667178</u>	<u>168866868</u>
		<u>136192110</u>	<u>190917764</u>
Less: CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	11	753385407	809546478
Provisions	12	<u>2095622</u>	<u>2027204</u>
		<u>755481029</u>	<u>811573682</u>
NET CURRENT ASSETS		<u>-619288920</u>	<u>-620655919</u>
D. PROFIT & LOSS ACCOUNT-DEBIT BALANCE			
		1432853416	1471257206
TOTAL		<u>848035695</u>	<u>889291468</u>

NOTES ON THE ACCOUNTS**20**

Schedules 1 to 12 and 20 referred above form an intergral part of the Balance Sheet

As per our Report of even date attached.

For SINGHI & CO.*Chartered Accountants**Firm Registration No. 302049E*

B.K.Sipani

*Partner**M.No.88926*

Place :Kolkata

Dated : 10th August 2011

For and on behalf of the Board Of Directors

Anil Agarwal

*Chairman &**Managing Director*

Sunil Agarwal

Director

Samta Agarwal

Company Secretary

**PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31st March 2011**

	<i>Schedule</i>	As at 31st March 2011 Rs.	As at 31st March 2010 Rs.
INCOME			
Sales & Services	13	4269873	211842855
Less:-Excise Duty		0	13639046
Net Sales		4269873	198203809
Other Income	14	2018129	302557416
Closing Stocks	15	8940825	10846785
		<u>15228827</u>	<u>511608010</u>
EXPENDITURE			
Opening Stocks	16	10846785	104842938
Purchases of Finished Goods		0	27183343
Raw material Consumed	17	1355347	69441865
Expenses	18	10045254	137350012
		<u>22247387</u>	<u>338818159</u>
Profit / (Loss) before Amortisation, Depreciation, Finance Cost, Exceptional Items and Tax		(7018560)	172789851
Finance Cost	19	3275659	9252741
Depreciation	1885981	5463735	5463735 1171081
Less: Transfer from Revaluation Reserve	429588	1456393	1171079 4292656
		<u>(11750611)</u>	<u>159244454</u>
Profit / (Loss) before Exceptional Items and Tax Exceptional Items - (Refer Note B-6 Schedule 20)		(11750611)	159244454
Principal Amount of Loan & Interest written back		50154401	
Profit / (Loss) before Tax		38403790	159244454
Loss brought forward from the Previous period		(1471257206)	(1630501660)
Loss carried to the Balance Sheet		<u>(1432853416)</u>	<u>(1471257206)</u>

ACCOUNTING POLICIES AND NOTES ON THE ACCOUNTS

Schedules 13 to 19 referred above form an integral part of the Profit & Loss Account.

20

Earning Per Share (EPS)

Basic and Diluted EPS

(Equity Shares of face value of Rs. 10/- each) (Refer Note No.B-21 Schedule 20)

(i) Before exceptional items

(ii) After exceptional items

(0.57)

7.84

1.79

7.84

As per our Report of even date attached

For SINGHI & CO.

Chartered Accountants

Firm Registration No. 302049E

B.K.Sipani

Partner

M.No.88926

Place :Kolkata

Dated : 10th August 2011

For and on behalf of the Board Of Directors

Anil Agarwal

Chairman & Managing Director

Sunil Agarwal

Director

Samta Agarwal

Company Secretary

**SCHEDULE FORMING PART OF ACCOUNTS
SCHEDULE 1 TO 20**

	As at 31st March 2011 Rs.	As at 31st March 2010 Rs.
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
2,77,50,000 Equity Shares of Rs. 10 each	277500000	277500000
25,000 14% Redeemable Cumulative Preference Shares of Rs.100 each.		
	<u>2500000</u>	<u>2500000</u>
	280000000	280000000
Issued, Subscribed & Paid up		
2,12,02,068 Equity Shares of Rs.10 each fully paid (Previous Year 2,12,02,068)	212020680	212020680
25,000 14% Redeemable Cumulative Preference Shares of Rs 100 each.(Refer Note No.B- 2 (a) of Schedule 20)	2500000	2500000
	<u>214520680</u>	<u>214520680</u>

Of the above:-

22,98,931	Equity Shares allotted as fully paid up bonus shares out of General Reserves of the company.
17,70,043	Equity Shares allotted to the shareholders of erstwhile Polar Electrotech Ltd & Polar Fan Industries Ltd consequent upon its merger with the company.
21,75,884	Equity Shares allotted to the Financial Institutions & Banks otherwise than in cash towards One Time Settlement of dues payable by Polar Marmo Agglomerates Ltd. , Polar Forging & Tools Ltd. & Heynen India Ltd.
10,57,835	Equity Shares allotted to the Financial Institutions otherwise than in cash in terms of restructuring scheme.
3074300	Equity Share allotted to the ARCIL on conversion of loan as per agreed terms & conditions.(Refer Note 4(a) schedule 20)

SCHEDULE 2**RESERVES AND SURPLUS**

ARTICULARS	AS AT	ADDITIONS	DEDUCTIONS	AS AT
	31st March. 2010 (Rs.)			31st March. 2011 (Rs.)
Capital Reserve	4173143	11230000**	0	15403143
Revaluation Reserve	4368525	0	429588*	3938937
Securities Premium Account	274638499	0	0	274638499
Debenture Redemption Reserve	3790250	0	0	3790250
Preference Shares Redemption Reserve	2500000	0	0	2500000
	<u>289470417</u>	<u>11230000</u>	<u>429588</u>	<u>300270829</u>

* Transferred to Profit & Loss Account and adjusted against depreciation

** Transferred as forfeited of zero Copon Convertible Warrants (includes application money of Rs 7750/-). Refer Note no. 2(b) Schedule 20.

	As at 31st March 2011 (Rs.)	As at 31st March 2010 (Rs.)
SCHEDULE 3		
SECURED LOANS		
(Refer Note No.B-4 Schedule 20)		
(1) Debentures*	15161000	15161000
(2) Debts acquired by M/s Assets Reconstruction Company (India) Limited (ARCIL) & a NBFC*	267015599	267015599
(3) From a Financial Institution		0
(a) Rupees Term Loan		34290000
(b) Funded Interest Term Loans		22369800
(c) Interest Accured and Due on above		11315701
(4) Car Loans from Banks	1031443	2155450
	<u>283208042</u>	<u>352307550</u>

Note :

* Refer Note B-4(a) to (g) in Schedule 20

For Security : Refer Note No B-5 in schedule 20

**SCHEDULE 4
UNSECURED LOANS**

- a) Deposits from Dealers
b) Loan from Bodies Corporate
c) Interest accrued and due on above

	As at 31st March 2011 Rs.	As at 31st March 2010 Rs.
a) Deposits from Dealers	3245859	320859
b) Loan from Bodies Corporate	44037312	15796098
c) Interest accrued and due on above	2752976	2645864
	50036147	21762821

**SCHEDULE 5
FIXED ASSETS**

	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	Cost as at 31.03.10	Addition during the year	Sales/ Adjustments during the year	Cost as at 31.03.11	Up To 31.03.10	For the Year	Deductions/ Adjustments	As at 31.03.11	As at 31.03.11	As at 31.03.10
Leasehold Land	16252274	0	0	16252274	1124065	180365	0	1304430	14947844	15128209
Freehold Land	0	0	0	0	0	0	0	0	0	0
Building	24422033	0	0	24422033	10126128	815696	0	10441824	13480209	14295905
Plant & Machinery etc.	1760045	0	0	1760045	1401933	0	0	1409913	358112	358112
Furniture, Fixture & Office Equipments	4777912	0	0	4777912	3392627	274070	0	3666697	1111215	1385285
Vehicles	6682550	73000	774158	5981392	1823309	615850	220989	2218170	3763222	4859241
Trademark	6280	0	6280	0	0	0	0	0	0	6280
TOTAL	53901094	73000	780438	53193656	17868062	1885979	220989	19533054	33660602	36033032
Previous Period	192392292	237043	138728241	53901094	82975279	5463735	70570952	17868062	36033032	109417014

1. Vehicles includes purchased under hire purchase scheme
2. Building on lease hold land Rs 42,64,595 (Original cost)
Refer Note B-4(e) and B-4(g) in Schedule 20
3. Cost as at 31st March, 2010 has been regrouped during the year.

**SCHEDULE 6
INVESTMENTS**

(As Certified by the management)

Long Term

In Equity Shares of Rs.10 each fully paid

Quoted (Other than trade)

3,05,350 (Previous Year 9,20,350) Polar Pharma India Ltd.

In Government Securities

-National Saving Certificates

(deposited with sales-tax authorities)

Less:-Provision for Diminution in Value of Shares

Book Value of Quoted Investments

Book Value of Govt Securities Investments

Market value of Quoted Investments

	As at 31st March 2011 Rs.	As at 31st March 2010 Rs.
3,05,350 (Previous Year 9,20,350) Polar Pharma India Ltd.	3349854	10103046
-National Saving Certificates	33500	33500
(deposited with sales-tax authorities)	3383354	10136546
Less:-Provision for Diminution in Value of Shares	2572759	7479397
	810595	2657149
Book Value of Quoted Investments	3349854	10103046
Book Value of Govt Securities Investments	33500	33500
	3383354	10136546
Market value of Quoted Investments	810595	2657149

	As at 31st March 2011 Rs.	As at 31st March 2010 Rs.
SCHEDULE 7		
INVENTORIES		
(As certified by the Management)		
(Including in Transit)		
(Refer Note No.B-7 Schedule 20)		
Stores & Spares parts		11338
Finished Goods (including trading goods Rs 8640825) (Previous Year Rs 8640825)	8640825	8640825
Raw Materials	0	1437726
Work-in-Progress	300000	2205960
	8940825	12295849
SCHEDULE 8		
SUNDRY DEBTORS (Unsecured)		
Exceeding six months		
Considered Good	2567731	6915619
Considered Doubtful	16743367	12047618
Others		
Considered Doubtful		4695751
	19311098	23658988
Less: Provision for Doubtful Debts	16743367	16743369
	2567731	6915619
SCHEDULE 9		
CASH & BANK BALANCES		
Cash, Cheques & Drafts in hand	133103	570768
Balances with Scheduled Banks		
Current Accounts (including No lien account Rs.NIL (Previous Year 901000)	1601738	1987123
Fixed Deposit Account*	32500	32500
Margin Money Account	248450	248450
Post Office Savings Bank Account*	586	586
	2016376	2839427
* Pledged with Government Authorities		
SCHEDULE 10		
LOANS & ADVANCES		
Advances (recoverable in cash or in kind or for value to be received and/or to be adjusted)		
Considered Good	21474831	26522677
Interest & Other claims		
Insurance Claim Receivable*	67633375	67633375
Sales Tax Advance/Adjustable	3338951	3240822
Other Income Receivable	21618414	22664105
Deposit with Government Departments and Others	2987214	3191496
Estimated realisable value of assets of PMAL	0	40000000
Balance with Central Excise Department	835455	835455
Tax Deducted at Source	1608205	1608205
Excise Duty, Sales Tax etc. Deposit Under Protest	3170733	3170733
* Refer Note No. 15 Schedule 20.		
	122667178	168866868



SCHEDULE 11	As at	As at
CURRENT LIABILITIES	31st March 2011	31st March 2010
	Rs.	Rs.
Sundry Creditors **	536183616	583663917
For Capital Goods	601094	526225
Other Liabilities	59459575	62675143
Credit balance & Advances from Customers	70173062	73828062
Advance against sale of property now refundable	86832265	86832265
Unclaimed Fixed Deposits (including interest accrued)*	0	10657
Book Overdraft	<u>736889</u>	<u>2536434</u>
	753385407	809546478
** Refer Note No 18 of Scheule 20		
SCHEDULE 12		
PROVISIONS		
Provision for retirement benefits	1095622	1027205
Provisions for Warranty	<u>1000000</u>	<u>1000000</u>
	2095622	2027205
SCHEDULE 13		
SALES & SERVICE ETC		
Domestic	4269873	210858444
Scrap	<u>984411</u>	<u> </u>
Net sale	4269873	211842855
SCHEDULE 14		
OTHER INCOME		
Profit on sale of Long Term Investments (Other than trade)	149512	1953550
Profit on sales of fixed assets	0	265809934
Miscellaneous receipts		745676
Foreign Exchange Fluctuation	1868617	30148299
Liability/Sundry balances written back	<u>0</u>	<u>3899957</u>
	2018129	302557416
SCHEDULE 15		
CLOSING STOCKS		
Finished Goods	8640825	8640825
Work-in-Progress	<u>300000</u>	<u>2205960</u>
	8940825	10846785
SCHEDULE 16		
OPENING STOCKS		
Finished Goods	8640825	84079703
Work-in-Progress	2205960	19348278
Scrap	<u>0</u>	<u>1414957</u>
	10846785	104842938
SCHEDULE 17		
RAW MATERIALS CONSUMED		
Raw Materials & Components Consumed		
Opening Stock	1437726	6512722
Add: Purchases (Net)	<u>344817</u>	<u>92974212</u>
Total	1782542	99486935
Less : Closing Stock	0	1437726
: Sale	<u>427195</u>	<u>28607343</u>
Balance Consumed	1355347	69441865

SCHEDULE 18**MANUFACTURING,ADMINISTRATIVE,****SELLING & OTHER EXPENSES****MANUFACTURING EXPENSES**

	As at 31st March 2011	As at 31st March 2010
	Rs.	Rs.
Stores, Spares, Loose Tools & Packing Material Consumed	11338	12394509
Power & Fuel	109757	692628
Job Charges Paid		10138709

Repairs & Maintenance :

Buildings (including rented premises)		142764
Plant & Machinery		45780
Other Assets	81247	770297
Excise Duty on (Decrease) / Increase in own Stocks		-678094

202342**23506592****PERSONNEL EXPENSES (Refer Note No.B- 22 Schedule 20)**

Salaries, Wages, Bonus,Gratuity & Other Allowances	2470128	30728771
Contribution to Provident & Other Funds	747928	1494025
Staff Welfare Expenses	132868	1015569

3350924**33238365****ADMINISTRATIVE EXPENSES**

Rent (including Factory Shed Lease Rent)	488077	9837881
Rates & Taxes	223408	151831
Insurance (including Transit Insurance)	29955	454510
Travelling & Conveyance (Including for Directors) Rs 177459/- (previous year Rs 151226)	562745	1614987
Directors' Sitting fees	18000	20000
Miscellaneous Expenses	1194920	23531238
Legal & Professional charges	1087021	2101813
Auditors' Remuneration	360091	425020
Raw Material & Job Work	0	2400
Miscellaneous Exp	567630	371749
Loss on sale of Fixed assets	207449	
Liability/Sundry balances written back	59339	
Bad debts/ advances written off		439625
Provision for Diminution in value of shares	93374	3459388
Provision for Doubtful Debts & Advances	16542367	
Loss on sale of work in progress	1053129	

5945136**58952809****SELLING & DISTRIBUTION EXPENSES**

Sales Tax & Turnover Tax (includes fine & penalties)	452732	292790
Advertisement & Publicity	47262	1469451
Commission to Other Selling Agents	21001	1649972
Royalty		1200000
Freight & Transportation	25857	7442219
After Sales Service Charges		8594250
Cash Discounts		1003564

546852**21652246**

0

0

TOTAL**10045254****137350012****SCHEDULE 19****FINANCE COST**

Interest to Bank & Others	3202720	8698836
Bank Charges	72938	110931
Other finance charges	0	442974

3275659**9252741**

SCHEDULE 20

A. 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, except otherwise Stated.

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 and Buildings, 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.
- (b) Leasehold Land/ Buildings is amortised over the period of the lease.

iv) 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.

v) 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. The valuation is in accordance with the Accounting Standard (AS-2) (Revised) " Valuation of Inventories".

vi) 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.

vii) 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.

viii) 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.

ix) 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.

x) 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.

xi) Retirement Benefits :

Being not material year-end liability for accrued leave and gratuity is provided on actual basis.

xii) 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.

xiii) 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.

B. NOTES ON THE ACCOUNTS

	31st March 2011	31st March 2010
1) Contingent Liabilities not provided for in respect of: (other than as disclosed in notes no 3,13 & 17 below)		
(a) Demand from Central Excise, sales Tax etc. disputed by the Company**	95017523	21731456
**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) 14% Redeemable Cumulative Preference Shares were due for redemption during 24.01.1999 to 24.01.2002. However, during the Previous period company had 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 31.03.2011 Rs.41,12,500(Previous period 37,62,500) were the arrears of dividend @ 14 % on above shares.		
b) The company has allotted 39,00,000 Zero coupon convertible warrants of Rs.11.51 each (Rs 2.8775 paid up being 25% of the face value) on 3rd July 2009 to be converted into equity shares of Rs. 10/- each at premium of Rs.1.51 within eighteen months from the date of allotment. The warrant holders were liable to pay balance 75% of the consideration before conversion into equity shares . The board of director has decided to forfeit the zero coupon convertible warrants due to non payment of balance amount by the warrant holder and transferred. Rs 11230000/- (includes application money of Rs 7750/-). paid by the warrant holders to capital reserve account.		
3) (a) In earlier years, the company has given corporate guarantees to banks and financial institutions on behalf of following 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 31st March 2011. These parties have suspended their operations due to fund constrain As on 31st March 2011 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.		
	31st March 2011	31st March 2010
To Banks & Financial Institutions		
Polar Pharma India Limited	968696025	857817556
Other bodies Corporate	314935657	306580726
Others	2567537	2567537
To Govt Authorities		
Polar Pharma India Limited	8587283	8587283
Other bodies Corporate	3531467	3531467
Others	15,000	15,000

Total	1298332969	1,179,099,569
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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 with in agreed time frame. The agreed time has been expired and said financial institution has not invoked the guarantee till date. As on 31.03.11 the company has considered the estimated liability of Rs 13,79,72,232(previous year Rs11,69,25,620) 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 29,60,25,189)of the approved limit by the shareholders.Increase in dues of M/s Polar Pharma India Limited to bank and financial institutions from intial 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 conscquent impact on the corporate guarantee furnished by the company.

d) Apart from above the Company has given Corporate guarantee for Rs. 90000000 to a Co-operative Bank on behalf of Polaron Marketing Ltd. for credit facility for which approval of shareholders is being taken.

4) (a) In earlier years Assets Reconstruction Company (India) Ltd and a NBFC have agreed to acquired restructured secured debts under CDR Mechanism aggregating Rs 32,00,00,000 at Rs 62,07,43,000. to be repaid by issue 3074300 Nos equity shares 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 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 year the company has issued 3074300 equity shares of Rs 10 each at par aggregating Rs 3,07,43,000.

(d) The 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 (SARFAESI) for recalling of its loan and interest thereon & others charges aggregating Rs 92,17,81,197

(e) Thereafter, The 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 in the financial year 2009-10. Despite repeated request by the company,ARCIL has not provided detail of 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 secured loan due as on 31.03.2011 and fixed assets appearing in the books of accounts. Final adjustment will be carried out on receipt of details information from ARCIL.

(f) ARCIL has further issued notice dated 26th November 2009 under section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 (SARFAESI) for demanding payment of Rs 73,84,91,390 together with further interest and other amount at docuements rate from 27.11.2009 till repayment.

(g) Subsequently ARCIL in 2009-10 has taken the possession of one of the property located at Noida having book value of Rs 1,56,47,141(WDV Rs 53,94,641) which was already seized by the UP Sale Tax Department. The Company is taking necessary step to resolve the issue with ARCIL.Pending settlement, no accountig adjustment has been carried out.

5) (a) Debentures, Rupee Term Loans, Funded Interest Term Loans (including the loans acquired by ARCIL's 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 shares allotted to ARCIL, and also, by pledge of entire shareholding of a body corporate owning POLAR brand. 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

(b) Debenture already due for redemption Rs. 1,51,61,000.

(c) Car loans from Banks are secured by hypothecation of specific vehicles

6) During the year the Company has paid OTS amount of Rs 1,78,21,000/- to one of the lender against the debts agreeegating Rs 6,79,75,501, difference amount agreeegating Rs 5,01,54,401/- has been shown as principal amount of loan & interest written back under the Exceptional items in the profit & loss account.

7) The stock of Finished goods Rs 86,40,825 under the custom bonded Godown is relating to one business segment,the operaton 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 will 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 ware house. Amount not ascertained.

8) 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

9) The Management is taking necessary step to recover advances/ due aggregating Rs 2,14,74,831(previous year Rs 2,63,01,835) from various parties and ex- employees, Pending recovery same have been considered good.

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

No of shares	Against
300 (Previous Year 300)	With financial Institutions collateral against term loan taken by body corporate
195000 (Previous Year 195000)	With financial institution as collateral against term loan taken by body corporate
1,10,000 (Previous Year 725000)	With others against unsecured loan taken.

11) 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.

12) 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

13) 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.

14) 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 as permanent diminution in value.

15) 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. In previous 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.

16) The Company has Mortgage Land & Building at SIDCUL Haridwar with one of the secured lender of Polaron Marketing Limited.

17) 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 earlier year 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 01.04.81 to 30.09.84 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 earlier year two unit of the company demanded arising from the order of the Central Excise Authorities passed on 02.05.02 in pursuance of show cause notice received in the year 1999-2000 was set aside in appeal by CEGAT with direction of 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 1,33,652 was provided in earlier year and paid

d) In earlier year 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) In earlier year the Central Excise Department has raised demand and imposed 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 Company has paid 10,01,000

against the said demand which has been disclosed under Loan & Advance.

- f) The Commercial Tax Department U P 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 the demand.
- 18) 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 requirement in Annual Accounts could not be determined/ provided.
- 19) 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.22,80,32,901(previous year Rs 22,99,01,518/-.)

20) Earning per Shares (EPS)	Current Year	Previous Year
	Rs.	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	18127768
Additions during the year	0	3074300
Number of Shares at the end of the year	21202068	21202068
Weighted Average of the Number of Shares	21202068	20258721
Profit / (Loss) after exceptional items & Tax for the year (in Rupees)	38453790	15924454
Less: Dividend on Cumulative Preference Shares for the year including Dividend Tax	408131	409483
Profit/ (Loss) after Tax attributable to Equity Shares (in Rupees)	37995659	158834971
Less: Exceptional Items (Net)	50154401	0
Net Profit / (Loss) before exceptional items attributable to equity shares (in Rupees)	(12158742)	158834971
Basic & Diluted Earning per share (In Rupees)		
(i) Before exceptional items	(0.57)	7.84
(ii) After exceptional items	1.79	7.84
21) Profit & Loss on sale of Raw Materials, being not material, remains adjusted in Raw Material consumption account.		
	Rs.	Rs.
22) (a) Personnel Expenses Cost includes Directors' Remuneration :		
Salary & others	812400	812400
Medical Reimbursement	14095	15000
Employer's contribution to Provident & Other Funds	57600	57600
	884095	885000
Above excludes actuarial valuation of gratuity and leave encashment.		
(b) 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). During the year the Company has received approval of Rs. 712,282. The Company intends to apply to the Central Government for waiver of Rs. 4,95,198. Pending approval no adjustment has been made in the books of accounts.		
	Current Year	Previous Year
	Rs.	Rs.
23) Auditors Remuneration		
As Audit Fee (Including Branch Auditors 50000/- previous year Rs132300)	205000*	297300
As Tax Audit Fee (including Branch Auditors Rs NIL)(Previous year Rs 25000)	0	60000
For Others	49635	45000
For Expenses	55456	22720
	360091	425020

* includes previous year.Rs 130000/-

- 24) Company has not provided interest and penalties on various outstanding statutory dues except partial interest on Sale Tax / VAT. Amount not ascertained
- 25) The Company has made a provision for warranty as sales of Company's products are covered by warranty for specific period, the details of such provision are given below:

	Current Year	Previous Year
	Rs.	Rs.
Provision at the beginning of the period	1000000	18758885
Add: Addition during the period	0	1000000
Less: Amount transferred to other party as per agreement	0	18758885
Provision at the the end of the period	1000000	1000000

The warranty provision is expected to be used for settlement of warranty claims within reasonable period. Claims settled during the period under warranty Rs NIL (Previous period Rs.75,94,250) has been debited to After Sales Service Account.

- 26) Being not material, the Company has provided Rs 68417/- for the year end liabilities under Define Benefits Plan (Gratuity) on actual basis instead of actuarial valuation basis as require by AS-15 (Employee benefit). Hence disclosure as per Accounting Standard AS - 15 has not been shown.
- 27) 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.

(a) **Segment Reporting Policies**

Primary Segment

Business Segment: The company's operating businesses are organised and managed separately according to the nature of products with each segment representing a strategic business and different products. The four identified segments are Fan, Light & Luminaries, Pumps & Appliances.

Secondary Segment

Geographical Segment: The analysis of geographical segment is based on the geographical location of the customers.

Corporate income and expenses and corporate assets and Liabilities are considered as unallocable expenses (net) and unallocable assets and liabilities respectively.

Segment Information

(i) **Primary Segment Reporting (by Business Segment)**

Particulars	Current Year	Previous Year
	Rs.	Rs.
A. REVENUE		
Net Sales		
Fan	4269873	173810010
Other		24393799
Total	4269873	198203809
B. RESULTS		
Segment Results		
Fan	(2019575)	(52209569)
Other	(6455378)	(9363408)
Unallocated Income (Net of Expenses)	0	230070172
Profit/ (Loss) before Finance Cost,Tax & Exceptional items	8474953	168497195
Finance Cost (Net)	3275659	9252741
Profit/ (Loss) before Tax and Exceptional items	(11750612)	159244454
Principal amount of Loan and Interest written back	50154401	
Profit/ (Loss) after Tax	38403790	159244454
	Current Year	Previous Year
	Rs.	Rs.
C. OTHER INFORMATIONS		
Segment Assets		
Fan	106468983	111785675
other	8640825	8844021
Unallocated	55553499	108978247
Total Assets	170663307	229607944

Segment Liabilities		
Fan	660486841	678486983
other	9549105	9549105
Unallocated	85445083	123537594
Total Liabilities	755481029	811573682
Capital Expenditure		
other	0	140256
Unallocated	73000	96787
	73000	237043
Depreciation		
Fan	675218	2510100
Unallocated	781175	1782556
	1456393	4292656
Non-cash expenses other than depreciation		
Fans	0	8815970
other		0
	0	8815970

During the year the Company has re-identified primary segment based on basis given in AS-17 (Segment Reporting) and accordingly business of the Company has been regrouped under two segment i.e Fans and other (Pumps, Appliance, Lighting CFL)

The total sale of the Company is in Domestic Market and all the asset of the Company is situated in India.

28 (a) List of Related Parties (To the extend 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. Vinsa Electricals (P) Limited
4. A.V.Enterprises
5. Polaron Marketing Limited
6. Koyo Tech Electro Pvt Limited
7. Vishva Electrotech Limited
8. Human Sales Pvt. Ltd.

(b) Co-promoters & Associates

1. Polar Marmo Agglomerates Ltd
2. Heynen India Ltd
3. Polar Forgings & Tools Ltd

(c) Key Management Personnel

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

(d) Relatives of Key Management Personnel

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

Previous Year		Current Year	Previous Year
29) Schedule VI to the Companies Act, 1956.		Quantity	Quantity
(A) CAPACITY & PRODUCTION			
Class of goods			
1. Licensed Capacity		N.A	N.A
2. Installed Capacity (per annum on single shift basis as certified by the management)		24000	600000
Fans of various types (Nos.)*			
3. Production			
Fans of various types (Nos.)		1720	183566

* installed capacity of 5,76,000 (previous year 12,80,000) fans discarded during the year

(B) PURCHASES, SALES, STOCKS	Item	Unit	Current Year		Previous Year	
			Qty.	Value (Rs.)	Qty.	Value (Rs.)
(i) Purchases						
	Fans	(Nos.)	0		33420	26477257
	Pumps	(Nos.)	0		1258	555666
	Appliances	(Nos.)	0		172	150420
			0			27183343
(ii) Opening Stock						
	Fans	(Nos.)	0	0	65989	45389731
	Pumps	(Nos.)	0	0	1815	6804636
	Appliances	(Nos.)	1770	8640825	10378	28710439
	CFL	(Nos.)	0	0	106368	3174897
				8640825		84079703
(iii) Sales*						
	Fans	(Nos.)	1720	1218441	282975	186464645
	Pumps	(Nos.)	0	0	3073	7022707
	Appliances	(Nos.)	0	0	8780	12609390
	CFL	(Nos.)	0	0	106368	4761699
	Others		0	3051432	0	0
				4269875		210858443
* Sales is net off sales return within warranty period. NIL (previous period Nil Nos valuing Rs Nil)						
(iv) Closing Stock*						
	Appliances	(Nos.)	1770	8640825	1770	8640825
				8640825		8640825
(C) Raw Material Consumption		Unit	Current Year		Previous Year	
		(M.Tons)	Qty.	Value Rs.	Quantity	Value Rs.
	Copper Ingot & Wire	(M.Tons)	0.00	0	54.19	20684867
	Elec. Stampings	(M.Tons)	0.00	0	163.10	10343839
	Ball Bearings	(Nos.)	0	0	350741	6285193
	Aluminium Sheets & Ingots	(M.Tons)	0	0	50989	9295587
	Steel Sheet		0.00	0	125.94	5505684
	Others		0.00	1355347		17326687
				1355347		69441855
(D) Value of Imported & Indigenous Raw Materials & Components.			Current Year		Previous Year	
	Stores, Spares etc. consumed and percentage thereof.		Rs.	%	Rs.	%
(a) Raw Materials & Components consumed			Value		Value	
Indigenous			1355347	100	69441865	100
Imported			0		0	0
			1355347	100	69441865	100
(b) Stores & Spares consumed						
Indigenous			11338	100	4311137	100
Imported			0		0	
			11338	100	4311137	100
(E) C. I. F. Value of Imports						
Raw Material					NIL	NIL
Finished Goods						
(F) Earing in Foreign Exchange						
Export Sales (FOB Value)					NIL	NIL
(G) Expenditure in Foreign Currency						
Travelling					NIL	NIL
Professional Charges						
Others						

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

As per our Report of even date attached	For and on behalf of the Board Of Directors	
For SINGHI & CO.	Anil Agarwal	Chairman & Managing Director
<i>Chartered Accountants</i>		
<i>Firm Registration No. 302049E</i>		
B.K.Sipani	Sunil Agarwal	Director
<i>Partner</i>		
<i>M.No.88926</i>	Samta Agarwal	Company Secretary
Place : Kolkata		
Dated : 10th August 2011.		
(H) STATEMENT PURSUANT TO PART IV, SCHEDULE VI TO THE COMPANIES ACT,1956 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE		
(i) Registration Details		
Registration No.	34996	
Balance Sheet Date	31.03.2011	State Code 21
(ii) Capital Raised during the Year (Amount in Rs.Thousand)		
Public Issue	NIL	Rights Issue NIL
Bonus Issue	NIL	Private Placement NIL
(iii) Position of Mobilisation and Deployment of Funds (Amounts in Rs.Thousand)		
Total Liabilities	848036	Total Assets 848036
Sources of Funds		Application of Funds
Paid-up Capital	214521	Net Fixed Assets 33661
Reserves and Surplus	300271	Investments 811
Zero Coupon Convertible Warrant Money	0	Net Current Assets -619289
Secured Loans	283208	Misc. Expenditure 0
Unsecured Loans	50036	Debit balance of P&L 1432853
(iv) Performance of Company(Amount in Rs. Thousand)		
Turnover	4270	Total Expenditure 16133
Profit/(Loss) Before Tax	38454	Profit/(Loss) After Tax 38404
Earning Per Share in Rs.	1.79	Dividend Per Share in Rs. NIL
(v) Generic Names of Three Principal Products/Services of Company (As per monetary terms)		
Item Code No.	Product Description	
841451.02	CEILING FAN	
841370.03	MONOBLOCK PUMP	
820830.00	KITCHENAPPLIANCES	
As per our report of even date attached	For and on behalf of the Board Of Directors	
For SINGHI & CO.	Anil Agarwal	Chairman & Managing Director
<i>Chartered Accountants</i>		
<i>Firm Registration No. 302049E</i>		
B.K.Sipani	Sunil Agarwal	Director
<i>Partner</i>		
<i>M.No.88926</i>	Samta Agarwal	Company Secretary
Dated : 10th August 2011.		

Cash flow statement for the period ended 31st march, 2011

	Current Year Value in Rs.	Previous year Value in Rs.
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax and Exceptional Items	38403790	159244454
Add/ (Deduct) Adjustments for:		
Depreciation	1456393	4292656
Interest Expenses	3202720	9141810
Bad debts written off	0	439625
Provision for Doubtful Debts & Advances	0	16542367
Sundry Balances written back	0	(3899957)
Provision for diminution in value of assets	93374	3459388
Provision for warranty(Net)	0	0
Foreign Exchange Fluctuation	(1868617)	(30148299)
(Profit) /Loss on sale of Investments	(149512)	(4419)
(Profit) / Loss on sale/ discard of fixed asset	207449	(265809934)
Operating profit before working capital changes	41345597	(106742309)
Add/ (Deduct) Adjustments for:		
Trade and other receivables	50547579	140605093
Inventories	3355024	99516120
Trade payable	(31870721)	(129204532)
Cash generated from operations	63377475	4174372
Direct taxes (paid)/ refund	0	0
Miscellaneous. Expenditure - VRS	0	0
Net cash from operating activities	63377475	4174372
	Current Year Value in Rs.	Previous year Value in Rs.
B.CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	73000	(237043)
Sale of Fixed Assets	352000	315959489
Sale of investment	6809330	2948494
Movement in Margin money and Fixed deposit	0	20602
Interest received	0	0
Net cash from investing activities	7234330	318691542
C.CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital*	0	30743000
Net Proceeds from Long Term Borrowings*	(69099508)	(307260807)
Net Proceeds from other Borrowings	1902692	(61596665)
Net Proceeds from Working Capital Borrowings	0	0
Receipt of Zero Coupon Convertible Warrant Money	0	3680000
Interest and other finance charges	(4238040)	(11141814)
Dividends paid	0	0
*On conversion of Long term borrowings		
Net cash from (used) financing activities	(71434856)	(345576286)
NET INCREASE IN CASH AND CASH EQUIVALENTS(A+B+C)	(823051)	(22710372)
CASH AND CASH EQUIVALENTS-OPENING	2557891	25268263
CASH AND CASH EQUIVALENTS-CLOSING	1734840	2557891
CASH AND CASH EQUIVALENTS INCLUDES		
Cash, Cheques & Drafts in hand	133103	570768
Remittance In Transit	0	0
Balances with Scheduled Banks	1601738	1987123
	1734840	2557891

Note: - Previous period figures have been regrouped/ rearranged, wherever considered necessary.

For and on behalf of the Board of Directors

As per our report of even date attached

For SINGHI & CO.

Chartered Accountants

Firm Registration No. 302049E

B.K.Sipani

Partner

M.No.88926

Place : Kolkata.

Dated : 10th August 2011

Anil Agarwal

Chairman &
Managing Director

Sunil Agarwal

Director

Samta Agarwal

Company Secretary

STATEMENT ON RELATED PARTY TRANSACTIONS

(Amount in Rupees)

Nature of Transactions	Enterprises owned or significantly influenced by Key Management Personnel & their relatives		Co-promoters & Associates		Key Management Personnel		Relatives of Key Management Personnel		Total
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	
A. Transactions during the period									
Royalty paid									
Vinsa Electricals (P) Limited	-	12,00,000							1,200,000
Rent Paid									
Vinsa Electricals (P) Limited	-	14,00,000							1,400,000
Interest Paid									
Vinsa Electricals (P) Limited	-	1,658,307							1,658,307
Rent Income									
Polar Pharma India Limited	-								
Sheffield Appliances Ltd	-								
Recovery of Common Expenses									
Polar Pharma India Limited	1,765,755	1,212,606							1,212,606
Sheffield Appliances Ltd.		237,907							237,907
Miscellaneous Expenses									
Polar Pharma India Limited									
Amount granted on current account*									
Polar Pharma India Limited									
Vinsa Electricals (P) Limited	39,500	6,100							39,500
Polar Marmo Agglomerates Ltd.									
Vishva Electrotech Limited	1,321,799	17,842,882							1,321,799
Polaron Marketing Limited	12,605,000	6,417,697							12,605,000
Amount received on current account*									
Polar Pharma India Limited	858,403								858,403
A.V Enterprises	200,000								200,000
Vishva Electrotech Limited	5,637,910	20,854,500							5,637,910
Vinsa Electricals (P) Limited									
Polaron Marketing Limited	12,803,783	21,551,763							12,803,783
Koyo Tech Electro Pvt Ltd	1,100,053								1,100,053
Sale of Goods									
Vishva Electrotech Limited	2,373,422	41,424,508							2,373,422
Polaron Marketing Limited	727,388	111,474,895							727,388
Koyo Tech Electro Pvt Ltd	219,978	7,042,618							219,978
Purchase of Goods									

(Amount in Rupees)

Nature of Transactions	Enterprises owned or significantly influenced by Key Management Personnel & their relatives		Co-promoters & Associates		Key Management Personnel		Relatives of Key Management Personnel		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Koyo Tech Electro Pvt Ltd	1,306,492	5,248							1306492	5248
Unsecured Loan taken										
Human Sales Pvt Ltd	3,492,000								3492000	
Vinsa Electricals (P) Limited	1,708,307	3,883,974							1,708,307	3,883,974
Unsecured Loan refunded										
Vinsa Electricals (P) Limited	45,600	27,017,554							45600	27017554
Personnel Cost										
Anil Agarwal _CMD						884,095			884095	885,000
Mr.K.P.Bhattacharya										
Mrs.Savitri Devi Agarwal										
Mrs.Shailja Agarwal										
Mr. Viraj Agarwal										
Mrs.Vinita Agarwal										
B. Closing Balance as on Balance Sheet date										
Unsecured loan from Bodies Corporate										
Human Sales Pvt. Ltd.	3,492,000								3,492,000	
Vinsa Electricals Pvt. Ltd.	2,084,394	454,853							2084394	454,853
A.V. Enterprises	200,000								200,000	
Capital Work-in-progress										
Polar Marmo Agglomerates Ltd.										
Investments										
Polar Pharma India Limited	3,348,348	10,101,540							3,348,348	10,101,540
Advance recoverable on Current Account										
Polar Pharma India Ltd.										
Vinsa Electricals (P) Limited		(6,100)								(6,100)
Polar Marmo Agglomerates Ltd.										
Loans to Bodies Corporate										
Polar Marmo Agglomerates Ltd.										
Loans from Bodies Corporate										
Vinsa Electricals (P) Limited										
Interest & Other Receivable										
Polar Marmo Agglomerates Ltd.										
Advances to others										

Nature of Transactions	(Amount in Rupees)									
	Enterprises owned or significantly influenced by Key Management Personnel & their relatives		Co-promoters & Associates		Key Management Personnel		Relatives of Key Management Personnel		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Polar Pharma India Ltd.		858,403								858,403
Polar Marmo Agglomerates Ltd.			500,000	500,000					500,000	500,000
Current Account										
Vinsa Electrical (P) Ltd		(454,853)								(454,853)
Polar Pharma India Ltd		858,403								858,403
Creditors										
SA Engineering Works	100,000								100,000	
Vinsa Electricals (P) Limited	(44,569)	2,413,830							(44,569)	2,413,830
Sheffield Appliances Ltd.	(1,166,663)	(1,166,663)							(1,166,663)	(1,166,663)
Polar Pharma India Ltd	301,354	(1,464,401)							3,01,354	(1,464,401)
Vishva Electrotech Ltd	17,526,369	11,025,908							17,526,369	11,025,908
Polaron Marketing Limited	52571830	53,100,435							5,25,71,830	53,100,435
Koyotech Electro Pvt Ltd.	168,892	49,081							168,892	49,081
Corporate Guarantees given										
Polar Pharma India Limited	977,283,308	866,404,839							977283308	866,404,839
Sheffield Appliances Ltd.	9,740,184	8,282,434							9740184	8,282,434
Heynen India Limited			301,910,677	399,187,801					301910677	399,187,801
Polar Marmo Agglomerates Ltd.				200,000						200,000
Polaron Marketing Limited			9,000,000							90000000
Advances being estimated value of Assets										
Polar Marmo Agglomerates Ltd.				40,000,000						40,000,000
Zero Coupon Convertible Warrant Money										
Mr. Viraj Agarwal										
Mr. Achitya Agarwal										
C. Provision & doubtful debts as on B/Sheet date										
Provision for diminution in value of Shares										
Polar Marmo Agglomerates Ltd.										
Polar Pharma India Limited	2,572,759	7,479,397							2572759	7,479,397



POLAR INDUSTRIES LIMITED

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

ATTENDANCE SLIP

28TH ANNUAL GENERAL MEETING, 28TH SEPTEMBER, 2011

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-EIGHTH 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 Wednesday, the 28th day of September, 2011 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

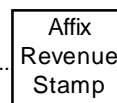
I/We of being member/members of Polar Industries Limited hereby appoint of or failing him/her of or failing him/her of as my/our proxy to vote for me/us on my/our behalf at the TWENTY-EIGHTH ANNUAL GENERAL MEETING of the Company to be held at 'Natya Shodh Sansthan' Natya Bhawan, EE-8, Sector II, Bidhan Nagar, Kolkata – 700 091 on Wednesday, the 28th day of September, 2011 at 10:00 A.M. and at any adjournment thereof.

Signed this.....day of, 2011.

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.