

11th

Annual Report 2004-2005

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ASHISH POLYPLAST LIMITED

• REGD. OFFICE •

A/305, Samudra Complex, Near Hotel Klassic Gold,
Off C.G. Road, Ahmedabad - 380 006.

Phone : 26445495, 26426758

ASHISH POLYPLAST LIMITED**BOARD OF DIRECTORS**

SHRI DINESH R. PANCHAL	:	CHAIRMAN
SHRI ASHISH D. PANCHAL	:	MANAGING DIRECTOR
SMT. KANTABEN D. PANCHAL	:	DIRECTOR
SHRI RAJNI A. PATEL	:	DIRECTOR*
SHRI KANUBHAI G. PATEL	:	DIRECTOR
SHRI LALJIBHAI JASRAJVARDE	:	DIRECTOR #

AUDIT COMMITTEE

SHRI RAJNI A. PATEL	:	CHAIRMAN (Up to 31-5-05)
SHRI DINESH R. PANCHAL	:	DIRECTOR
SMT. KANTABEN D. PANCHAL	:	DIRECTOR
SHRI KANUBHAI G. PATEL	:	DIRECTOR
SHRI LALJIBHAI J. VARDE	:	DIRECTOR (From 31-5-05)

AUDITORS**M/s.M.R.PANDHI & ASSOCIATES**

Chartered Accountants

Ahmedabad 380 009

REGISTERED OFFICE

A/305, Samudra Complex, Near Hotel Klassic Gold,
Off C.G.Road, Ahmedabad-380 006.

* Ceased to be director w.e.f. 31-05-2005

Appointed as director w.e.f. 31-05-2005

11th ANNUAL GENERAL MEETING

Date : 23rd August, 2005

Day : Tuesday

Time : 10:30 a.m.

Pl:

on Hall

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Request : Share holders are requested to bring copy of annual report at the meeting, as the same will not be distribute in the meeting.



ASHISH POLYPLAST LIMITED

NOTICE TO THE MEMBERS

NOTICE is hereby given that the **ELEVENTH ANNUAL GENERAL MEETING** of the Company will be held on **TUESDAY, 23rd AUGUST 2005** at THE AHMEDABAD TEXTILE MILLS ASSOCIATION HALL, Ashram Road, Ahmedabad - 380 009 at 10.30 A. M. to transact the following business:

ORDINARY BUSINESS :

1. To consider, receive and adopt the Audited Balance Sheet as at 31ST MARCH 2005 and Profit & Loss Account for the year ended on that date and Directors' Report and Auditors' Report thereon.
2. To appoint director in place of MR.DINESHBHAI R. PANCHAL who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint director in place of MR.KANUBHAI G. PATEL who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

5. To Consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution.

"Resolved that Shri Laljibhai Jasraj Varde who was appointed as an additional director of the company and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as Director of the company, liable to retire by rotation."

BY ORDER OF THE BOARD

Sd/-

(D.R.PANCHAL)
CHAIRMAN

Place : Ahmedabad.
Date : May 31, 2005

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from AUGUST 19, 2005 to AUGUST 22, 2005 (both days inclusive).
3. Members are requested to inform the Company of any change in their addresses immediately so as to enable the Company for any future communication, at their correct addresses.

Explanatory statement u/s. 173(2) for item No. 4 & 5

Shri Laljibhai Jasraj Varde was appointed as additional Director of the company by the Board of Directors to fill up the casual vacancy caused by resignation of Shri Rajani A. Patel. He is an independent director. He holds office up to the date of ensuing Annual General Meeting and being eligible offers himself for appointment as director, liable to retire by rotation. Notice as required under section 257 of the Companies Act, 1956, together with requisite deposit has been received from a member proposing his appointments. Your Directors commend the resolution for approval. None of the directors of the company except Shri Laljibhai Jasraj Varde may be deemed to be concerned or interested in this resolution.

ASHISH POLYPLAST LIMITED**REPORT OF THE DIRECTORS**

Dear Members

Your Directors have pleasure in presenting the ELEVENTH ANNUAL REPORT for the financial year ended 31ST MARCH 2005.

PERFORMANCE OF THE COMPANY :

Performance of your Company during the year is summarised as under :

	(Amount Rupees in Lacs)	
	2004-05	2003-04
Sales & Other Income	355.84	308.39
Profit/(Loss) before Depreciation & Taxes	12.80	8.51
Less: Depreciation	9.11	8.42
Profit/(Loss) before tax for the year	3.69	0.09
Provision for Taxation	0.29	0.14
Deferred Tax Liability provision	2.01	0.41
Profit/(Loss) for the year	1.38	(0.46)
Add/Profit: Balance of last year	5.75	6.20
Balance carried to Balance Sheet	7.13	5.75

DIVIDEND

To strengthen the long-term resources, your Directors do not recommend any dividend for the year under report.

OPERATION

The total turnover of the Company for the financial year 2004-2005 increased by 15.87% as compared to previous year. Your directors are actively concentrating to enhance the production and market share in consultation with the technical & marketing experts. Your directors are trying their best to improve the working of the company.

DIRECTORS

MR. DINESHBHAI R.PANCHAL, director of the Company, retires from the office by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

MR. KANUBHAI G. PATEL, director of the Company, retires from the office by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

MR. LALJIBHAI JASRAJ VARDE was appointed as an additional Director w.e.f. 31-05.2005 to fill the casual vacancy created by resignation of Mr. Rajnibhai A. Patel, who has resigned due to his other engagement. The Board takes on record the valuable services provided by Mr. Rajnibhai A. Patel during his tenure as a director. The Board comments to appoint Mr. Laljibhai Jasraj Varde as a regular Director.

DEPOSITS

Your Company has not accepted any deposit from public.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING/ OUTGO :

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure-A annexed hereto which, forms part of this Report.



ASHISH POLYPLAST LIMITED

PERSONNEL

There was no employee drawing remuneration exceeding Rs.2,00,000/- p.m. or Rs.24,00,000/- p.a. The Board of Directors wishes to express its appreciation to all the employees of the Company, for their outstanding contribution to the operation of the Company during the year.

CORPORATE GOVERNANCE :

Pursuant to clause 49 of listing agreement with stock exchanges, a separate section on corporate governance and certificate obtained from auditors of the company regarding compliance with the conditions of corporate governance are forming part of this annual report.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the company confirms:

- I. that in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- II. that the selected accounting policies were applied consistently and the directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at MARCH 31, 2005 and of the profit of the Company for the year ended on that date;
- III. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. the annual accounts have been prepared on a going concern basis.

DEMATERIALISATION OF SHARES

The company has entered into agreements with NSDL and CDSL to enable members to hold their shares in dematerialised form. M/s. SHAREPRO SERVICES, MUMBAI have been appointed as Registrar and Transfer Agents for the same. Members are requested to take benefit of this.

AUDITORS

You are requested to re-appoint retiring Auditors M/s. M. R. Pandhi & Associates, Chartered Accountants, Ahmedabad for the financial year 2005-2006.

Auditor's remarks regarding non-provision of excise duty on finished goods has been explained fully in note no.19 of notes forming part of the accounts. As regards internal audit system the directors are directly supervising major areas and are keeping day-to-day watch. Therefore formal system is not there but informally there is a system. Your directors will introduce formal system in due course of time considering cost and other constraints.

ACKNOWLEDGEMENT

The Board takes the opportunity to thank for the continued support received from Banks and government authorities. Your Directors also acknowledge the support received by the Company from its suppliers of goods & services, agents, dealers, shareholders and other agencies associated with the Company.

BY ORDER OF THE BOARD

Sd/-

(D.R.PANCHAL)
CHAIRMAN

Place : Ahmedabad.
Date : May 31, 2005

ASHISH POLYPLAST LIMITED**REPORT OF THE DIRECTORS****ANNEXURE-A****1. CONSERVATION OF ENERGY**

- (a) Energy conservation measures taken
NIL, However Directors personally pay attention so as to minimize consumption of energy.
- (b) Additional Investments & Proposal, if any, being implemented for reduction of consumption of energy: Rs. NIL
- (c) Impact of measures (a) and (b) above. Due to personal attention of Directors the Company has achieved consistent result.
- (d) Total energy consumption and energy consumption per unit of production as per Form-A.
Not Applicable

2. TECHNOLOGY ABSORPTION

- a) RESEARCH & DEVELOPMENT
The Company has not so far formally established Research & Development wing
- b) TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION
The Company always keeps itself updated with all the latest technological innovation by way of constant communications with consulting experts. Efforts are being made to reduce cost, improve performance etc.

3. FOREIGN EXCHANGE EARNING/OUTGO

- (a) Total foreign exchange used Rs. NIL
- (b) Total foreign exchange earned Rs. NIL



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ANNEXURE-1

MANAGEMENT DISCUSSIONS & ANALYSIS

- [A]** Industry Structure and Developments, Opportunities and Threats, Performance, Outlook, Risks and Concerns and Financial and Operational performance.

Product of the company is Hose Pipes, which are used mainly in Agriculture. Company caters to B segment. The company has maintained its position in this segment. Due to entry of other players, competition has increased. However, the company has retained its market due to quality product.

The Company faces threats due to fluctuations in the Raw Material prices as well as uncertainties of monsoon, so the company is looking for opportunities in other markets like construction and infrastructure. The Company being in small-scale sector the benefits of economies of scale do not accrue to the company.

Total Turnover for the year ended March 31, 2005 increased to Rs.362.95 lacs as compared to Rs. 315.41 lacs in the previous year.

Deferred Tax Liability amounted to Rs.2.01 lacs for the current year. Net Profit before tax after deferred tax liability of current year is Rs1.67 lacs and Net Profit after tax is Rs.1.38 lacs for the year.

[B] INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY :

The Internal Control System comprises of exercising control at various stages and is established in order to provide reasonable assurance for :

- a) Safeguarding Assets and their usage,
- b) Maintenance of Proper Accounting Records and,
- c) Adequacy and Reliability of the information used for carrying on Business Operations.

The Directors are regularly looking after all the Key Areas of the Operations. Additionally the Audit Committee is reviewing all Audit Plans with significant control issues raised by External Audit.

[C] INDUSTRIAL RELATIONS AND HUMAN RESOURCES DEVELOPMENT :

The Company is maintaining good employee relations and no man-days are lost during the year due to employee's unrest.

CORPORATE GOVERNANCE :

[1] COMPANY'S PHILOSOPHY :

The Company's policies, practices and philosophy adopted since inception, are in line with the Corporate Governance code now introduced. The composition of Board of Directors is well balanced with a view to manage the affairs of the Company efficiently and professionally.

ASHISH POI /PLAST LIMITED**[2] BOARD OF DIRECTORS :**

Name of Director	Category
Dineshbhai R. Panchal	Promoter/Non-Executive
Ashish D. Panchal	Promoter/Executive
Kantaben D. Panchal	Promoter/Non-Executive
Rajni A. Patel *	Independent/Non-Executive
Kanubhai G. Patel	Independent/Non-Executive
Laljbhai J. Varde **	Independent/Non-Executive

* Mr.Rajniabhai A. Patel is resigned w.e.f.31-05-2005

** Mr.Laljbhai J. Varde is appointed w.e.f.31-05-2005

Mr.Dineshbhai R. Panchal is Chairman of the Company.

Brief resume of Director being re-appointed at the ensuing Annual General Meeting, nature of their expertise in specific function areas and names of companies in which they hold Directorship are furnished hereunder:

SHRI DINESHBHAI R. PANCHAL, aged 54 years, has done his matriculate. After completing his studies, he was involved in family business of plastic related items since 1970-71. So he has a long experience in line of business in which the company operates. He is associated with the company since inception of the company.

SHRI KANUBHAI G. PATEL aged 51 years. He has worked in a public sector bank. Since last 16 years he is in the business of PVC granuals. He has a wide experience of business.

SHRI LALJIBHAI JASRAJ VARDE, aged 57 years, has done his D. Pharm. Since last 20 years he is in the trading business of chemicals and dyes. He has a wide experience of business.

[4] BOARD MEETINGS:

- The Company holds minimum of four Board Meetings in each year, which are pre-scheduled after the end of each financial quarter.
- The meetings are held at the Company's Registered Office.

- [5]** Attendance of each Director at the Board meetings, last Annual General Meeting and Number of other Directorship and Chairmanship/Membership of Committee of each Director in various companies:

Name of Director	Attendance Particulars		No. of Directorships and Committee Membership/Chairmanship		
	Board Meetings	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
D. R. Panchal	5	P	1	2	1
A. D. Panchal	5	P	1	2	0
K. D. Panchal	5	P	0	2	0
R. A. Patel	5	P	0	1	1
K. G. Patel	5	P	0	1	0
L. J. Varde	0	N.A.	0	1	0

P=Present • A=Absent

[6] NUMBER OF BOARD MEETINGS HELD AND THE DATES ON WHICH HELD:

Five Board Meetings were held during the year, as against the minimum requirement of four meetings. The dates on which the meeting held were as follows: 29th May 2004, 31st July 2004,



ASHISH POLYPLAST LIMITED

30th October 2004, 29th January 2005 & 31st May 2005. The maximum time gap between any two meetings was not more than 3 calendar months. None of the directors of the company was a member of more than 10 committees nor was the chairman of more than 5 committees across all companies in which he/she was a director.

[7] BOARD COMMITTEE :

a) AUDIT COMMITTEE :

The Audit Committee as on 31.03.2005 comprised of following directors. During the year, the committee has met 4 times. The Statutory Auditor of the company was invited to attend the audit committee meetings.

Name of Member of Audit Committee	Attendance Particulars (Present)
Mr. Rajni A. Patel, Chairman	29th May 04, 31st July 04, 30th October 04, and 29th January 2005.
Mr. Dinesh R. Panchal, Director	29th May 04, 31st July 04, 30th October 04, and 29th January 2005.
Mrs. Kantaben D. Panchal, Director	29th May 04, 31st July 04, 30th October 04, and 29th January 2005.
Mr. Kanubhai G. Patel, Director	31st July 04, 30th October 04, and 29th January 2005.

b) REMUNERATION COMMITTEE :

The Board of Directors of the Company has not constituted Remuneration Committee during the year.

[8] ANNUAL GENERAL MEETINGS:

Location and time for last 3 Annual General Meetings were as follows:

Year	Location	Date	Time
2001-2002	ATMA Hall, Ashram Road, Ahmedabad-380009	29.08.2002	10:30 A.M.
2002-2003	ATMA Hall, Ashram Road, Ahmedabad-380009	08.08.2003	10:30 A.M.
2003-2004	ATMA Hall, Ashram Road, Ahmedabad-380009	20.08.2004	10:30 A.M.

- [9] (1) Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the company at large.

Details of such transactions are given in schedule of notes to accounts. There are no significant transactions with related parties during the year. However, the transactions of advances for goods and fixed assets were entered during initial years of company. Due to sudden death of founder Managing Director Late Shri Dahyabhai R. Panchal, the company as working got adversely affected. In view of this, the associated parties also got affected. However, your directors are confident of recovering all the dues from such parties.