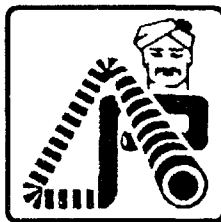


# ASHISH POLYPLAST LIMITED



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## 13th ANNUAL REPORT 2006-2007

• REGD. OFFICE •

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

Phone : 26445495, 26426758. 26445090



## ASHISH POLYPLAST LIMITED

### BOARD OF DIRECTORS

SHRI DINESH R. PANCHAL	:	CHAIRMAN
SHRI ASHISH D. PANCHAL	:	MANAGING DIRECTOR
SMT. KANTABEN D. PANCHAL	:	DIRECTOR
SHRI KANUBHAI G. PATEL	:	DIRECTOR
SHRI LALJIBHAI JASRAJ VARDE	:	DIRECTOR*
SHRI CHANDRAKANT D. KHATRI	:	DIRECTOR**

### AUDIT COMMITTEE

SHRI KANUBHAI G. PATEL	:	DIRECTOR
SHRI DINESH R. PANCHAL	:	DIRECTOR
SMT. KANTABEN D. PANCHAL	:	DIRECTOR
SHRI LALJIBHAI J. VARDE	:	DIRECTOR*
SHRI CHANDRAKANT D. KHATRI	:	DIRECTOR**

### 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.

\* Director up to April 27, 2007

\*\* Director w.e.f. April 28, 2007

### 13th ANNUAL GENERAL MEETING

Date : 30th August, 2007  
Day : Thursday  
Time : 10:30 a.m.  
Place : The Ahmedabad Textile Mills  
Association Hall, Ashram Road,  
Ahmedabad - 380 009.

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

**13th ANNUAL REPORT****NOTICE TO THE MEMBERS**

NOTICE is hereby given that the **THIRTEENTH ANNUAL GENERAL MEETING** of the Company will be held on **THURSDAY, 30th August 2007** 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 2007 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 MRS.KANTABEN D. PANCHAL who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint Auditors and fix their remuneration.

**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 Shri Chandrakant D. Khatri who was appointed as an additional director of the company and who holds office up to the date of ensuing Annual General Meeting be and is hereby appointed as Director of the company, liable to retire by rotation."

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BY ORDER OF THE BOARD

Sd/-

**(D.R.PANCHAL)**  
CHAIRMAN

Ahmedabad, May 30, 2007

**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 27, 2007 to AUGUST 30, 2007 (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

Shri Chandrakant D. Khatri was appointed as additional Director of the company by the Board of Directors to fill up the vacancy caused by death of Mr.Laljibhai Varde. 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 Chandrakant D. Khatri 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 THIRTEENH ANNUAL REPORT for the financial year ended 31st MARCH 2007.

#### PERFORMANCE OF THE COMPANY

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

Particulars	(Amount Rupees in Lacs)	
	2006-2007	2005-2006
Sales & Other Income	456.82	363.79
Profit/(Loss) before Depreciation & Taxes	21.70	16.80
Less: Depreciation	9.17	9.30
Profit/(Loss) before tax for the year	12.53	7.50
Provision for Taxation	2.00	1.79
Excess/(Short) provision of Expenses & Tax	0.24	0.76
Profit/(Loss) for the year	10.78	6.48
Add/Profit: Balance of last year	13.61	7.13
<b>Balance carried to Balance Sheet</b>	<b>24.39</b>	<b>13.61</b>

#### 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 2006-2007 increased by 26.09% as compared to previous year. Your directors are actively concentrating to enhance the production and market share in consultation with the technical & marketing experts. The net profit after tax has increased from Rs.6.48 lakhs in 2005-06 to Rs.10.78 lacs in 2006-07. Your directors are trying their best to improve the working of the company.

#### DIRECTORS

Mrs.Kantaben D. Panchal, director of the company, retires from the office by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

During the year Mr.Lalajibhai Varde who was independent director, expired on 27-04-2007. The board takes this opportunity to recognize his valuable services to the company during his tenure as an independent director of the company.

Mr. Chandrakant D. Khatri was appointed as an additional Director w.e.f. 28-04.2007 to fill the vacancy created by death of Mr.Lalajibhai Jasraj Varde. Mr. Chandrakant D. Khatri has a long experience of industry and business. The Board recommends the re-appointment of both the directors. Brief resume/ details relating to directors are furnished in the code of corporate governance.

#### DEPOSITS

Your Company has not accepted any deposit from public.

**13th ANNUAL REPORT**

**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.

**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, 2007 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 dematerialized 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 2007-2008

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

Ahmedabad, May 30, 2007



## 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

**13th ANNUAL REPORT****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, 2007 increased to Rs.471.02 lacs as compared to Rs.373.56 lacs in the previous year.

Deferred Tax Liability amounted to Rs.0.68 lacs for the current year. Net Profit before tax after deferred tax liability of current year is Rs.11.85 lacs and Net Profit after tax is Rs.10.78 lacs for the year compared to Rs.6.48 lacs in the previous year. This was possible due to operational efficiency Capital expenditure during the year was Rs.4.06 lakhs.

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:

- Safeguarding Assets and their usage,
- Maintenance of Proper Accounting Records and,
- 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 as per revised clause 49 of the listing agreement w.e.f. 1st January 2006 and your company is in compliance with its provisions.

2) **BOARD OF DIRECTORS :**

The composition of Board of Directors is well balanced with a view to manage the affairs of the Company efficiently and professionally.

Name of Director	Category
Dineshbhai R. Panchal	Non-Executive
Ashish D. Panchal	Executive
Kantaben D. Panchal	Non-Executive
Kanubhai G. Patel	Independent
Late Laljibhai J. Varde	Independent (upto 27-04-2007)
Chandrakant D. Khatri	Independent (w.e.f. 28-04-2007)

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

- 3) 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:





## ASHISH POLYPLAST LIMITED

Mrs. Karitaben D. Panchal aged 54 years is a non-graduate. She has been associated with the company since 07-04-1996. She was appointed in place of Late Shree Dahyabhai Panchal, the founder promoter of the company. She is a major shareholder of the company.

Mr. Chandrakant D. Khatri, aged 35 years, has done his B.Com. Since last 12 years he is in the trading business of chemicals. He has a wide experience of business.

### 4. BOARD MEETINGS :

- The Company holds minimum of five 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
K. G. Patel	5	P	0	2	1
Lt. L. J. Varde *	4	P	0	2	0
C. D. Khatri **	1	N.A.	0	1	0

P = Present A = Absent

\* Mr.Laljbhia Jasraj Varde expired on 27-04-2007 \*\* Mr. Chandrakant D. Khatri is appointed on 28-04-2007

### 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: 30th May 2006, 30th July 2006, 30th October 2006, 30th January 2007 & 3rd March 2007. 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. NON EXECUTIVE DIRECTORS COMPENSATION AND DISCLOSURE :

All fees/compensation (except sitting fees) paid to non-executive directors including independent directors shall be fixed by the Board of Directors and shall require shareholders approval. Non Executive Directors are not paid any compensation or sitting fees during the year: 2006-07. Your company does not have any stock options scheme for its director/employee.

### 8. CODE OF CONDUCT :

The Board of directors of your company have laid down a code of conduct ("the Code") applicable to all Board members and senior management personnel of your company. A declaration from the Managing Director of your company to the effect that all Board member and senior management personnel of your company have affirmed compliance with the Code, forms a part of this Report. The Code has been posted on the website of your Company - [www.ashishpolyplast.com](http://www.ashishpolyplast.com).

### DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2007.

Ahmedabad, May 30, 2007

(Ashish D. Panchal)  
Managing Director



**13th ANNUAL REPORT****BOARD COMMITTEE :****a) AUDIT COMMITTEE :**

Your company has an audit committee at the Board level which acts as a link between the Management, auditors and the Board of Directors. The members of the Audit Committee are financially literate and the Chairman of the Committee is independent Director. The Audit Committee as on 31.03.2007 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)
<b>Mr. Kanubhai G. Patel</b> Chairman	27th July 06, 28th October 06, 29th January 2007 and 27th March 2007.
<b>Mr. Dinesh R. Panchal</b> Director	28th October 06, 29th January 2007 and 27th March 2007.
<b>Mrs. Kantaben D. Panchal</b> Director	27th July 06, 28th October 06, 29th January 2007 and 27th March 2007
<b>Mr. Laljibhai Jasrajibhai Varde</b>	27th July 06, 28th October 06, 29th January 2007 and 27th March 2007.

The committee's powers, role and functions are as stipulated at clause 49 of the listing agreement and under section 292(A) of the Companies Act, 1956.

**b) SHARE TRANSFER/SKAREHOLDERS GRIEVANCE COMMITTEE :**

Share transfer and shareholders grievance committee presently consist of non executive director viz. Smt. Kantaben D. Panchal and Independent Directors Mr. Kanubhai G. Patel and Mr. Laljibhai J. Varde. During the financial year, 31st March 2007 four meetings of the committee were held on 27th July 06, 28th October 06, 29th January 2007 and 27th March 2007. All the meetings were attended by all the three members. Shri Jitendra V. Patel is the compliance officer of the company.

The company's registrar and transfer agents Sharepro Services are adequately equipped to carry out activities connected with transfer of shares and redressal of shareholders/investors complaints. Apart from this, the committee of the Board approves transmission of shares, issuance of duplicate share certificates etc. in terms of authority delegated by the Board. During the year there were no investors' complaints.

**10. ANNUAL GENERAL MEETINGS :**

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

Year	Location	Date	Time
2003-2004	ATMA Hall, Ashram Road, Ahmedabad-9	20.08.2004	10:30 A.M.
2004-2005	ATMA Hall, Ashram Road, Ahmedabad-9	23.08.2005	10.30 A.M
2005-2006	ATMA Hall, Ashram Road, Ahmedabad-9	19.09.2006	10.30 A.M

All the resolutions set out in the respective notices of the Annual General Meetings were passed by the members. No resolutions were put through Postal Ballot last year. Presently the Company does not have any proposal for postal ballot. No Special resolutions were passed at the last three Annual General Meetings.

**11. Disclosure :****(i) Disclosure on materially significant related party transactions**

Please see Note 26 of Schedule R to the accounts. These transactions do not have any potential conflict with the interest of the Company at large. There are no significant transactions with related parties during the year. However, the transactions of advances of goods and fixed assets were entered into during the initial years of the company. Due to sudden death of the founder managing director Late Shri Dahyabhai R. Panchal, the company's working was adversely