

# ASHISH POLYPLAST LIMITED



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## 14th ANNUAL REPORT 2007-2008

• 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 CHANDRAKANT D. KHATRI | : | DIRECTOR          |

### AUDIT COMMITTEE

|                            |   |          |
|----------------------------|---|----------|
| SHRI KANUBHAI G. PATEL     | : | DIRECTOR |
| SHRI DINESH R. PANCHAL     | : | DIRECTOR |
| SMT. KANTABEN D. PANCHAL   | : | 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 Classic Gold,  
Off C.G.Road, Ahmedabad-380 006.

### 14th ANNUAL GENERAL MEETING

Date : 28th August, 2008  
Day : Thursday  
Time : 10:30 a.m.  
Place : The Ahmedabad Textile Mills  
Association Hall, Ashram Road,  
Ahmedabad - 380 009.

| CONTENTS                                    | PAGE NO. |
|---|----------|
| Notice .....                                | 1        |
| Director's Report .....                     | 2        |
| Annexure to Director' Report .....          | 4        |
| Certificate on Corporation Governance ..... | 11       |
| Auditors Report .....                       | 12       |
| Balance Sheet .....                         | 14       |
| Profit & Loss Account .....                 | 15       |
| Cash Flow Statement .....                   | 16       |
| Schedules .....                             | 17       |
| Balance Sheet Abstract .....                | 28       |

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

**14th ANNUAL REPORT****NOTICE TO THE MEMBERS**

NOTICE is hereby given that the **FOURTEENTH ANNUAL GENERAL MEETING** of the Company will be held on **THURSDAY, 28th August 2008** 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 2008 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 SHRI KANUBHAI G. PATEL who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

BY ORDER OF THE BOARD

Sd/-

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

Ahmedabad, May 30, 2008

**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 25, 2008 to AUGUST 28, 2008 (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.

**ASHISH POLYPLAST LIMITED****REPORT OF THE DIRECTORS**

Dear Member

Your Directors have pleasure in presenting the Fourteenth Annual Report for the financial year ended 31st March 2008.

**PERFORMANCE OF THE COMPANY**

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

| <b>Particulars</b>   | <b>(Amount Rupees in Lacs)</b> |                  |
|--|--------------------------------|------------------|
|  | <b>2007-2008</b>               | <b>2006-2007</b> |
| Sales and Other Income   | 506.30                         | 456.82           |
| Profit/(Loss) before Depreciation and Taxes                      | 20.98                          | 21.70            |
| Less: Depreciation   | 9.48                           | 9.17             |
| Profit/(Loss) before tax for the year                            | 11.50                          | 12.53            |
| Provision for Taxation   | 5.09                           | 2.00             |
| Excess/(Short) provision of Expenses & Tax                       | (0.41)                         | 0.24             |
| Profit/(Loss) for the year                                       | 6.01                           | 10.78            |
| Add/Profit : Balance of last year                                | 24.39                          | 13.61            |
| Less : Provision for Transitional Liability on adoption of AS-15 | 0.54                           | —                |
| Balance carried to Balance Sheet                                 | 29.85                          | 24.39            |

**DIVIDEND**

Your Directors do not recommend any dividend for the year under report in view of the future need for more Working capital and also to strengthen long-term resources.

**OPERATION**

The total turnover of the Company for the year is increased by 10.85% as compared to previous year. Your directors are putting all their efforts to further increase the sales. However, the net profit after tax for the current year has decreased from Rs.10.78 lacs in 2006-07 to Rs.6.01 lacs. This is because of more taxation provision and increase in input cost of the product. Your directors are concentrating to control the input cost and to improve sales realization by introducing new product mix.

**DIRECTORS**

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.

**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.

**14th ANNUAL 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, 2008 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 2008-2009

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.

**DEPOSITORIES**

The company is registered with both National Securities Depositories Ltd (NSDL) and Central Depository Services (India) Ltd. (CDSL). The shareholders can take advantage of holding their scripts in dematerialized mode.

**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, 2008

**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 overall efficiency.
- (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



**14th 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 PVC 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's major threats are steep increase in raw material prices due to sharp increase in international oil prices and increase in other input cost such as power, labour charges etc. The company is trying to overcome these threats by introducing new product mix with better realization and controlling input cost. 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, 2008 increased to Rs.505.90 lacs as compared to Rs. 456.40 lacs in the previous year.

Deferred Tax assets amounted to Rs.0.65 lacs for the current year. Net Profit before tax of current year is Rs.11.31 lacs and Net Profit after tax is Rs.5.81 lacs for the year compared to Rs.10.78 lacs in the previous year. The reason for lower net profit is mainly in increase in tax liability and steep increase in input cost.

The company has provided Rs.0.54 lacs for gratuity liability as on 01-04-2007 against the opening credit balance of Profit & Loss account and Rs.1.34 lacs for the current year's gratuity liability on account of adoption of Accounting Standard - 15 (revised) and as per actuarial report. During the year the company has incurred Rs.3.69 lacs for capital expenditure.

**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 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   |
| Chandrakant D. Khatri | Independent   |

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



## ASHISH POLYPLAST LIMITED

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

Shri Kanubhai G. Patel aged 55 years. He has worked in a public sector bank. Since last 16 years he is in the business of PVC granules. 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                      |
| Chandrakant D. Khatri | 5                      | P        | 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: 31st May 2007, 30th July 2007, 30th October 2007, 30th January 2008 & 10th March 2008. 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: 2007-08. 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 2008.

Ahmedabad, May 30, 2008

(Ashish D. Panchal)  
Managing Director



**14th ANNUAL REPORT****9. 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 an independent Director. The Audit Committee as on 31.03.2008 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><br>Chairman     | 27th July 07, 27th October 07, 29th January 08 and 27th March 08.         |
| <b>Mr. Dinesh R. Panchal</b><br>Director     | 27th October 2007, 29th January 2008 and 27th March 2008.                 |
| <b>Mrs. Kantaben D. Panchal</b><br>Director  | 27th July 2007, 27th October 2007, 29th January 2008 and 27th March 2008. |
| <b>Mr. Chandrakant D. Kahtri</b><br>Director | 27th July 2007, 27th October 2007 and 27th March 2008.                    |

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/SHAREHOLDERS 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. Chandrakant D. Khatri. During the financial year: 31st March 2008 four meetings of the committee were held on 27th July 07, 27th October 07, 29th January 08 and 27th March 08. 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      |
|-----------|-------------------------------------|------------|-----------|
| 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 |
| 2006-2007 | ATMA Hall, Ashram Road, Ahmedabad-9 | 30.08.2007 | 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