

ASHISH POLYPLAST LIMITED



15th ANNUAL REPORT 2008-2009

•REGD. OFFICE•

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

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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	- INDEPENDENT DIRECTOR
SHRI CHANDRAKANT D. KHATRI	- INDEPENDENT DIRECTOR

AUDIT COMMITTEE

SHRI KANUBHAI G. PATEL	- CHAIRMAN
SHRI DINESH R. PANCHAL	- MEMBER
SMT. KANTABEN D. PANCHAL	- MEMBER
SHRI CHANDRAKANT D. KHATRI	- MEMBER

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

15th ANNUAL GENERAL MEETING

Date : 11th September, 2009
Day : Friday
Time : 10.00 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.

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NOTICE TO THE MEMBERS

NOTICE is hereby given that the FIFTEENTH ANNUAL GENERAL MEETING of the Company will be held on Friday, 11th September 2009 at THE AHMEDABAD TEXTILE MILLS ASSOCIATION HALL, Ashram Road, Ahmedabad - 380 009 at 10:00 a.m. to transact the following business :

Ordinary Business

1. To consider, receive and adopt the Audited Balance Sheet as at 31st March 2009 and Profit and Loss Account for the year ended on that date and Directors' Report and Auditors' Report thereon.
2. To appoint Shri Ankit Narendra Shah as an independent director in place of Shri Chandrakant D. Khatri who retires by rotation and does not offer himself for re-appointment.
3. To appoint Shri Manish Ravindrabhai Gandhi as an independent director in place of Shri Dineshbhai R. Panchal who retires by rotation and does not offer himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

Special business

To appoint Secretarial Auditor and fix their remuneration.

To pass with or without modification the following resolution as ordinary resolution

5. RESOLVED THAT M/s. Kamlesh M. Shah & Co., Company Secretaries, Ahmedabad, be and are hereby appointed as Secretary in Whole time Practice under section 383A(1) of the Companies Act, 1956 to issue Compliance Certificate under said section for the financial year ending 31st March, 2010 at a remuneration plus out of pocket expenses as may be mutually agreed upon between the Chairman of the Company and the said Company Secretaries

By Order of the Board

Ahmedabad, June 30, 2009

(A.D. Panchal)
Managing Director

NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and on a poll, to vote instead of himself and a proxy need not be a member. A blank form of proxy is enclosed which, if intended to be used, should be returned to the Registered Office of the Company not less than forty-eight hours before the scheduled time of the meeting.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from September 08, 2009 to September 11, 2009 (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.
4. Information under Clause 49 of the listing agreement regarding appointment of Directors (item No.2&3) is mentioned under "Management Discussions & Analysis".
5. Members seeking any information with regard to Annual Accounts are requested to write to the company at least one week in advance so as to enable the company to keep information ready at the time of Annual General meeting.
6. Members/Proxies should bring the attendance slips duly filled in, for attending the meeting.



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REPORT OF THE DIRECTORS

Dear Member,

Your Directors have pleasure in presenting the Fifteenth Annual Report for the financial year ended 31st March 2009.

PERFORMANCE OF THE COMPANY

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

Particulars	(Amount Rupees in Lacs)	
	2008-2009	2007-2008
Sales and Other Income	520.36	506.30
Profit/(Loss) before Depreciation and Taxes	17.26	20.98
Less: Depreciation	9.99	9.48
Profit/(Loss) before tax for the year	7.27	11.50
Provision for Taxation	2.46	5.50
Profit/(Loss) for the year	4.81	6.01
Add/Profit: Balance of last year	29.85	24.39
Less: Provision for Transitional Liability on adoption of AS-15	NIL	0.54
Balance carried to Balance Sheet	34.66	29.85

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.

OPERATIONS

The total turnover of the Company for the year is increased by 3.22% 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.6.01 lacs in 2007-08 to Rs. 4.81 lacs. This is because of volatility in prices of raw materials and increase in overheads. Despite recessionary trend your company has maintained its top line.

DIRECTORS

Mr. Chandrakant D. Khatri, director of the company, retires from the office by rotation at the ensuing Annual General Meeting and due to his other preoccupations does not wish to be reappointed. The company has received notice under section 257 of the Act to appoint Shri Ankit Narendra Shah as an independent director.

Mr. Dinesh R. Panchal, director of the company, retires from the office by rotation at the ensuing Annual General Meeting and due to his other preoccupations does not wish to be re-appointed. The company has received notice under section 257 of the Act to appoint Shri Manish Ravindra Gandhi as an independent director. The Board takes this opportunity to place on record appreciation of valuable services and guidance provided by both these directors during their tenure as Directors. Your directors request you to appoint new directors in their place. The new directors are proposed to be appointed as Independent directors.

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.

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.

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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, 2009 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 2009-2010

Auditor's remarks regarding 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.

SECRETARIAL COMPLIANCE CERTIFICATE

In accordance with section 383A of the Companies Act, 1956, and Companies (Compliance Certificate) Rules, 2001, the company has obtained a certificate from secretary in whole-time practice, and a copy of such certificate is annexed to this report.

You are requested to reappoint the Secretarial Auditor M/s. KAMLESH M. SHAH & CO. Company Secretaries, Ahmedabad-380009 to verify the Secretarial Records and to provide a compliance certificate for the financial year 2009-10 and to fix their remuneration

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

(D.R. Panchal)
Chairman

Ahmedabad, June 30, 2009



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. Braided pipes have applications in industrial segment also. Due to size of the company the customer base is in 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 share due to quality product. The Company's major threats are volatility in raw material prices due to volatility 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, 2009 increased to Rs. 519.79 lacs as compared to Rs. 505.90 lacs in the previous year.

Deferred Tax assets amounted to Rs.1.80 lacs for the current year. Net Profit before tax of current year is Rs.7.27 lacs and Net Profit after tax is Rs.4.81 lacs for the year compared to Rs.6.01 lacs in the previous year. The reason for lower net profit is mainly on account of volatility in raw material prices and increase in overheads.

The company has provided Rs.3.97 lacs for gratuity liability for the current year based on actuarial report. During the year the company has incurred Rs.2.85 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 :

- 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
Chandrakant D. Khatri	Independent

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



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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:

Shri Ankit Narendra Shah aged 32 years is a Commerce Graduate of 1998. He is working with The Kalapur Commercial Co-operative Bank Ltd as a Senior Executive. He has experience of finance and accounts of about ten years. He does not hold any shares of the company. He is not on Board of any other company.

Shri Manish R. Gandhi is also a commerce graduate of 1986 and has a wide experience of transport business. He is engaged in his own business of transportation for past 14 years. Before starting his business he worked with other transport companies. He does not hold any shares of the company. He is not on Board of any other company.

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 :

Six 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 2008, 30th July 2008, 28th August 2008, 21st October 2008, 20th November 2008 and 30th January 2009. 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: 2008-09. 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.

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 2009.

Ahmedabad, June 30, 2009

(Ashish D. Panchal)
Managing Director

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9. BOARD COMMITTEE :

a) AUDIT COMMITTEE :

Your company has a 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 31.03.2009 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. Kanubhai G. Patel, Chairman	25th July 08, 27th October 08, 26th January 09 and 29th March 09.
Mr. Dinesh R. Panchal, Member	25th July 2008, 26th January 2009 and 29th March 2009.
Mrs. Kantaben D. Panchal, Member	27th October 2008, 26th January 2008 and 29th March 2009.
Mr. Chandrakant D. Khatri, Member	25th July 08, 27th October 08, 26th January 09 and 29th March 09.

The committee's powers role and functions are as stipulated in 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 2008-2009 four meetings of the committee were held on 25th July 08, 27th October 08, 26th January 09 and 29th March 09. All the meetings were attended by all the three members. Shri Jitendra V. Patel was the compliance officer of the company. There after Mr. Kalpesh Kansara was appointed due to resignation of Mr Jitendra V Patel 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
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
2007-2008	ATMA Hall, Ashram Road, Ahmedabad-9	28.08.2008	10.30 A.M

All the resolutions set out in the respective notices of the Annual General Meetings was 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 25 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 relative 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



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- affected. In view of this the associated parties also got affected. However your directors are confident of recovering all the dues from such parties.
- (ii) Disclosure of the accounting treatment if different from prescribe standard.
The company has been consistently following practice of not providing excise duty of finish goods in books of accounts as the same is payable only after clearance of goods. This does not have any effect of the profit of the company for the year.
- (iii) Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchange or SEBI or any Statutory Authorities on any matter related to capital markets during the last 3 years.
None in last three years.
- (iv) Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices. Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company has formulated, adopted and implemented the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices. Remuneration of Directors and details of Director's shareholding
The company needs to disclose all pecuniary relationship or transactions of the non-executive directors' vis-à-vis the company.

Apart from sitting fees, that are paid to the Directors for attending Board / Committee meetings, no significant material transactions have been made with the non-executive Directors vis-à-vis the Company.

The Company shall disclose the number of shares and convertible instruments held by non-executive directors in the annual report.

Details of Directors shareholding in the Company are as follows :

Name of Director	No. of Shares
Dineshbhai R. Panchal	115,000
Ashish D. Panchal	122,869
Kantaben D. Panchal	5,400
Kanubhai G. Patel	---
Chandrakant D. Khatri	---

(v) CEO/CFO Certification

A certification from Managing Director (CEO/CFO) and Manager Accounts & Finance in terms of Clause 49(V) of the Listing Agreement was placed before the Board, at the Meeting held on June 30, 2009, to approve the Audited Annual Accounts for the year ended March 31, 2009.

To

The Board of Directors of Ashish Polyplast Ltd.

Dear Sirs,

Sub: CEO/CFO Certificate

We have reviewed the financial statements, read with the cash flow statement of Ashish Polyplast Limited for the year ended March 31, 2009 and that to the best of our knowledge and belief, we state that:

- a) i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- ii) these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of such internal control, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee :