

# ASHISH POLYPLAST LIMITED

*AN ISO 9001 : 2000 Certified Company*



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## EIGHTEENTH ANNUAL REPORT 2011-2012

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• REGD. OFFICE •

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

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**BOARD OF DIRECTORS**

SHRI ASHISH D. PANCHAL	- MANAGING DIRECTOR
SMT. KANTABEN D. PANCHAL	- DIRECTOR
SHRI ANKIT N. SHAH	- DIRECTOR
SHRI MANISH R. GANDHI	- DIRECTOR

**AUDIT COMMITTEE**

SHRI ANKIT N. SHAH	- CHAIRMAN
SHRI ASHISH D. PANCHAL	- DIRECTOR
SMT. KANTABEN D. PANCHAL	- DIRECTOR
SHRI MANISH R. GANDHI	- 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

**18th ANNUAL GENERAL MEETING**

Date : 27th August, 2012  
Day : Monday  
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.

## NOTICE TO THE MEMBERS

NOTICE is hereby given that the EIGHTEENTH ANNUAL GENERAL MEETING of the Company will be held on Monday 27th August 2012 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 2012 and Profit and Loss Account for the year ended on that date and Directors' Report and Auditors' Report thereon
- 2 To declare dividend on equity shares.
- 3 To appoint a director in place of Smt. Kantaben D.Panchal who retires by rotation and being eligible offers herself for reappointment.
- 4 To appoint Auditors and fix their remuneration.

By order of the Board

Ashish D. Panchal  
Chairman

Date :30th May 2012

Place: Ahmedabad

## 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 Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- 3 In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 4 The Register of Members and Share Transfer Books of the Company shall remain closed from August 22, 2012 to August 27, 2012 (both days inclusive) for the purpose of dividend, if declared at the Annual General Meeting.
- 5 The dividend on Equity shares as recommended by the Board of Directors, if declared at the meeting will be paid : In respect of the shares held in demat form, on the basis of beneficial ownership as per details furnished by the depositories as at the end of the business day on Tuesday, 21st August, 2012 and In respect of shares held in physical form to those members whose names appear on the register of members of the Company after giving effect to all valid share transfer lodged with the Share Transfer Agent on or before Tuesday, 21st August, 2012.
- 6 In case of any change of particulars including address, bank mandate and nomination for shares held in demat form should be notified only to the respective Depository participants where the members have opened their demat accounts. The Company or its Share Transfer Agent will not act on any direct request from these members for change of such details. However request for any change in Particulars in respect of shares held in physical form should be sent to the Registrar and Share Transfer Agent of the Company.
- 7 Members wishing to claim dividend, which remain unclaimed, are requested to correspond with the Company. Members are requested to note that dividend not encashed or claimed within seven years from the date of transfer to the company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund as per Section 205 C of the Companies Act 1956. Members are encouraged to utilize ECS and NECS for receiving dividends.
- 8 Members holding shares in demat form may please note that the bank account details given by them to their Depository Participants (DPs) and on to the company by such DPs would be printed on the dividend warrants of the concerned members. However, if any Member(s) wants to receive dividend in any other bank account, then he/she should give such bank account details to his/her concerned DP. The Company will not be able to act on any such request from the shareholders directly for deletion/change in the bank account details.
- 9 Information under Clause 49 of the listing agreement regarding appointment of Directors (item No.3) is mentioned under "Management Discussions & Analysis."
- 10 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.
- 11 Members/Proxies should bring the attendance slips duly filled in, for attending the meeting.

**DIRECTORS' REPORT**

To,  
The Shareholders,  
ASHISH POLYPLAST LIMITED  
Ahmedabad

We have great pleasure in presenting Eighteenth Annual Report on the working of the company together with the Annual Accounts for the year ended on 31st March 2012 and trust that the same will meet your approval.

**Review of Operations**

Particulars	2011-2012 RS.	2010-2011 RS.
Sales & Other Income	82,998,516	66,329,320
Profit/(Loss) before Depreciation and Taxation	4,393,255	4,177,285
Less: Depreciation	1,543,565	1,085,935
Profit/(Loss) before Tax	2,849,690	3,091,350
Less: Provision for taxation	546,522	1,346,861
Profit/(Loss) after taxation	2,303,168	1,744,488
Add: Balance of last year brought forward	5,131,621	4,212,661
Balance Profit/(Loss) available for appropriation	7,434,789	5,957,150
Less: Transfer to General Reserve	174,000	174,000
Proposed Dividend	560,588	560,588
Dividend Distribution Tax	90,941	90,941
Balance Profit/(Loss) Carried to Balance Sheet	6,609,260	5,131,621

**OPERATIONS :**

The sales turnover of the company amounted to Rs 8,28,73,728/- in the current year as compared to Rs.6,63,29,320/- in previous year which shows an increase of about 25.13%. The company has earned a net profit after tax of Rs. 23,03,168/- during the year as against Rs.17,44,488/- in last year. This was possible due to increase in sales quantity, reduction in prices of raw materials and effective cost control. Your Directors are making constant efforts for increasing the growth of the company and also installed new plant and machineries.

**STATUS OF EXPANSION/MODERNISATION :**

Expansion which started last year is completed during this year. The company increased its installed capacity which is now 950 metric tons per annum. The company has also taken steps to improve quality and to reduce manpower. Total capital expenditure during the year amounted to Rs. 44,30,687/- including transfer of previous year capital work in progress Rs. 31,06,991/-.

**DIVIDEND :**

In view of stable performance of the company, the Board of Directors is pleased to recommend a dividend of 1.65% (Previous Year 1.65%) on Rs. 33,97,500/- equity shares of Rs.10 each for the current financial year amounting to Rs. 5,60,588/- (Previous year Rs. 5,60,588/-). With Dividend Distribution Tax of Rs. 90,941/- (Previous year Rs. 90,941/-) the total outflow on account of dividend works out to Rs.6,51,529/-.

**DIRECTORS**

Mrs. Kantaben D.Panchal retires by rotation at the ensuing annual General Meeting being eligible she offers herself for reappointment. You are requested to appoint her.

**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.

**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.

**PARTICULARS OF EMPLOYEES :**

There was no employee drawing remuneration of Rs. 5,00,000/- per month or Rs. 60,00,000/- per year. 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.

**DEPOSITS**

The company has not accepted any deposit from public.

**AUDITORS**

You are requested to re-appoint retiring Auditors M/s. M. R. Pandhi & Associates, Chartered Accountants, Ahmedabad for the financial year 2012-13.

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. The loans and advances are all recoverable and the company is in contacts with the parties.

**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.

**DIRECTORS' RESPONSIBILITY STATEMENT**

The Board of Directors of the company confirms:

- 1 That in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- 2 That the selected accounting policies were applied consistently and the directors 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 as at 31st March 2012 and of the Profit of the Company for the year ended on that date;
- 3 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;
- 4 That 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.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING/OUTGO**  
Information with respect to 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earning/out go have been provided in Annexure-A annexed hereto which, forms part of this Report.

**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

Date : 30th May 2012

Place : Ahmedabad

Ashish D. Panchal  
Chairman



## 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 &amp; Development

The Company has not so far formally established Research & Development wing.

## b Technology Absorption, Adaptation &amp; 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

Amount is in Rs

Particulars		Current Year	Previous Year
a	Total foreign exchange used	89,700	89,700
b	Total foreign exchange earned	Nil	Nil

By Order of the Board

Date : 30th May 2012

Place : Ahmedabad

Ashish D. Panchal  
Chairman

## ANNEXURE-1

## MANAGEMENT DISCUSSIONS &amp; 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 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, 2012 increased to Rs. 8,28,73,728/- as compared to Rs. 6,63,29,320/- in the previous year.

Deferred Tax Liabilities amounted to Rs. 2,10,061/- for the current year. Net Profit before tax of current year is Rs.23,03,168/- compared to Rs.17,44,488/- in the previous year. This was possible due to increase in sales, reduction in prices of raw materials and effective cost control.

The company has provided Rs. 1,14,112/- for gratuity liability for the current year based on actuarial report. During the year the company has incurred Rs. 44,30,687/- for capital expenditure (including capital work in progress).

**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
Ashish D. Panchal	Executive
Kantaben D. Panchal	Executive
Keyur Rasiklal Panchal*	Independent

\*Mr. Manish R. Gandhi has ceased to be director with effect from 31st August,2011

\*Mr. Ankit N. Shah has ceased to be director with effect from 22nd June,2011

\*Mr Keyur Rasiklal Panchal has been appointed as an Independent Director with effect from 22nd June,2011

Mr. Ashish D. Panchal is Managing Director 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:

Mrs. Kantaben D. Panchal has been associated with the company since 1996 and renders valuable service and provides guidance to your company. She has experience of general business administration. She holds 2,29,300 shares of the Company.

- 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
Ashish D. Panchal	6	P	0	2	2
Kantaben D. Panchal	6	P	0	2	0
Keyur R. Panchal	3	P	0	2	1
Ankit Narendra Shah	1	A	0	2	1
Manish R.Gandhi	0	A	0	2	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 minimum requirement of four meetings. The dates on which the meeting held were as follows: 24th May 2011, 22nd June 2011, 10th August 2011, 31st August 2011, 10th November 2011 and 10h February 2012. 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 fee during the year 2011-12. 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 2012.



## 9 COMMITTEE MEETINGS :

## (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 31.03.2011 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)
Ashish D. Panchal	24th May,2011, 22nd June,2011, 10th August, 2011, 31st August 2011, 10th November, 2011, 10th February, 2012
Kantaben D. Panchal	24th May,2011, 22nd June,2011, 10th August, 2011, 31st August 2011, 10th November, 2011, 10th February, 2012
Keyur R. Panchal	10th November, 2011, 10th February, 2012
Ankit Narendra Shah	24th May,2011, 22nd June,2011,
Manish R.Gandhi	24th May,2011, 22nd June,2011, 10th August, 2011, 31st August 2011

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. Keyur R.Panchal. During the financial year 2011-12 three meetings of the committee were held on 31st August,2011, 11th November,2011 and 10th February 2012. All the meetings were attended by both the members.. Shri Kalpesh Kansara 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
2008-09	ATMA Hall, Ashram Road, Ahmedabad-9	11.09.2009	10.00 A.M
2009-10	ATMA Hall, Ashram Road, Ahmedabad-9	31.08.2010	10.00 A.M
2010-11	ATMA Hall, Ashram Road, Ahmedabad-9	31.08.2011	10.00 A.M
2011-12	ATMA Hall, Ashram Road, Ahmedabad-9	27.08.2012	10.00 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

No Such Related party transaction entered during the year



- (ii) 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
- (iii) 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 directors in the annual report.  
Details of Directors shareholding in the Company are as follows :

Name of Director	No. of Shares
Ashish D. Panchal	13,56,543
Kantaben D. Panchal	2,29,300
Keyur R. Panchal*	---
Ankit N. Shah**	---
Manish R. Gandhi***	---

\* Appointed From 31st August, 2011

\*\*Upto 22nd June, 2011

\*\*\*Upto 31st August, 2011

- (iv) 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 May 30, 2012, to approve the Audited Annual Accounts for the year ended March 31, 2012.

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, 2012 and that to the best of our knowledge and belief, we state that:

These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;

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.

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.

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 tot 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. We have indicated to the Auditors and the Audit Committee :

There has not been any significant change in internal control over financial reporting during the year under reference.

There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements.