

SHRI JAGDAMBA POLYMERS LIMITED

22ND

ANNUAL REPORT

2005-2006

For SHRI JAGDAMBA POLYMERS LTD.

Director/Authorised Signatory

REGD. OFFICE :

802, NARNARAYAN COMPLEX  
NEAR NAVRANGPURA POST OFFICE  
NAVRANGPURA, AHMEDABAD - 380 009

## SHRI JAGDAMBA POLYMERS LIMITED

22ND ANNUAL REPORT 2005-2006

Annual General Meeting

Wednesday, 27th September 2006

At

802, Narnarayan Complex  
Near Navrangpura Post Office  
Navrangpura  
Ahmedabad-380 009

AT  
11:00 A.M.

Shareholders are requested to bring their copy of the Annual Report alongwith them at the Annual General Meeting, as copies of the Report will not be distributed at the meeting.

Board of Directors  
(As On 29.08.2006)

Mr. R. K. Bhojnagarwalla  
(Chairman & Wholetime Director)  
Mr. Y. K. Agrawal  
(Managing Director)  
Mr. J. K. Agarwal  
(Wholetime Director)  
Mr. B. S. Saini  
(Director)  
Mr. K. I. Patel  
(Director)  
Mr. K. B. Patel  
(Wholetime Director)  
Mr. Ashish Bhaiya  
(Director)

Auditors

M/s. G. C. Surana & Company  
B1004, Narnarayan Complex  
Near Navrangpura Post Office  
Ahmedabad-380 009.

Registered Office

802, Narnarayan Complex  
Near Navrangpura Post Office  
Navrangpura  
Ahmedabad-380 009

Plant

101, GIDC Estate  
Dholka-387 810  
Dist: Ahmedabad.

CONTENTS
-----
DIRECTORS REPORT
AUDITORS REPORT
BALANCE SHEET
PROFIT & LOSS ACCOUNT
SCHEDULE FORMING PART OF
ACCOUNTS FROM A TO P

NOTICE

NOTICE is hereby given that the TWENTY SECOND ANNUAL GENERAL MEETING of the members of SHRI JAGDAMBA POLYMERS LIMITED will be held on Wednesday, 27th day of September 2006 at 11.00 A.M. at 802, Narnarayan Complex, Near Navrangpura Post Office, Navrangpura, Ahmedabad - 380 009 to transact with or without modifications as may be permissible, the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31.03.2006 and audited Profit & Loss account for the year ended on that date, together with Director's and Auditor's Report thereon.
2. To declare dividend on equity shares for the year ended 31.03.2006.
3. To appoint a Director in place of Shri K. I. Patel who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Ashish Bhaiya who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint M/s. G. C. Surana & Co., Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to authorise the Board to fix their remuneration.

Special Business

6. To consider and if thought fit, to pass with or without modifications if any, the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. Jalan Alkesh & Associates, Practising Company Secretaries, Ahmedabad being eligible, offer themselves for reappointment, be and are hereby appointed as Secretarial Auditors for compliance Certification of the Company for holding the office from the conclusion of this meeting until the conclusion of next Annual General Meeting on such remuneration as may be decided by the Board of Directors."

7. To consider and if thought fit, to pass with or without modifications if any, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of the section 198, 269, 309 and 310 and other applicable provisions, if any of the Companies Act, 1956 and subject to the limit specified in Schedule XIII of the said Act, the remuneration of Shri Ramakant Bhojnagarwalla, be and is hereby increased from Rs.20000 per month to Rs.50000 per month (subject to deduction of applicable taxes) with effect from November 1, 2005 for remainder period of the tenure of his appointment.

FURTHER RESOLVED that the other terms and conditions except ratable increase in gratuity and other benefits be remain unchanged.

FURTHER RESOLVED that where in any financial year the Company has no profit or its profit are inadequate, the Company may pay to Shri Ramakant Bhojnagarwalla the remuneration as above by way of Salary, perquisites and other perquisites and allowances as minimum remuneration, the aggregate of which shall not exceed the limit specified under Section II(A) of part II of the Schedule XIII of the Companies Act, 1956.

FURTHER RESOLVED THAT the Directors be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary or desirable to give effect to this resolution."

8. To consider and if thought fit, to pass with or without modifications if any, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of the section 198, 269, 309 and 310 and other applicable provisions, if any of the Companies Act, 1956 and subject to the limit specified in Schedule XIII of the said Act, the remuneration of Shri Yogesh Agrawal, be and is hereby increased from Rs.20000 per month to Rs.50000 per month (subject to deduction of applicable taxes) with effect from November 1, 2005 for remainder period of the tenure of his appointment.

FURTHER RESOLVED that the other terms and conditions except ratable increase in gratuity and other benefits be remain unchanged.

FURTHER RESOLVED that where in any financial year the Company has no profit or its profit are inadequate, the Company may pay to Shri Yogesh Agrawal the remuneration as above by way of Salary, perquisites and other perquisites and allowances as minimum remuneration, the aggregate of which shall not exceed the limit specified under Section II(A) of part II of the Schedule XIII of the Companies Act, 1956.

FURTHER RESOLVED THAT the Directors be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary or desirable to give effect to this resolution."

9. To consider and if thought fit, to pass with or without modifications if any, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of the section 198, 269, 309 and 310 and other applicable provisions, if any of the Companies Act, 1956 and subject to the limit specified in Schedule XIII of the said Act, the remuneration of Shri Jaikrishna Agarwal, be and is hereby increased from Rs.20000 per month to Rs.50000 per month (subject to deduction of applicable taxes) with effect from November 1, 2005 for remainder period of the tenure of his appointment.

FURTHER RESOLVED that the other terms and conditions except ratable increase in gratuity and other benefits be remain unchanged.

FURTHER RESOLVED that where in any financial year the Company has no profit or its profit are inadequate, the Company may pay to Shri Jaikrishna Agarwal the remuneration as above by way of Salary, perquisites and other perquisites and allowances as minimum remuneration, the aggregate of which shall not exceed the limit specified under Section II(A) of part II of the Schedule XIII of the Companies Act, 1956.

FURTHER RESOLVED THAT the Directors be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary or desirable to give effect to this resolution."

10. To consider and if thought fit, to pass with or without modifications if any, the following resolution as an Ordinary Resolution:

## SHRI JAGDAMBA POLYMERS LIMITED

22ND ANNUAL REPORT 2005-2006

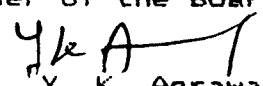
"RESOLVED THAT pursuant to the provisions of the section 198, 269 & 309 and other applicable provisions, if any of the Companies Act, 1956 and subject to the limit specified in Schedule XIII of the said Act the Company hereby accords its consent to the appointment of Shri Kiran Patel, as Whole Time Director of the Company for a period of five years commencing from 14th July, 2006 on the remuneration as set out hereunder:

Salary	: Rs.20,000/- per month
Gratuity	: 15 days salary of each year of service
Medical	: Rs. 10,000/- p. a. or actual expenses incurred whichever is less.
Car	: for use on Company's business with a chauffeur.
Telephone	: at residence for use on Company's business (except personal long distance calls for the personal purpose which shall be borne by the Managing Director).

FURTHER RESOLVED that where in any financial year the Company has no profit or its profit are inadequate, the Company may pay to Shri Kiran Patel the remuneration as above by way of Salary, perquisites and other perquisites and allowances as minimum remuneration, the aggregate of which shall not exceed the limit specified under Section II(A) of part II of the Schedule XIII of the Companies Act, 1956.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to alter, vary, amend, the terms including salary, allowances and perquisites in such manner as may be agreed to between the Board and Shri Kiran Patel within and in accordance with and subject to the limits prescribed in schedule XIII to the Companies Act, 1956."

Registered Office:  
B02, Narnarayan Complex  
Near Navrangpura Post Office  
Ahmedabad-380 009  
Date : 29th August' 2006

By Order of the Board  
  
Y. K. Agrawal  
(Managing Director)

## SHRI JAGDAMBA POLYMERS LIMITED

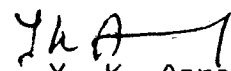
22ND ANNUAL REPORT 2005-2006

## NOTES :

- A. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY DULY SIGNED AND STAMPED NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- B. The register of members and the Share Transfer Book of the Company will remain closed from 23rd to 27th September' 2006 (both days inclusive).
- C. Dividend as recommended by the Board, if declared at the meeting, will be payable to those share holders or their mandatee(s) whose names appear in the register of Members as on 23rd September' 2006.
- D. An Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in relation to the Special Business of the meeting, is annexed hereto.
- E. Shareholders intending to require information about accounts to be explained at the meeting are requested to inform in writing to the Company atleast a week in advance of their intention to do so, so that the papers relating thereto may be made available, if the Chairman permits such information to be furnished.
- F. The Company had issued dividend warrants/cheques upto the financial year ended 31st March' 2005 to the shareholders of the Company pursuant to the provisions of section 205A of the Companies Act, 1956 as amended and unpaid/unclaimed dividend for a period of 7 years will be transferred to the Investor Education and Protection Fund. The Shareholders who have not encashed their dividend warrants/cheques so far upto the financial year ended 31st March' 2005 are requested to make their claim or approach to the Company for revalidation or obtaining duplicate warrants. It may also be noted that once the unclaimed dividend is transferred to the fund as above, no claims shall lie in respect thereof.
- G. Members are requested to:
  - a) Notify any change in address with Pincode numbers immediately to the Company's Registered Office.
  - b) Bring their copy of the Annual Report and Attendance slip with them at the Annual General Meeting as the same will be not be distributed at the Annual General Meeting.
  - c) Quote Ledger Folio Number in all their correspondence.
- H. All documents referred to in the notice and explanatory statement shall be available for inspection at the registered office of the Company during the office hours on all days except sundays and public holidays between 11:00 a.m. and 1:00 p.m. upto the date of the annual general meeting.

Registered Officer:  
 802, Nannarayan Complex  
 Near Navrangpura Post Office  
 Ahmedabad-380 009  
 Date : 29th August' 2006

By Order of the Board.

  
 Y. K. Agrawal  
 (Managing Director)



Explanatory Statement relating to the Special Business pursuant to sec .on 173(2) of the Companies Act, 1956:

Item-6:  
-----

Pursuant to the provisions of Section 383 A of the Companies Act, 1956 every company having paid up capital of Rs. 10 lakhs or more but less than Rs. 200 lakhs is required to obtain compliance certificate from a practising company secretary. M/s. Jalan Alkesh & Associates, Practising Company Secretaries, Ahmedabad being eligible for reappointment offers themselves for reappointment at the this annual general meeting of the company.

The Board of Directors recommend the passing of the resolution set out in the notice. None of the Directors of the Company in anyway are interested or concerned in this resolution.

Item-7:  
-----

Shri Ramakant Bhojnagarwalla was appointed as Whole Time Director of the Company by the Board of Directors of the Company at its meeting held on April 30, 2003 with effect from 1st May, 2003 for a period of five years. The shareholders of the Company gave their concurrence at the Extra Ordinary General Meeting held on 31st May, 2003 on the salary of Rs.20000 per month inter alia.

Under the guidance, management and control of Shri Ramakant Bhojnagarwalla, the Company has maintained its growth and profitability. Now it is proposed to increase the salary of Shri Ramakant Bhojnagarwalla as recommended by the Remuneration Committee from Rs.20000 to Rs.50000 per month with effect from November 1, 2005.

Shri Yogesh Agrawal and Shri Jaikrishna Agarwal are deemed to be interested in this resolution. The resolution together with explanatory statement may be treated as an abstract of terms of appointment pursuant to section 302 of Companies Act, 1956.

Item-8:  
-----

Shri Yogesh Agrawal was reappointed as Managing Director of the Company by the Board of Directors of the Company at its meeting held on January 31, 2004 with effect from 1st April, 2004 for a period of five years. The shareholders of the Company gave their concurrence to the reappointment at the Annual General Meeting held on 29th September, 2004 on the salary of Rs.20000 per month inter alia.

Under the management, control and guidance of Shri Yogesh Agrawal, the Company maintained its sales and profitability. Now it is proposed to increase the salary of Shri Yogesh Agrawal as recommended by the remuneration Committee from Rs.20000 per month to Rs.50000 per month with effect from November 1, 2005.

Shri Jaikrishna Agarwal and Shri Ramakant Bhojnagarwalla are deemed to be interested in this resolution. The resolution together with explanatory statement may be treated as an abstract of terms of appointment pursuant to section 302 of Companies Act, 1956.

## SHRI JAGDAMBA POLYMERS LIMITED

22ND ANNUAL REPORT 2005-2006

Item-9:

Shri Jaikrishna Agarwal was reappointed as Whole Time Director of the Company by the Board of Directors of the Company at its meeting held on January 31, 2004 with effect from 1st April, 2004 for a period of five years. The shareholders of the Company gave their concurrence to the reappointment at the Annual General Meeting held on 29th September, 2004 on the salary of Rs.20000 per month inter alia.

Under the management, control of Shri Jaikrishna Agarwal, the Company maintained its growth and profitability. Now it is proposed to increase the salary of Shri Jaikrishna Agarwal as recommended by the remuneration Committee from Rs.20000 per month to Rs.50000 per month with effect from November 1, 2005.

Shri Ramakant Bhiojnagarwalla and Shri Yogesh Agrawal are deemed to be interested in this resolution. The resolution together with explanatory statement may be treated as an abstract of terms of appointment pursuant to section 302 of Companies Act, 1956.

Item-10:

Shri Kiran Patel was reappointed as Whole Time Director of the Company by the Board of Directors of the Company at its meeting held on 31st July, 2006 with effect from 13th July, 2006 for a period of five years. Shri Kiran Patel was appointed as a Whole Time Director for a period of five years with effect from 14th July, 2001. The Company has got benefits from his experience and knowledge, your Directors have proposed reappointment of Shri Kiran Patel for a period of five years with effect from 13th July, 2006.

The terms of his appointment including remuneration as set out in detail in the resolution which has been approved by the remuneration committee of Directors. The Board of Directors recommend the passing of the resolution set out in the notice.

None of the other Directors of the Company are interested or concerned in this resolution.

Registered Office:  
802, Narnarayan Complex  
Near Navrangpura Post Office  
Ahmedabad-380 009  
Date : 29th August 2006

By Order of the Board:

  
Y. K. Agrawal  
(Managing Director)



DIRECTOR'S REPORT :

To,  
The Members of  
Shri Jagdamba Polymers Limited

The Directors hereby present the 22nd Annual Report together with Audited Statement of Accounts for the year ended on 31st March' 2006 which they trust, will meet with your approval.

	Year Ended 31.03.2006 Amount(Rs.)	Year Ended 31.03.2005 Amount(Rs.)
<b>1. FINANCIAL RESULTS :</b>		
Profit before Interest, Depreciation & Taxes	12920279	15900064
1. Interest (net)	3188826	4977077
2. Depreciation	5608030	5389423
3. Provision for Taxation:		
-Current Tax	1750000	660000
-Deferred Tax	(407376)	(33816)
-Fringe Benefit Tax	84406	NIL
	10223886	10992684
Net Profit	2696393	4907380
Add: Prior period adjustments	216781	17067
Profit after tax	2913174	4924447
Add : Balance of profit brought forward from previous year	11760358	8334542
Balance of Profit available for appropriation	14673532	13258989
Less: 1) Proposed Dividend	875800	875800
2) Prov. for Tax on Div.	122831	998631
	13674901	12260358
Less: Transferred to General Reserve	500000	500000
Balance carried to Balance Sheet	13174901	11760358

**2. OPERATIONS :**

The total sales and other income during the year have been Rs.904.48 lakhs compared to Rs.1522.70 lakhs in the previous year. The Company's Profit for the year before depreciation, interest and taxation has been Rs.129.20 lakhs (P.Y. Rs.159.00 lakhs) and the Net Profit after interest, tax and depreciation is Rs.26.96 lakhs (P.Y. Rs.49.07 lakhs). The turnover in value terms decreased in view of increase in job charges receipts.

**3. DIVIDEND :**

Your Directors are pleased to recommend a dividend of 10% (Re.1.00 per share) (previous year 10%) to the Equity Shareholders.

**4. FINANCE :**

During the year under review, the Company had incurred capital expenditure which was partly financed by way of Term Loan from Bank and balance being from internal accruals. The repayments are made regularly on due dates.

**5. FIXED DEPOSITS :**

The Company has not invited any deposits from the public during the year under review and there is no outstanding payment of principal and interest on fixed deposit as on date of Balance Sheet.

6. INSURANCE :

The properties of the Company stand adequately insured against risks of fire, strike, riot, earthquake, explosion and malicious damage.

7. DIRECTORS :

Shri K. I. Patel and Shri Ashish Bhaiya retire by rotation and being eligible, offers themselves for reappointment, which is recommended.

8. CORPORATE GOVERNANCE :

The clause no. 49 of the Listing Agreement regarding the Corporate Governance is not applicable to the Company since the paid up capital of the Company is below Rs.300.00 lakhs. However, the Company has initiated its efforts to implement the provisions of the clause.

9. SECRETARIAL COMPLIANCE REPORT :

As per the Companies (Amendment) Act 2000, every Company having paid up capital more than Rs.10.00 lakhs but less than Rs.200.00 lakhs will be required to get its Statutory Registers audited by the practising Company Secretary and to obtain Secretarial Compliance Report. Since the paid up capital of the Company is more than Rs.10.00 lakhs, the Statutory Registers are audited by M/s. Jalan, Alkesh & Associates, practising Company Secretary, whose Secretarial Compliance Report is attached herewith; which is self explanatory.

10. DIRECTOR'S RESPONSIBILITY STATEMENT :

Pursuant to section 217 (2AA) of the Companies (Amendment) Act, 2000, the Directors confirm that,

( i ) In the preparation of the Annual Accounts for the year ended on 31st March' 2006, the applicable accounting standards have been followed and there has been no material departure.

( ii ) The Directors had selected such accounting policies and applied them consistently and 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 at the end of the financial year and of the profit or loss of the Company for the year under review.

(iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities.

( iv ) The Directors have prepared the annual accounts for the year ended on 31st March' 2006 on a going concern basis.

11. PARTICULARS OF EMPLOYEES :

The Company has no employee in the category specified under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended.

12. LISTING :

The Equity Shares of the Company are listed on Ahmedabad and Mumbai Stock exchanges. The Company is regular in payment of Listing fees.