



**Shri Jagdamba Polymers Ltd.**

**26<sup>TH</sup>**

**ANNUAL REPORT**

**2009-2010**



**REGD. OFFICE :**

**802, NARNARAYAN COMPLEX, OPP. NAVRANGPURA POST OFFICE, NAVRANGPURA, AHMEDABAD 380 009.**



Annual General Meeting

Thursday, 26<sup>th</sup> August, 2010

At

Ishwar Bhuvan,

Near H.L. Commerce College  
Navrangpura  
Ahmedabad-380 009

At

11:00 A.M.

**Board of Directors**

(As On 15.07.2010)

**Shri R.K. Bhojnagarwalla**

Chairman cum Managing Director

**Shri K. B. Patel**

Whole-time Director

**Shradha H. Agarwal**

Ceased to be Director ( w.e.f.  
25.06.2010)

**Shri B. S. Saini**

Director

**Shri K. I. Patel**

Director

**Shri Ashish Bhैया**

Director

The Shareholders are requested to bring their copy of the Annual Report along with them at the Annual General Meeting, since copy of the Report will not be distributed at the meeting.

**Auditors**

M/s. G.C. Surana & Co.

“Surana House”

B/h. Klassic Chamber, Near Swastik,

Char Rasta, Navrangpura,

Ahmedabad-380 009

**Registered Office**

802, Narnarayan Complex

Opp., Navrangpura Post Office

Navrangpura

Ahmedabad-380 009

**Plant 1**

101, GIDC Estate

Dholka-387810

Dist.: Ahmedabad.

**Plant 2**

703-710, GIDC Estate

Dholka-387810

Dist.: Ahmedabad.

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**NOTICE**

NOTICE is hereby given that the TWENTY SIXTH ANNUAL GENERAL MEETING of the members of SHRI JAGDAMBA POLYMERS LIMITED will be held on 26<sup>th</sup> August, 2010 at 11.00 A.M. at Ishwar Bhuvan, Navrangpura, Ahmedabad-380 009 to transact the following business :

**Ordinary Business**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as on 31.03.2010 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<sup>st</sup> March, 2010.
3. To appoint a Director in place of Shri B.S. Saini, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Kiran B. Patel, 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 authorize 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, Practicing Company Secretaries, Ahmedabad being eligible, offer themselves for reappointment, be and are hereby reappointed 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 Special Resolution:

“RESOLVED THAT, pursuant to provision of Section 269, 309, 311 and other applicable provisions of the Companies Act, 1956 including Schedule XIII of the Companies Act, 1956 the Company do hereby reappoint Shri Ramakant Bhojnagarwalla, Managing Director of the company, on a remuneration of Rs. 2,50,000/- ( Rupees Two Lacs Fifty Thousand Only ) per month with effect from 1<sup>st</sup> September, 2010 on the terms and conditions as may be mutually agreed between the Company and Shri Ramakant Bhojnagarwalla.”

“RESOLVED FURTHER THAT, the Managing Director of the company shall not be entitled for any sitting fee for attending the Board meeting or committee thereof.”

“RESOLVED FURTHER THAT, the Managing Director of the company shall not be liable to retire by rotation”.

“RESOLVED FURTHER THAT, the Board of Directors of the company be and is hereby authorised to take all such steps as may be necessary for giving effect to this resolution.”

Registered Office:

BY ORDER OF THE BOARD OF DIRECTORS

802, Narnarayan Complex  
Near Navrangpura Post Office  
Navrangpura  
Ahmedabad -380 009  
Date : 15/07/2010

s/d.  
**R.K. Bhojnagarwalla**  
(Chairman cum Managing Director)

**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, 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 23<sup>rd</sup> August, 2010 to 26<sup>th</sup> August, 2010 (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 23<sup>rd</sup> August, 2010.



- 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 at least 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 2009 to the shareholders of the Company. Pursuant to the provisions of section 205A of the Companies Act, 1956 as amended, 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' 2009 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 Pin code numbers immediately to the Company's Registered Office or to "CAMEO CORPORATE SERVICES LIMITED", Share Transfer Agent of the Company at their address at "202, Pawan Flats, 7, Anand Nagar Society, Alkapuri, Baroda -390 007. Telephone No. 0265 -2341 105" for both physical and demat segments of Equity Shares. Please Quote on all such correspondence – "Unit – Shri Jagdamba Polymers Limited".
  - 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. up to the date of the Annual General Meeting.

Registered Office:

BY ORDER OF THE BOARD OF DIRECTORS

802, Narnarayan Complex  
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Ahmedabad -380 009  
Date : 15/07/2010

s/d.  
**R.K. Bhojnagarwalla**  
(Chairman cum Managing Director)

Explanatory Statement relating to the special Business Pursuant to section 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. 500 Lakhs is required to obtain compliance certificate from a practicing company secretary M/s. Jalan Alkesh &





Associates, Practicing Company Secretaries, Ahmedabad being eligible for reappointment offers themselves for reappointment at this Annual General Meeting of the company.

The Board of Directors recommends 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, is currently the Managing Director of the company. Shri Ramakant Bhojnagarwalla has vide experience in the management of the company. The details required pursuant to Schedule XIII of the Companies Act, 1956 is as under :

Nature of industry	The company is presently engaged in the business of polymer processing.			
Date of commencement of commercial production	The company is already making the production.			
Financial performance based on given indicators	The financial performance of the company is as under : (Amount in Rupees)			
	Particulars	2009 - 2010 (Audited)	2008 - 2009 (Audited)	2007 - 2008 (Audited)
	Sales and other receipts (Net of excise)	321165212	205342752	125714134
	Depreciation	10738444	8108617	7179138
	Profit before Tax	16629573	16286169	8088988
	Profit after tax and prior period adjustments	11391334	10840306	5725268
Export performance	During the year 2009 - 2010 the company has earned foreign exchange of Rs.19,51,73,239/- in comparison to Rs.12,31,37,893/- for the year 2008 - 2009			
Foreign investment and collaborations, if any	There is no foreign investment or collaboration.			
Background details	Shri Ramakant Bhojnagarwalla is the promoter of the			



	company and has wide experience in the management of the affairs of the company. The growth of the Company has been manifold under his management. Further Shri Ramakant Bhojnagarwalla has practical knowledge in the field of the manufacturing, finance, administration etc.
Past remuneration	Presently Shri Ramakant Bhojnagarwalla is getting a remuneration of Rs. 2,00,000/- (Rupees Two Lacs) per month.
Recognition / Awards	Shri Ramakant Bhojnagarwalla is presently the director of Textile Traders Co-Operative Bank Ltd. He is also the chairman of Ahmedabad Textiles Processors Association (Advisory Committee). He is also member of expert consultative committee of Textile Ministry of Government of India
Remuneration proposed	It is proposed to increase the remuneration of Shri Ramakant Bhojnagarwalla to Rs. 2,50,000/- ( Rupees Two Lacs Fifty Thousand Only ) per month
Pecuniary relationship	Shri Ramakant Bhojnagarwalla is presently the managing director of the company and he holds 73.26% approximately in the company directly or through his relatives
Other Information	
Reasons for loss or inadequate profits	This industry is basically a processing industry. The turnover for the year 2009 – 2010 is exceeding Rs. 32.00 Crores which is 56% higher than the last year. The gross profit is nearly 21.00% of the turnover. Thus the profitability of the Company is good but considering the provision of Section 269, 309 and other applicable provision of the Companies Act, 1956 it is inadequate.
Steps taken for improvement	The company has started to manufacture quality products and explore new markets which are expected to increase the profits of the company in the years to come.
Expected increase in productivity and profits in measurable terms	It is expected that due to increase in production capacity and development of new markets, the company will achieve profit after tax of Rs. 292.98 lacs in the financial year 2010 – 2011 and Rs. 376.46 lacs in the financial year 2011 – 2012



The appointment and remuneration of Shri Ramakant Bhojnagarwalla has been approved by the remuneration committee.

The Board of Directors of your company recommends the approval of the appointment of Shri Ramakant Bhojnagarwalla on new terms with effect from 1<sup>st</sup> September, 2010 for a period of three years. Shri Ramakant Bhojnagarwalla is deemed to be interested in this resolution. The above resolution together with explanatory statement may be treated as an abstract of terms of appointment pursuant to Section 302 of the Companies Act, 1956.

Registered Office:

BY ORDER OF THE BOARD OF DIRECTORS

802, Narnarayan Complex  
Near Navrangpura Post Office  
Navrangpura  
Ahmedabad -380 009  
Date : 15/07/2010

s/d.  
**R.K. Bhojnagarwalla**  
(Chairman cum Managing Director)



**DIRECTORS' REPORT**

To,  
The Members of  
Shri Jagdamba Polymers Limited  
Ahmedabad

The Directors hereby present the 26th Annual Report together with Audited Statement of Accounts for the year ended on 31st March' 2010 which they trust, will meet with your approval.

<b><u>1. FINANCIAL RESULTS:</u></b>	<b>Year Ended</b>	<b>Year Ended</b>
	<b>31.03.2010</b>	31.03.2009
	<b><u>Amount(Rs.)</u></b>	<b><u>Amount(Rs.)</u></b>
Profit before Interest , Depreciation & Taxes	<b>41674251</b>	32201798
<b>Less :</b>		
Interest (net)	<b>14306234</b>	7807012
Depreciation	<b>10738444</b>	8108617
<b><u>Provision for Taxation:</u></b>		
-Current Tax	<b>4650000</b>	3200000
-Deferred Tax	<b>587394</b>	2136339
-Fringe Benefit Tax	<b>0</b>	111000
<b>Total</b>	<b>30282072</b>	21362968
Net Profit	<b>11392179</b>	10838830
Add/(Less). Prior Period adjustments	<b>( 845)</b>	1476
<b>Net Profit after Taxation</b>	<b>11391334</b>	10840306
Add: Balance of profit brought forward from previous year	<b>30501193</b>	21285529
	<b>-----</b>	<b>-----</b>
<b>Balance Profit available for appropriation</b>	<b>41892527</b>	32125835
Less. (1.) Proposed Dividend	<b>875800</b>	875800
(2.) Prov. For Tax on Div.	<b>148842</b>	148842
	<b>-----</b>	<b>-----</b>
	<b>40867885</b>	31101193
Less: Transferred to General Reserve	<b>600000</b>	600000
	<b>=====</b>	<b>=====</b>
Balance carried to Balance Sheet	<b>40267885</b>	30501193
	<b>=====</b>	<b>=====</b>

**2. OPERATIONS:**

The total sales and other income during the year have been Rs.3231.43 Lakhs compared to Rs.2061.70 lakhs in the previous year. The Company's Profit for the year before depreciation, interest and taxation has been Rs. 416.74 lakhs (P.Y. Rs.322.02 lakhs) and the Net Profit after interest, depreciation & taxes are Rs. 113.91 lakhs (P.Y. Rs. 108.40 lakhs).

**3. DIVIDEND:**

Your Directors are pleased to recommend a dividend of Re. 1.00 per share equivalent to 10 % ( ten percent) on the paid up share capital of the company for the year ended 31.03.2010 (previous year Re.1.00 per share) to the Equity Shareholders. The dividend will be paid when declared by the shareholders in accordance with the law. The dividend will be free of tax in the hands of the shareholders. However, the Company will have to pay dividend distribution tax @ 15 % plus applicable surcharge and education cess, aggregating to about 16.995 % on the dividend amount so distributed.

**4. FINANCE:**

During the year under review, the Company had incurred Capital Expenditure of Rs. 258.43 Lacs which was financed out of Term Loan of Rs. 66.35 Lacs from Bank and balance Rs. 192.08 Lacs from internal accruals. During the year the Company had taken Rs.66.35 Lacs as Term Loan and repaid Rs. 85.00 Lacs towards the same Term loan. Further the Working Capital Limits (including Non Fund Based) has been increased from Rs. 1695.00 Lacs to Rs. 2168.00 Lacs.

**5. FIXED DEPOSITS:**

The Company has not invited any deposits from the public during the year under review.

**6. INSURANCE:**

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

**7. DIRECTORS:**

Shri B.S. Saini and Shri Kiran B. Patel, retire by rotation and being eligible, offers themselves for reappointment. The Board recommends for their reappointment. Smt. Shradha H. Agarwal has resigned as a Director of the Company with effect from 25<sup>th</sup> June, 2010.

**8. CORPORATE GOVERNANCE:**

Since the paid up capital of the Company is below Rs. 500.00 Lakhs, clause no. 49 of the Listing Agreement regarding the Corporate Governance is not applicable to the Company. However, the Company has initiated its efforts to implement the provisions of the clause.

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

The Company's philosophy is to conduct its affairs in a manner which is transparent, Clear and evident to those dealing with or having a stake in the company namely shareholders, lenders, creditors and employees. The Company's philosophy on corporate Governance is thus concerned with the ethics and values of the Company and its Directors, who are expected to act in