

ASHISH POLYPLAST LIMITED

AN ISO 9001 : 2000 Certified Company



EIGHTEENTH ANNUAL REPORT 2011-2012

• REGD. OFFICE •

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

Phone : 26445495, 26426758. 26445090

E-mail : realon@sify.com • Website : www.ashispolyplast.com

**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 & 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

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 & 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.

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.

We are not aware of any instance during the year of significant fraud with involvement therein of the management of any employee having a significant role in the Company's internal control system over financial reporting.

Ahmedabad
Date: 30th May, 2012

Ashish D. Panchal
Managing Director

Yours sincerely
Kalpesh Kansara
Manager
(Accounts & Finance)

12 MEANS OF COMMUNICATION :

Quarterly Results are published in Newspapers i.e. Western Times.
Not displayed in any website.

13 SHAREHOLDERS' INFORMATIONS :

- 1 Date of Book Closure : 22nd August, 2012 to 27th August, 2012
(Both days inclusive)
- 2 Dividend Payment Date : On or after 7th September, 2012 but within the statutory time limit of 30 days from the date of approval
- 3 Date & venue of Annual General Meeting : Monday, 27th August, 2012 at 10.00 A.M. at
The Ahmedabad Textile Mill Association Hall,
Ashram Road, Ahmedabad-380009
- 4 Financial Calendar: April – March
 - Financial Reporting for the first quarter ending on June, 2012: July/August 2012
 - Financial Reporting for the second quarter ending on September, 2012: October/November 2012
 - Financial Reporting for the third quarter ending on December, 2012: January/February 2013
 - Financial Reporting for the last quarter ending on March 2013: May 2013
 - Annual General Meeting for the financial year 2012-13 : August/ September 2013

| | |
|--|---|
| Listing on Stock Exchanges at | Ahmedabad & Bombay Stock Exchanges |
| Registered Office | A/305, "Samudra", Near Hotel Klassic Gold, Off C.G. Road, Ahmedabad – 380006 |
| Share transfer and other communication regarding share certificates, and change of address etc. may be addressed to. | Sharepro Services (India) Pvt Ltd 13-AB Samhita warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, opp. Andheri Kurla road, Sakinaka, Andheri (East) MUMBAI-400072. |
| Stock Code | ISIN No. for NSDL & CDSL : INE831C01016 The company has paid listing fees for the year 2011-12 |

SHARE TRANSFER SYSTEM

The company has appointed M/s. Sharepro Services as their R & T Agent.
Distribution of Shareholding as on 31st March 2012

| NO.OF EQUITY SHARESHELD | NO. OF SHAREHOLDERS | % OF SHAREHOLDERS | SHARE AMOUNT IN RUPEES | % TO TOTAL |
|----------------------------|------------------------|----------------------|---------------------------|------------|
| Less than 500 | 831 | 64.47% | 232,217 | 6.83% |
| 501 to 10000 | 431 | 33.44% | 747,113 | 21.99% |
| 10001 to 20000 | 9 | 0.70% | 114,536 | 3.37% |
| 20001 to 30000 | 1 | 0.08% | 22,578 | 0.66% |
| 30001 to 40000 | 4 | 0.31% | 144,400 | 4.25% |
| 40001 to 50000 | 2 | 0.16% | 90,890 | 2.68% |
| 50001 to 100000 | 8 | 0.62% | 570,423 | 16.79% |
| 100001 & Above | 3 | 0.23% | 1,475,343 | 43.42% |
| Total | 1289 | 100% | 3,397,500 | 100% |



14 Categories of Shareholders as on 31st March 2012

| SR. NO. | CATAGORIES | NO. OF SHAREHOLDERS | VOTING STRENGTH | NO. OF SHARES |
|---------|----------------------|---------------------|-----------------|---------------|
| 1 | Individuals | 1214 | 38.28% | 1,300,668 |
| 2 | Companies | 27 | 6.90% | 234,365 |
| 3 | Promoters/Directors | 6 | 46.68% | 1,585,843 |
| 4 | Directors' Relatives | 7 | 6.52% | 221,400 |
| 5 | Employees | 0 | 0.00% | - |
| 6 | Non Resident Indians | 35 | 1.63% | 55,224 |
| 7 | Others | 0 | 0.00% | - |
| Total | | 1289 | 100% | 3,397,500 |

15 STOCK MARKET DATA :

High, Low during each month in last financial year

| Month | High in (Rs) | Low in (Rs) | BSE Index | |
|------------------|--------------|-------------|-----------|----------|
| April – 2011 | 5.03 | 3.89 | 19701.73 | 19091.17 |
| May – 2011 | 5.20 | 4.28 | 17386.08 | 16022.48 |
| June – 2011 | 5.00 | 3.87 | 18845.87 | 17506.63 |
| July – 2011 | 5.50 | 4.10 | 19078.30 | 18197.20 |
| August – 2011 | 5.22 | 4.35 | 18314.33 | 15848.83 |
| September – 2011 | 5.45 | 4.85 | 17165.54 | 16051.10 |
| October – 2011 | 5.50 | 4.30 | 17804.80 | 15792.41 |
| Nov-11 | 5.93 | 4.29 | 17569.53 | 15695.43 |
| December – 2011 | 6.80 | 5.74 | 16877.06 | 15175.08 |
| January – 2012 | 5.70 | 4.90 | 17233.98 | 15517.92 |
| February – 2012 | 4.66 | 4.20 | 18428.61 | 17300.58 |
| March – 2012 | 4.15 | 2.54 | 17919.30 | 17052.78 |

Shares traded during last financial year at the Bombay Stock Exchange Limited are as follow :

| Particulars | The Bombay Stock Exchange Limited |
|----------------------------|-----------------------------------|
| Number of shares traded | 130660 |
| Highest share price in Rs. | 6.80 |
| Lowest share price in Rs. | 2.54 |

16 REGISTRAR & TRANSFER AGENTS :

Sharepro Services (India) Pvt Ltd
13-AB Samhita warehousing Complex,
2nd Floor, Sakinaka Telephone Exchange Lane,
opp. Andheri Kurla road, Sakinaka,
Andheri (East) MUMBAI-400072.

17 DEMATERIALISATION OF SHARES

22,88,100 shares out of total of 3397500 shares are in dematerialized form

18 PLANT LOCATION :

Plot No. 42, At & Post Zak, Naroda Dehgam Highway,
Near Narmada Main Canal, Dist.Gandhinagar.

19 NON-MANDATORY REQUIREMENT

- 1 Remuneration Committee : The Company has not yet set up the remuneration committee
- 2 Share Holder Rights -
The half-yearly declaration of financial performance including summary of the significant events in last six months should be sent to each household of shareholders. : As the company's half-yearly results are published in English & Gujarati News paper. The same are not sent to the shareholder separately.
- 3 Postal Ballot : No Item to be passed through postal ballots this year

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

ASHISH POLYPLAST LIMITED

We have examined the compliance of conditions of Corporate Governance by Ashish Polyplast Limited for the year ended March 31, 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock-Exchange(s) in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance.

It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

As required by Guidance note issued by the Institute of Chartered Accountants of India, we state that as per records maintained by the Company, there were no investors' grievances remaining unattended/pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, M. R. PANDHI & ASSOCIATES

Chartered Accountants

Firm Registration No.112360W

Date : 30th May 2012

M. R. Pandhi

Place: Ahmedabad

Partner

**SECRETARIAL COMPLIANCE CERTIFICATE**

To

(See Rule 3)

The Members,
Ashish Polyplast Limited,
A-305, Samudra Complex,
Near Hotel Klassic Gold, Off. C.G.Road,
Navrangpura, Ahmedabad: 380 006

I have examined the Registers, records, books and papers of **ASHISH POLYPLAST LIMITED**, the Company incorporated under the Indian Companies Act 1956 and Registered with the office of the Registrar of Companies, Gujarat vide **Corporate Identification Number U 17110 GJ 1994 PLC 021391** as required to be maintained under the Companies Act 1956 (The Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial year ended **31st March 2012** In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

- [1] The Company has kept and maintained all Registers as stated in the **ANNEXUE-A** to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
- [2] The Company has duly filed forms and returns as stated in **ANNEXURE B** to this Certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
- [3] The Company is a Public Limited Company has the minimum prescribed paid up capital and it has the required minimum number of the members during the said financial year.
 - (a) Has not invited public to subscribe for its shares or debentures and,
 - (b) Has not invited or accepted any deposits from persons other than its directors or their relatives.
- [4] The Board of Directors duly met 6 times on 24/05/2011, 22/06/2011, 10/08/2011, 31/08/2011, 10-11-2011, 10-02-2012, dates in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes book maintained for the purpose.
- [5] The Company closed its Register of Members and share transfer books from 28-08-2012 to 31-08-2012 (Both days inclusive) how ever no Press advertisement for the same was given as is necessary for compliance of section 154 of the Act has been made.
- [6] The 17TH Annual General Meeting for the financial year ended on 31st March 2011 was held on 31/08/2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
- [7] The Company has advanced loan amounting to Rs. NIL to its Directors and/or persons or firms or companies referred in the section 295 of the Act after complying with the provisions of the Act.
- [8] The Company has duly complied with the provisions of Section 297 of the Act in respect of Contracts specified in that section (NO CONTRACT ARE EXECUTED).
- [9] The Company has made necessary entries in the Register maintained under section 301 of the Act.
- [10] The Company has obtained necessary approvals from the Board of Directors, members and previous approval of the Central Government pursuant to section 314 of the Act wherever applicable (NOT APPLICABLE).
- [11] The Board of Directors or duly constituted committee of Directors has approved the issue of Duplicate Share Certificates.
- [12] The Company has declared total dividend of Rs. 5,60,588 i.e. Rs.0.165 Per Equity Share.
 - (a) Delivered all the Certificates on allotment/ Transfer of Securities within the time as prescribed under the Act.
 - (b) Deposited the amount of Dividend declared including interim dividend in a separate Bank Account on (N.A.) within five days from the date of declaration of such dividend.(NOT APPLICABLE.)
 - (c) Paid / Posted warrants for Dividends to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed/ unpaid dividend has been transferred to unpaid Dividend Account of the Company with Bank.
 - (d) Transferred the amounts in unpaid Dividend Account, Application Money due for refund, matured deposits, matured Debentures, remained unclaimed or unpaid for a period of seven years to Investors Education and Protection fund. (NOT APPLICABLE).
 - (e) Duly complied with the requirements of section 217 of the Act.
- [13] During the Year Mr. Ankit Narendrabhai Shah has resigned as director w.e.f.22-06-2011. The Company

has filed necessary form no. 32 in respect of changes in above stated directors in office of the ROC on 29-06-2011 vide Receipt No.B-15190267 and necessary entries were made in the Register of Directors u/s. 303 of the Act. In addition Mr. Keyoor R Panchal was also appointed as Additional Director w.e.f. 22-06-2012. The Company has already filed form No.32 in ROC Office within time.

- [14] The appointment of Sole selling agents was not made during the year.
- [15] The Company has obtained all necessary approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act wherever necessary. (NOT APPLICABLE)
- [16] The Directors have disclosed their interest in other firms, companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
- [17] The Company has issued NIL Equity shares during the financial year in compliance with the provisions of the Act. Hence it is not required to file necessary form No.2 for allotment of shares with the office of the Registrar of Companies.
- [18] The Company has bought back NIL Shares during the financial year ending 31/3/2012 after complying with the provisions of the Act.
- [19] The Company has redeemed NIL Preference shares/ Debentures during the year after complying with the provisions of the Act.
- [20] The Company wherever necessary has kept in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act (NOT APPLICABLE).
- [21] The Company has complied with the provisions of section 58A and 58AA read with Companies (Acceptance of Deposits) Rules 1975, the applicable directions issued by the Reserve Bank of India, any other authority in respect of Deposits accepted including unsecured loans taken, amounting to Rs. NIL raised by the Company during the year and the Company has filed the copy of Advertisement/ Statement in lieu of Advertisement/ necessary particulars as required with the Registrar of Companies, Gujarat on N.A. The Company has also filed return of Deposit with the Registrar of Companies, / Reserve Bank of India/ other authorities.
The Company has not accepted any Deposits from any person.
- [22] The amount borrowed by the Company from directors, members, public financial institutions, banks and others during the financial year ending 31st March 2012 is/are within the borrowing limits of the Company and that necessary resolutions as per section 293(1)(d) of the Act have been passed in duly convened Annual/ Extra Ordinary General Meeting.
- [23] The Company has made loans/ and investments or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the Registers kept for the purpose.
- [24] The Company has not altered the provisions of the Memorandum of Association with respect to situation of the Company's Registered Office from one state to another during the year under scrutiny after complying with the provisions of the Act.
- [25] The Company has not passed any Special Resolution under section 17 of the Companies Act 1956 for alteration of the provisions of the Memorandum of Association with respect to the objects of the Company.
- [26] The Company has not altered the provisions of the Memorandum of Association with respect to Name of the Company during the year under scrutiny.
- [27] The Company has not altered provisions of the Memorandum of Association with respect to Share Capital of the Company during the year under scrutiny.
- [28] The Company has not altered capital clause of its Articles of Association.
- [29] A List of prosecution initiated against or show cause notices received by the company for alleged offences under the Act and also the fines and penalties or any other punishment imposed on the company in such cases is attached.
No Prosecution has been filed against the Company or any of its Directors.
- [30] The Company has received Rs. NIL as security from its employees during the year under Certification and the same has been deposited as per the provisions of section 417(1) of the Act.
- [31] The Company has deposited both employee's and employer's contribution to provident Fund with the prescribed authorities pursuant to section 418 of the Act.

FOR KAMLESH. M. SHAH & CO.,
PRACTISING COMPANY SECRETARIES.
(KAMLESH. M. SHAH)
PROPRIETOR.
ACS:8356, COP: 2072

PLACE: AHMEDABAD.
DATE: 22ND MAY, 2012



ANNEXURE-A

LIST OF REGISTERS AND RECORDS MAINTAINED BY THE COMPANY.

- [1] Register of Share Application and Allotment.
- [2] Register of Members/ Share holders for each class of shares issued.
- [3] Register of share Transfer/ Transmission/ Issue of Duplicate/ Sub divided/Consolidated share certificates.
- [4] Register of Directors, Managers and Secretaries.
- [5] Register of Directors' Shareholding.
- [6] Register of Disclosure of Interests by the Directors.
- [7] Register of Loans made to various parties including to the Group/ associate concerns and the loans made to directors.
- [8] Register of Fixed Assets held by the Company.
- [9] Register of various resolutions padded by Circulation.
- [10] Minutes Book of the Board of Directors meetings.
- [11] Minutes Book of the Shareholders Meetings.
- [12] Register of Charges/ Mortgages.
- [13] Register of Loans and Investments made by the Company.
- [14] Minutes Book of the Audit Committee of the Board.
- [15] Minutes Book of the Investors Services Committee.

FOR KAMLESH. M. SHAH & CO.,
Practicing Company Secretaries.
(Kamlesh. M. Shah)

PLACE : AHMEDABAD. DATE : 22nd JUNE 2012

Proprietor.
ACS: 8356, COP: 2072

ANNEXURE-B

FORMS AND RETURNS / FORMS AND OTHER DOCUMENTS FILED / NOT FILED BY THE COMPANY WITH VARIOUS AUTHORITIES DURING THE YEAR ENDING ON 31ST MARCH 2012.

| Sr.No. | Type of Return / Form / Document filed | Name of authority with whom filed. | Date of document made as on | Actual Date of Filing | Whether filed in time or delayed. |
|--------|---|------------------------------------|-----------------------------|-------------------------------|-----------------------------------|
| 1. | Balance sheet. F-23AC & 23ACA | ROC, Gujarat | 31/03/2011 | P-84075977 Dt. 29/12/2011 | Normal Fees |
| 2. | Annual Return. F-20B | ROC, Gujarat | 31/08/2011 | P-81694721 Dt. 29/11/2011 | With Addnl Fees |
| 3. | F-66 Secretarial Compliance Certificate. | ROC, Gujarat | 31/03/2011 | P-74876202 Dt. 23/10/2011 | With Addnl Fees. |
| 4. | F-23B, Appointment of Auditor | ROC, Gujarat | 31/03/2012 | S-06889778 Dt. 09/11/2011 | No Fees is payable. |
| 5. | F-32 for Resignation of Mr. Ankit N. Shah | ROC Gujarat | 18/12/2010 | 29/06/2011 | Normal Fees |
| 6. | F-32 for Appointment of Mr. Kayoor R. Panchal as Addnl Director and resignation of Manish R. Gandhi as Director | ROC Gujarat | 22/06/2011 | Dt. 15/11/2011 | With Addnl Fees. |
| 7 | F-8 For Charge/ Mortgage | ROC Gujarat | | B- 25348632 Dt. 21/11/2011 | Normal Fees |
| 8 | F-8 for Charge/ Mortgage | ROC Gujarat | | B-27654003 Dt. 19/12/2011 | Normal Fees |

FOR KAMLESH. M. SHAH & CO.,
Practicing Company Secretaries.

PLACE : AHMEDABAD.
DATE : 22nd JUNE 2012.

(Kamlesh. M. Shah)
Proprietor.
ACS: 8356, COP: 2072



M. R. PANDHI & ASSOCIATES
CHARTERED ACCOUNTANTS

101, Panchdeep Complex, Mayur Colony,
Nr.Mithakhali Six Roads, Navrangpura,
Ahmedabad - 380009, Tel : (079) 26565949
26420994 • E-Mail: mrpandhi@gmail.com

AUDITOR'S REPORT

To

The Members

ASHISH POLYPLAST LIMITED

1. We have audited the attached Balance Sheet of ASHISH POLYPLAST LIMITED, Ahmedabad as at 31st March 2012 and the attached Statement of Profit and Loss Account and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are responsibility of the company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examination, on test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis of our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 and we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, We report that :
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, the Company has kept proper books of account as required by law, so far, as appears from our examination of the books.
 - (c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account of the Company.
 - (d) In our opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in Sub-section (3C) of section 211 of the Companies Act, 1956, to the extent applicable.
 - (e) On the basis of representation received from the directors of the company, we report that no director is disqualified from being appointed as a director of the company under clause (g) of subsection (1) of section 274 of Companies Act, 1956.
5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with and subject to notes thereon gives, the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012; and
 - (b) In the case of Statement of Profit and Loss Account, of the Profit for the year ended on that date.
 - (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date

For, M. R. PANDHI & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 112360W

Place : Ahmedabad
Date : 30th May 2012

M. R. Pandhi
Partner
MNo. 33057

**ANNEXURE TO AUDITOR'S REPORT**

(Referred to in paragraph 3 of our report of even date)

The nature of company's business/activities during the year is such that clauses (xiii) and (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year under report.

1 In respect of Fixed Assets

- a. The Company has maintained proper records showing full particulars including quantitative details and location of the fixed assets.
- b. All the fixed assets have not been physically verified by the management during the year But, according to the information and explanations given to us, there is a regular programme of verification which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification
- c. In our opinion and according to the information and explanations given to us the company has not made any substantial disposals during the year.

2 In respect of Inventories

- a. As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
- b. In our opinion, the procedures of physical verification of stock followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of inventories as compared to the book records.

3 In respect of loans, secured or unsecured, granted or taken by the Company to or from companies, firms or others parties covered in the register maintain u/s 301 of the Companies Act 1956, according to the information and explanation given to us :

A In Respect of Loan Taken

The Company has not taken any loan from companies, firms or other parties listed in the register maintained u/s.301 of The Companies Act 1956. Consequency the requirement of caluses (iii) (f) and (iii) (g) of paragraph 4 of the order is not applicable.

B In Respect of Loan Granted

b. As the company has not granted any loans secured or unsecured, to or from parties listed in the register maintained u/s.301 of the Companies Act, 1956, paragraphs (iii)(b), (c) and (d) of the order are not applicable.

4 As per the information and explanations given to us, there are, in our opinion, adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of Inventory and Fixed Assets and for sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

5 In respect of transactions entered in the register maintained in the pursuance of section 301 of The Companies Act 1956.

- a. To the best of our knowledge and belief and according to the information and explanation given to us there are no transactions during the year that need to be entered into a register maintained u/s.301 of the Companies Act, 1956.
- b. In our opinion and according to the information and explanation given to us, as there are no transactions that need to be entered into register maintained u/s.301 of the Companies Act, 1956, paragraphs (v)(b) of the order is not applicable.

- 6 **As per the information and explanations given to us, the company is yet to set up a formal internal audit system commensurate with the size of the Company and nature of its business.**
- 7 The Central Government has prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956. We have broadly reviewed the accounts and records of the company in this connection and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have however not made detailed examination of the records with a view to determine whether they are accurate or complete.
- 8 According to information and explanations given to us in respect of statutory and other dues:
- a. Barring a few instances, the Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Income Tax, VAT, Wealth Tax, Custom Duty, Cess and other statutory dues with the appropriate authorities during the year.
 - b. Disputed dues in respect of Excise Duty and penalty thereon aggregating to Rs.11.80 lacs have not been deposited since the matters are pending before relevant Appellate Authority.
- 9 The Company neither have accumulated losses at the end of year, nor incurred cash losses during the current and the immediately preceding financial year.
- 10 Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to Banks. The Company has not borrowed funds from Financial Institution or Debenture holder.
- 11 According to the information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debenture and other securities.
- 12 In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.
- 13 To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the company were, prima facie, applied by the company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application.
- 14 According to the cash flow statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment (fixed asset, etc.) and vice versa other than temporary deployment pending application.
- 15 According to the information and explanations given to us the company has not made any preferential allotment of share to parties and Companies covered in the register maintained u/s 301 of the Act.
- 16 According to the information and explanations given to us, and the records examined by us, the company has not issued any debenture during the financial year.
- 17 The company has not raised any money by public issue during the year.
- 18 To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

For, M. R. PANDHI & ASSOCIATES
Chartered Accountants

M. R. Pandhi
Partner
M.No.33057



BALANCE SHEET AS AT 31ST MARCH 2012

| PARTICULARS | SCHE DULE | As at 31st March 2012 (Rs.) | As at 31st March 2011 (Rs.) |
|--|--------------|-----------------------------------|-----------------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 1 | 33,975,000 | 33,975,000 |
| (b) Reserves and Surplus | 2 | 8,612,260 | 6,960,621 |
| (2) Share application money pending allotment | | --- | --- |
| (3) Non-Current Liabilities | | | |
| (a) Long-term borrowings | 3 | 103,289 | 1,192,452 |
| (b) Deferred tax liabilities (Net) | 4 | 2,157,379 | 1,947,319 |
| (c) Other Long term liabilities | | --- | --- |
| (d) Long-term provisions | 5 | 434,592 | 498,933 |
| (4) Current Liabilities | | | |
| (a) Short-term borrowings | 6 | 8,536,355 | 6,032,432 |
| (b) Trade payables | 7 | 3,425,628 | 2,021,477 |
| (c) Other current liabilities | 8 | 2,265,777 | 2,269,042 |
| (d) Short-term provisions | 9 | 777,058 | 1,039,668 |
| Total | | 60,287,338 | 55,936,943 |
| II. ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 10 | 18,185,988 | 15,298,866 |
| (ii) Intangible assets | | --- | --- |
| (iii) Capital work-in-progress | | --- | 3,106,991 |
| (b) Non-current investments | | --- | --- |
| (c) Deferred tax assets (net) | | --- | --- |
| (d) Long term loans and advances | 11 | 9,444,502 | 9,427,082 |
| (e) Other non-current assets | | --- | --- |
| (2) Current assets | | | |
| (a) Current investments | | --- | --- |
| (b) Inventories | 12 | 14,442,737 | 14,730,507 |
| (c) Trade receivables | 13 | 16,610,276 | 11,515,764 |
| (d) Cash and cash equivalents | 14 | 1,296,153 | 750,127 |
| (e) Short-term loans and advances | 15 | 307,882 | 1,107,605 |
| (f) Other current assets | | --- | --- |
| Total | | 60,287,338 | 55,936,943 |

See accompanying notes forming part of the financial statements

As per our report of even date

For and on behalf of the Board

For M.R.Pandhi & Associates

Chartered Accountants

M.R.Pandhi

Partner

Member No. : 33057

Ashish D. Panchal

Managing Director

Kantaben D.Panchal

Director

Place : Ahmedabad,

Date : 30th May, 2012

Place : Ahmedabad,

Date : 30th May, 2012

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2012

| PARTICULARS | SCHEDULE | 2011-2012 (Rs.) | 2010-2011 (Rs.) |
|--|----------|--------------------|--------------------|
| Income from Operation | | | |
| I. Revenue from operations | 16 | 82,873,728 | 66,329,320 |
| II. Other Income | 17 | 124,786 | 129,572 |
| Total Revenue | | 82,998,516 | 66,458,892 |
| IV. Expenses : | | | |
| Cost of materials consumed | 18 | 66,271,034 | 57,316,491 |
| Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 19 | (843,287) | (5,777,424) |
| Employee benefit expense | 20 | 3,381,656 | 2,159,816 |
| Financial costs | 21 | 1,169,871 | 495,987 |
| Depreciation and amortization expense | | 1,543,565 | 1,085,935 |
| Other expenses | 22 | 8,625,987 | 7,984,760 |
| Total Expenses | | 80,148,826 | 63,265,564 |
| V. Profit before exceptional and extraordinary items and tax (III - IV) | | 2,849,690 | 3,193,328 |
| VI. Exceptional Items | | | |
| Loss on sale of Motor Car | | --- | 101,978 |
| VII. Profit before extraordinary items and tax (V - VI) | | 2,849,690 | 3,091,350 |
| VIII. Extraordinary Items | | | |
| Prior Period Adjustment | | --- | |
| IX. Profit before tax (VII - VIII) | | 2,849,690 | 3,091,350 |
| X. Tax expense: | | | |
| (1) Current tax | | 675,000 | 950,000 |
| (2) Deferred tax | | 210,061 | 342,789 |
| (3) Short/(Excess) Provision of Tax of earlier years | | (338,539) | 54,072 |
| XI. Profit/(Loss) after Tax for the Period (IX - X) | | 2,303,168 | 1,744,488 |
| XII. Earning per equity share: | | | |
| (1) Basic | | 0.68 | 0.51 |
| (2) Diluted | | 0.68 | 0.51 |

As per our report of even date

For and on behalf of the Board

For M.R.Pandhi & Associates

Chartered Accountants

Ashish D. Panchal

Managing Director

Kantaben D.Panchal

Director

M.R.Pandhi

Partner

Member No. : 33057

Place : Ahmedabad,

Date : 30th May, 2012

Place : Ahmedabad,

Date : 30th May, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

| PARTICULARS | Rs. in Lacs | |
|--|--------------------|--------------------|
| | 2011-2012 (Rs.) | 2010-2011 (Rs.) |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before taxation and extraordinary items | 2,849,690 | 3,091,350 |
| Adjustment for :- | | |
| Depreciation | 1,543,565 | 1,085,935 |
| Loss on sales of fixed assets | --- | 101,978 |
| Interest Expenses | 1,169,871 | 495,987 |
| Provisions made/written back for gratuity | 114,112 | 169,340 |
| | 2,827,548 | 1,853,240 |
| Interest income | 24,095 | 121,061 |
| | 2,803,454 | 1,732,178 |
| Operating Profit before working capital changes | 5,653,144 | 4,823,528 |
| Change in working Capital : | | |
| Adjustment for Decrease(Increase) in operating assets : | | |
| Inventories | 287,770 | (7,103,793) |
| Trade receivables | (5,094,512) | (1,327,647) |
| Short term loans & advances | 799,923 | 5,906,989 |
| Long term loans & advances | (17,420) | (234,173) |
| Fixed Deposit | 2,829 | 2,724,820 |
| Adjustment for (Decrease) Increase in operating liabilities : | | |
| Trade payables | 1,404,151 | 1,099,218 |
| Other current liabilities | (3,265) | 585,916 |
| Other long term liabilities | --- | --- |
| Short term provision | --- | --- |
| Long term provision | --- | --- |
| Cash Generated from Operations | 3,032,619 | 6,474,858 |
| Direct tax Paid | (651,524) | (615,933) |
| Gratuity Paid | (126,000) | --- |
| Cash Flow before extraordinary items | 2,255,095 | 5,858,925 |
| Extraordinary Items/Prior Period Items | --- | --- |
| Net cash from Operating Activities | 2,255,095 | 5,858,925 |
| B. NET CASH FLOW FROM INVESTMENT ACTIVITIES | | |
| Purchase of Fixed Assets | (1,323,696) | (6,535,119) |
| Change in work in process | --- | (3,106,991) |
| Interest Income | 24,095 | 121,061 |
| Proceeds from sale of fixed assets | --- | 291,169 |
| Net Cash from Investment Activities | (1,299,601) | (9,229,880) |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividend paid | (651,529) | (653,696) |
| Interest Expense | (1,169,871) | (495,987) |
| Proceed /(Repayments) of Long Term Borrowings | (1,089,162) | 249,740 |
| Proceed of Short Term Borrowings | 2,503,923 | 4,470,621 |
| Net Cash from financial activities | (406,639) | 3,570,678 |
| NET INCREASE /(-) DECREASE IN CASH AND CASH EQUIVALENTS | 548,855 | 199,724 |
| OPENING BALANCE IN CASH AND CASH EQUIVALENTS | 691,298 | 491,574 |
| CLOSING BALANCE IN CASH AND CASH EQUIVALENTS | 1,240,153 | 691,298 |

Notes on Cash Flow Statement : 1 The above statement has been prepared following the "Indirect Method" as set out in Accounting Standard 3 on Cash Flow Statement issued by the Institute Of Chartered Accountants of India. 2 Cash and Cash Equivalents represent Cash and Bank (including fixed deposits).

As per our report of even date attached.

For and on behalf of Board of directors

For M.R.Pandhi & Associates

Chartered Accountants

M.R.Pandhi (Partner)

Kantaben D.panchal

Director

Ashish D. Panchal

Managing Director

M.No. 33057 • Firm Registration No.112360W

Place : Ahmedabad Date : 30th May 2012

Place : Ahmedabad Date : 30th May 2012

NOTES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2012

[illegible]



NOTES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2012

| PARTICULARS | As at 31st March 2012 (Rs.) | As at 31st March 2011 (Rs.) |
|---|-----------------------------------|-----------------------------------|
| General reserve | | |
| Opening balance | 329,000 | 155,000 |
| Add: Transferred from surplus in Statement of Profit and Loss | 174,000 | 174,000 |
| Less: Utilised / transferred during the year | | --- |
| Closing balance | 503,000 | 329,000 |
| Surplus / (Deficit) in Statement of Profit and Loss | | |
| Opening balance | 5,131,621 | 4,212,661 |
| Add: Net profit after tax from continuing operations | 2,303,168 | 1,744,488 |
| Less : Transferred to General Reserve | 174,000 | 174,000 |
| Proposed Dividend | 560,588 | 560,588 |
| Tax on Proposed Dividend | 90,941 | 90,941 |
| | 825,529 | 825,529 |
| Closing balance | 6,609,260 | 5,131,621 |
| Total | 8,612,260 | 6,960,621 |
| 3 Long-term borrowings | | |
| Secured Loan | | |
| From Banks | | |
| Canara Bank Term Loan | --- | 744,498 |
| HDFC car Loan | 61,665 | 146,818 |
| Kotak Mahindra Prime Ltd | --- | 301,136 |
| Canara Bank Vehicle Loan | 41,524 | --- |
| Total | 103,289 | 1,192,452 |
| Notes : | | |
| i Term Loan From Canara Bank is secured against plant and machinaries. | | |
| ii HDFC Car Loan is Secured against Hypoihecation of vehicle. | | |
| iii Kotak Mahindra Prime Ltd loan is Secured against Hypothecation of Vehicle. | | |
| iv Canara bank Vehicle Loan is Secured against Hypothecation of Vehicle, inventories and book debts of the company. | | |
| v All the Loans Described above are also secured by personal guarantee of promoter directors. | | |
| 4 Deferred Tax Liabilities | | |
| Deferred Tax Liabilities | | |
| On timing differences on depreciation on fixed assets | 2,307,877 | 2,101,489 |
| Deferred Tax (Assets) | | |
| Gratuity | 150,497 | 154,170 |
| Net Deferred Tax Liabilities on the date of Balance Sheet | 2,157,380 | 1,947,319 |
| Less : | | |
| Provided for in the previous years | 1,947,319 | 1,604,530 |
| Deferred Tax Provided / (Revesed) during the year | 210,061 | 342,789 |
| Total | 210,061 | 342,789 |
| The Company has provided for deferred tax in accordance with the Accounting Standard on " Accounting for Taxes on Income " (AS 22) issued by the Institute of chartered Accountants of India. The details of deferred tax assets and liabilities of the company as on the date of balance sheet are as above. | | |

NOTES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2012

| PARTICULARS | | As at 31st March 2012 (Rs.) | As at 31st March 2011 (Rs.) |
|--|--|-----------------------------------|-----------------------------------|
| 5 Long-term provisions | | | |
| Provision for employee benefits:- | | | |
| Provision for gratuity | | 434,592 | 498,933 |
| Total | | 434,592 | 498,933 |
| 6 Short-term borrowings | | | |
| Loan repayable on demand | | | |
| From Bank (Secured) | | | |
| Canara bank | | 8,536,355 | 6,032,432 |
| Total | | 8,536,355 | 6,032,432 |
| Notes : | | | |
| Secured by hypothecation of inventories, Plant & Machineries and book debts and further secured by equitable mortgage of Land & Factory Building and personal guarantee of promoter directors. | | | |
| 7 Trade Payable | | | |
| Trade Payable | | | |
| - Dues to Micro and Small Enterprises | | --- | --- |
| - Dues to others | | 3,425,628 | 2,021,477 |
| Total | | 3,425,628 | 2,021,477 |
| 8 Other current liabilities | | | |
| Current maturities of long term debt | | 1,249,810 | 1,306,968 |
| Advance from Customers | | 73,147 | 161,799 |
| Other payables | | 942,820 | 800,275 |
| Total | | 2,265,777 | 2,269,042 |
| 9 Short-term provisions | | | |
| Others | | | |
| Provision for employee benefits | | 52,453 | --- |
| Provision for Income tax (net of advance tax) | | 73,076 | 388,139 |
| Provision for Proposed Dividend | | 560,588 | 560,588 |
| Provision for Tax on Proposed Dividend | | 90,941 | 90,941 |
| Total | | 777,058 | 1,039,668 |
| 10 Tangible Assets | | | |
| Opening Balance | | 27,853,263 | 22,826,547 |
| Add : Addition during the year | | 4,430,687 | 6,535,119 |
| Sub total | | 32,283,950 | 29,361,666 |
| Less: Disposals | | --- | 1,508,403 |
| Gross Block at year end (a) | | 32,283,950 | 27,853,263 |
| Less: Depreciation | | | |
| Opening Depreciation | | 12,554,397 | 12,583,719 |
| Depreciation for the year | | 1,543,565 | 1,085,935 |
| Total accumulated depreciation (b) | | 14,097,962 | 12,554,397 |
| Net carrying value (a) - (b) | | 18,185,988 | 16,807,269 |
| Total | | 18,185,988 | 15,298,866 |

NOTES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2012

| PARTICULARS | | As at 31st March 2012 (Rs.) | As at 31st March 2011 (Rs.) |
|---|--|-----------------------------------|-----------------------------------|
| 11 Long Term Loans and Advances | | | |
| Secured considered good | | | |
| Other advances | | 9,136,822 | 9,129,402 |
| Security Deposits | | 307,680 | 297,680 |
| Total | | 9,444,502 | 9,427,082 |
| 12 Inventories | | | |
| Raw materials | | 1,894,619 | 3,292,241 |
| Work in progress | | 7,742,232 | 7,860,081 |
| Finished goods | | 4,492,066 | 3,530,930 |
| Packing Materials | | 313,820 | 47,255 |
| Total | | 14,442,737 | 14,730,507 |
| Notes : | | | |
| 1. Mode of Valuation : Inventories have been valued at Lower of cost or net realisable value. | | | |
| 2. Details of inventory of work in process : | | | |
| Granuals | | 7,742,232 | 7,860,081 |
| 13 Trade receivables | | | |
| Unsecured Considerd Good | | | |
| Outstanding for a period exceeding 6 months from due date | | 801,679 | 458,556 |
| Others | | 15,808,597 | 11,157,208 |
| Total | | 16,610,276 | 11,515,764 |
| 14 Cash and bank balances | | | |
| a. Cash and Cash Equivalents | | | |
| Cash on hand | | 1,240,153 | 691,298 |
| a. Other Bank Balance | | | |
| - in fixed deposit accounts | | | |
| Canara Bank FD | | 56,000 | 58,829 |
| Total | | 1,296,153 | 750,127 |
| Notes : Fixed deposit is Pledged with bank against bank guarantee | | | |
| 15 Short term loans and advances | | | |
| Unsecured Considered Good | | | |
| Balance with government authorities | | | |
| I CENVAT Credit Receivable | | 152,475 | 822,537 |
| II VAT Receivable | | 91,446 | 106,998 |
| | | 243,921 | 929,535 |
| Prepaid Expenses | | 56,599 | 178,070 |
| Others-Advance for Expenses | | 7,162 | --- |
| Total | | 307,682 | 1,107,605 |

NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2012

| PARTICULARS | | 2011-2012 (Rs.) | 2010-2011 (Rs.) |
|---|--|--------------------|--------------------|
| 16 Revenue from Operations | | | |
| Revenue from - Sale of products | | 91,430,458 | 73,213,278 |
| Less: Excise Duty | | 8,556,730 | 6,883,958 |
| Total | | 82,873,728 | 66,329,320 |
| 17 Other Income | | | |
| Interest income | | 24,095 | 121,061 |
| Other Income | | 100,694 | 8,511 |
| Total | | 124,788 | 129,572 |
| 18 Cost of Material Consumed | | | |
| Opening stock | | 3,292,241 | 1,873,342 |
| Purchase | | 64,873,412 | 58,735,390 |
| Less : Closing stock | | 1,894,619 | 3,292,241 |
| Total | | 66,271,034 | 57,316,491 |
| 19 Change in Inventories | | | |
| Opening Stock | | | |
| Finished Goods | | 3,530,930 | 2,396,001 |
| Work in Process | | 7,860,081 | 3,217,586 |
| | | 11,391,011 | 5,613,587 |
| Less : Closing Stock | | | |
| Finished Goods | | 4,492,066 | 3,530,930 |
| Work in Process | | 7,742,232 | 7,860,081 |
| | | 12,234,298 | 11,391,011 |
| Total | | (843,287) | (5,777,424) |
| 20 Employee Benefits Expense | | | |
| Salary, Wages, Bonus & Allowances | | 3,113,020 | 1,847,894 |
| Contribution to provident and other funds | | 142,634 | 133,642 |
| Provision for Gratuity | | 114,112 | 169,340 |
| Staff welfare expenses | | 11,890 | 8,940 |
| Total | | 3,381,656 | 2,159,816 |
| Notes : | | | |
| Salary, Wages, Bonus & Allowances includes director remuneration. | | | |
| 21 Finance Costs | | | |
| Interest on working capital loan | | 897,197 | 307,692 |
| Bank Charges / Bank Guarantee Charges | | 39,470 | 113,185 |
| Other borrowing costs | | 233,204 | 75,109 |
| Total | | 1,169,871 | 495,987 |
| 22 Other Expenses | | | |
| Manufacturing Expenses | | 746,290 | 419,883 |
| Rates and Taxes, excluding taxes on income | | 405,880 | 264,225 |
| Power Consumption & Fuel Expenses | | 3,299,080 | 2,814,778 |
| Godown Rent Expense | | 50,738 | 19,854 |
| Trade Discount - (Sales) | | 1,984,745 | 2,450,837 |
| Repairs to machinery | | 479,971 | 342,867 |
| Administrative, Selling & General Expenses | | 1,586,780 | 1,569,493 |
| Insurance | | 72,503 | 96,663 |
| Miscellaneous expenses | | --- | 6,160 |
| Total | | 8,625,987 | 7,984,760 |

**SIGNIFICANT ACCOUNTING POLICIES****A Basis of preparation of financial statements and revenue recognition :-**

- 1 The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the company.
- 2 Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles followed by the company.
- 3 Sale of goods is recognised on transfer of significant risk and rewards of ownership which is generally on shipment and dispatch to customers. Sale is exclusive of excise duty and other levies wherever applicable. Other revenue/ cost are recognised on accrual basis.

B Fixed Assets & Depreciation / Amortisation : -

- 1 Fixed assets are stated at cost of acquisition or construction net of Excise, Value Added Tax less accumulated depreciation. All cost, till commencement of commercial production is capitalized.
- 2 Depreciation on fixed assets is provided on the straight Line Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act 1956. Intangible assets (except goodwill) are amortized equally over five years. Goodwill is tested for impairment annually.
- 3 Pursuant to accounting standard 28 " Impairment of Assets" issued by the ICAI, The Company has a system to review the carrying cost of all the assets vis-à-vis recoverable value and impairment loss, if any is charged to Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in estimate of recoverable amount.

C Foreign Currency Transactions : -

Transactions denominated in foreign currency are normally recorded at the exchange rate prevailing at the time of the transactions. Monetary items denominated in foreign currency remaining unsettled at the year-end are restated at the exchange rate prevailing at the end of the year. Gains and losses on foreign exchange transactions other than those relating to fixed assets are charged to profit & loss account. Premium paid on forward contract has been recognized over the life of the contract. Any profit or loss on cancellation or renewal of such forward exchange contract is recognised as income or expenditure for the period.

D Inventories :-

Inventories are valued at lower of cost and net realizable value except by products which is valued at estimated realizable value. In determining the cost of raw Material, stores spares, and other material the first in first out (FIFO) method is used. Finished goods and work in progress include material cost, labour and factory overheads and excise duty, if applicable.

E Employee Retirement Benefit :-**1 Long Term Employee Benefits :****Defined Contribution Plans :**

The company has Defined Contribution plans for post employment benefits namely Provident Fund. Under the Provident Fund Plan, the Company contributes to a Government administered provident fund on behalf of its employees and has no further obligation beyond making its contribution.

The company's contributions to the above funds are charged to profit and loss account every year.

2 Defined Benefit Plans :

The company has a Defined Benefit plan namely Gratuity. For Leave Encashment Benefits the leave wages are payable to all eligible employees at the rate of daily salary/wages for each day of accumulated leave and are paid during the financial year itself. Therefore no liability is accrued at the end of the financial year for leave benefits as per practice followed by the company year to year.

Liability for Defined Benefit Plan – Gratuity is provided on the basis of valuations, as at the balance sheet date, carried out by an independent actuary. The actuarial method used by independent actuary for measuring the liability is the Projected Unit Credit Method.

Actuarial gains and losses, which comprised experience adjustment and the effect of changes in actuarial assumptions, are recognized immediately in the Profit and Loss Account.

F Lease Rent :-

Lease rentals are expensed with reference to lease terms and other considerations.

G Taxation :-

Taxation expense comprises current tax and deferred tax charge or credit. Provision for income tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year. Advance tax and tax deducted at source are adjusted against provision for taxation and balance, if any, are shown in the balance sheet under respective heads.

H Deferred Taxation :-

Deferred tax resulting from timing differences between book and tax profit is accounted for under the liability method at the current rate of Income tax to the extent that the timing differences are expected to crystallize as deferred tax charge/ benefit in the profit and loss a/c and as deferred tax Assets/Liability in the Balance-Sheet.

I Borrowing Cost :-

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily take substantial period of time to get ready for intended use. All other borrowing cost are charged to Revenue.

**J Excise Duty :-**

- 1 Excise duty payable is accounted based on removal of goods.
- 2 The amount of cenvat credits in respect of materials consumed for sales is deducted from cost of material consumed

K Use of Estimates :-

In preparing Company's financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period;; actual results could differ from those estimates.

L Impairment of Assets :-

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit & Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

M Provision, Contingent Liabilities and Contingent Assets :-

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes, Contingent assets are neither recognised nor disclosed in the financial statements.

N Related Party Transaction :-

Parties are considered to be related if at any time during the year; one party has the ability to control the other party or to exercise significant influence over the other party in making financial and / or operating decision.

O Earning Per Share (EPS) :-

The earning considered in ascertaining the company's EPS comprises the net profit for the period after tax attributed to equity shareholders. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

P Government Grants :-

Grants received against specific fixed assets are adjusted to the cost of the assets and those in the nature of promoter's contribution are credited to capital reserve. Revenue grants are recognized in the profit and loss account in accordance with the related schemes and in the period in which these are accrued and it is reasonably certain that the ultimate collection will be made.

GENERAL NOTES FORMING THE PARTS OF ACCOUNTS

- 1 Confirmations of certain parties for amounts due to them/amounts due from them as per accounts of the Company are not received. Provision for doubtful debts, if any, in respect of above and the consequential adjustments, if any, arising out of reconciliation is unascertainable at this stage.
- 2 Previous year's figures have been regrouped, reclassified and rearranged wherever necessary to confirm this year's classification.
- 3 Figures have been rounded off to nearest of rupee. Figures in brackets indicate negative values.
- 4 In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value, if realized, during the ordinary course of business.

5 Contingent Liability and Capital Commitments :

| Particulars | Rs. in Lakhs | |
|--|--------------|-----------|
| | 2011-2012 | 2010-2011 |
| Guarantee given to bank | 56,000 | 56,000 |
| Contracts remaining to be executed on capital account | NIL | NIL |
| Excise demands against the company not acknowledged as debts and not provided for as the same are disputed by the company in appeal. | 11,79,562 | 11,79,562 |

- 6 The balances of sundry debtors and sundry creditors are subject to confirmation from respective parties. Necessary adjustments, if any, will be made when accounts are reconciled / settled.

7 Expenditure incurred by the Company on Employees :

- a. If employed for a part of the financial year and where in receipt of remuneration for the year which in aggregate was not less than Rs.60 Lacs: Rs. Nil.
- b. If employed for a part of the financial year and where in receipt of remuneration for any part of the year at the rate which in aggregate was not less than Rs.5 lacs per month: Rs. Nil

8 Payments to Directors :

| Particulars | 2011-2012 | 2010-2011 |
|-------------|-----------|-----------|
| Salaries | 1,200,000 | 375,000 |
| Allowances | 19,200 | 19,200 |
| Total | 1,219,200 | 394,200 |

9 Payment to Auditors

| Particulars | 2011-2012 | 2010-2011 |
|--------------------------------------|-----------|-----------|
| i) For Audit Fees And Tax Audit Fees | 70786 | 63422 |
| ii) For Company Law Matters | 6742 | 6618 |
| iii) For Other Services | 13483 | 11030 |
| Total Rs : | 91011 | 81070 |

- 10 Value of Imports on C. I. F Basis is Rs. NIL (Previous Year Rs. Nil)
- 11 Remittance in Foreign Exchange on account of dividend, royalty etc. Rs. 89,700/- (Previous Year Rs.89,700/-)
- 12 Earnings in Foreign currency is Rs. NIL (Previous Year Rs. Nil)



- 16 Expenditure in Foreign currency is NIL (Previous Year Rs.NIL)
- 17 Suppliers/Service providers covered under Micro, Small, Medium Enterprises Development Act, 2006 have not furnished the information regarding filing of necessary memorandum with the appropriate authority. In view of this information required to be disclosed u/s. 22 of the said Act is not given.

18 **Particulars of Earnings Per Share :**

Earning per share computed in accordance with Accounting Standard 20 issued by The Institute of Chartered Accountants of India.

| Particulars | 2011-2012 | 2010-2011 |
|--|-----------|-----------|
| Net Profit attributable to Share Holders | 2,303,168 | 1,744,488 |
| Number of Equity shares/Weighted Equity Shares | 3397500 | 3397500 |
| Nominal value of share | 10 | 10 |
| Earning per share | 0.68 | 0.51 |

The company has no dilutive shares.

19 **Disclosure for leases under Accounting Standard 19 :**

a **Financial Lease :**

The net carrying amount of assets acquired under financial lease: Nil

b **Operational Lease :**

The amount of payments for operational lease on assets: Nil

20 **Segment Reporting :**

The company manufactures only one product. The sale of the product is in Indian markets only. Hence there are no reportable business segments/geographical segments.

- 21 In accordance with Accounting Standard (AS-28) on "Impairment of Assets" issued by the Institute of Chartered Accountants of India the company during the year carried out an exercise to assess the impairment loss of assets. Based on such exercise, there is no impairment of assets. Accordingly no adjustment if respect of loss on impairment of assets is required to be made in the accounts.

22 **Related party Disclosure. :-**

Disclosures as required by Accounting Standard 18 "Related Party Disclosures" are given below.

A **Related Party**

Ashish D. Panchal - Managing Director
Kantaben D. Panchal - Director

B **Key Management Personnel**

Ashish D. Panchal - Managing Director

C **Transactions with related parties**

| SN | NATURE OF TRANSACTIONS | RELATED PARTIES | ASSOCIATED COMPANY | KMP & COMPANY / FIRMS IN WHICH Relatives of KMP ARE INTERESTED |
|----|------------------------|-----------------|--------------------|--|
| A | Remuneration Paid | --- | --- | 12,00,000 |
| | Perquisite | --- | --- | *(3,94,200) |
| B | Outstanding Balance | | | 19200 |
| | a Due From | --- | --- | --- |
| | b Due To | --- | --- | 84120 |

* Figures for Previous year shown in bracket.

23 Disclosures pursuant to Accounting Standard -15 (Revised) " Employee Benefits":

A Defined Contribution Plan :

The company has recognised as an expense in the profit and loss account in respect of defined contribution plan – Provident Fund of Rs. 1,42,634 (Previous year Rs.1,33,642) administered by the Government.

B Defined benefit plan and long term employment benefit**General Description:****- Gratuity (Defined Benefit Plan):**

The company has obtained report from Actuary for Gratuity liability.

- Leave Wages :

The leave wages are payable to all eligible employees at the rate of daily salary/wages for each day of accumulated leave and are paid during the financial year itself. Therefore no liability is accrued at the end of the financial year for leave benefits as per practice followed by the company year to year.

Details of the gratuity plan (non-funded) as per the report of Actuary as on 31-3-2012 are as under :

| | Rs. Year ended March 31, 2012 Gratuity (Non-Funded) | Rs. Year ended March 31, 2011 Gratuity (Non-Funded) |
|---|---|---|
| A (Income)/ Expenses recognized in the Profit & Loss Account statement : | | |
| (i) Current service cost | 99,730 | 89,513 |
| Interest on obligation | 41,761 | 27,587 |
| Expected return on plan assets | Nil | Nil |
| Net actuarial (gain)/ loss recognized during the year | (27,378) | 52,240 |
| Total amount included in employee's benefit expenses' | 114,113 | 169,340 |
| (ii) Net Asset / (liability) recognized in the Balance Sheet | | |
| Present value of funded obligations | Nil | Nil |
| Fair value of the plan assets | Nil | Nil |
| Present value of unfunded obligation | 487,045 | 498,933 |
| Net asset / (liabilities) recognized in the Balance Sheet | 487,045 | 498,933 |
| (iii) Change in the defined benefit obligation | | |
| Opening fair value of plan assets | 498,933 | 329,593 |
| Current service cost | 99,730 | 89,513 |
| Interest cost | 41,761 | 27,587 |
| Actuarial losses / (gain) | (27,378) | 52,240 |
| Benefits paid | (126,000) | Nil |
| Closing defined benefit obligation | 487,046 | 498,933 |
| (iv) Change in the fair value of plan asset | | |
| Opening fair value of plan assets | Nil | Nil |
| Expected return on plan assets | Nil | Nil |
| Actuarial gains/ (losses) | Nil | Nil |
| Contributions by employer | Nil | Nil |
| Benefits paid | Nil | Nil |
| Closing fair value of plan assets | Nil | Nil |



ASHISH POLYPLAST LIMITED

| | Rs. Year ended March 31, 2012 Gratuity (Non-Funded) | Rs. Year ended March 31, 2011 Gratuity (Non-Funded) |
|--|---|---|
| (v) Movement in the liability recognized in the Balance Sheet | | |
| Opening net liability | 498,933 | 329,593 |
| Expenses as above (P & L) charges | 114,113 | 169,340 |
| Contribution paid | Nil | Nil |
| Asset / (liability) recognized in the Balance Sheet | 498,933 | 498,933 |
| B. Principal actuarial assumptions: | | |
| Discount rate (p.a.) | 8.37% | 8.37% |
| Expected return on Plan Assets | 0.00% | 0.00% |
| Annual Increase in salary costs (p.a.) | 6.00% | 6.00% |

24 Additional Information pursuant to Note 5 of Part II of Revised Schedule VI of the Companies Act, 1956:

A) TURNOVER :

Amount in Rs.

| CLASS OF GOODS | OPENING STOCK AS AT 01.04.2011 | CLOSING STOCK AS AT 31.03.2012 | TURNOVER AS AT 31.03.2012 |
|----------------|--------------------------------|--------------------------------|----------------------------|
| | VALUE | VALUE | VALUE |
| PVC Pipe | 3,530,930 (2,396,001) | 4,492,066 (3,530,930) | 82,414,168 (82,374,315) |

B) WORK IN PROGRESS :

Amount in Rs.

| CLASS OF GOODS | OPENING STOCK AS AT 01.04.2011 | CLOSING STOCK AS AT 31.03.2012 |
|----------------|--------------------------------|--------------------------------|
| | VALUE | VALUE |
| Granuals | 7,860,081 (3,217,586) | 7,742,232 (7,860,081) |
| TOTAL | 7,860,081 (3,217,586) | 7,742,232 (7,860,081) |

C RAW MATERIAL CONSUMPTION

| | 31.03.2012 | | 31.03.2011 | |
|--------------------------|------------|------------|------------|------------|
| | Percent | Rs. | Percent | Rs. |
| RAW MATERIAL CONSUMPTION | | | | |
| Imported | | | | |
| Indigenous | 100% | 71,722,028 | 100% | 61,528,844 |

FOR, M. R. PANDHI & ASSOCIATES
CHARTERED ACCOUNTANTS

M. R. Pandhi
Partner
M.No.33057

For and on behalf of the Board of Directors

Ashish D. Panchal
Chairman

Kantaben D.panchal
Director

Place : Ahmedabad
Date : 30th May 2012

Place : Ahmedabad
Date : 30th May 2012

18th ANNUAL REPORT



ASHISH POLYPLAST LIMITED

REGISTERED OFFICE : A/305, SAMUDRA COMPLEX, NEAR HOTEL KLASSIC GOLD,
OFF C.G.ROAD, AHMEDABAD-380006

ATTENDANCE SLIP

L. F. NO. : _____

NAME OF THE SHAREHOLDER / PROXY : _____

ADDRESS : _____

hereby record my presence at the EIGHTEENTH ANNUAL GENERAL MEETING of the company held on Monday 27th August, 2012, at THE AHMEDABAD TEXTILE MILLS ASSOCIATION HALL, Ashram Road, Ahmedabad-380009 at 10:00 A.M.

Signature of Shareholder / Proxy*

*Strikeout whichever is not applicable.

ASHISH POLYPLAST LIMITED.

REGISTERED OFFICE : A/305, SAMUDRA COMPLEX, NEAR HOTEL KLASSIC GOLD,
OFF C.G.ROAD, AHMEDABAD-380006

FORM OF PROXY

L. F. NO. : _____

I/We _____ of _____

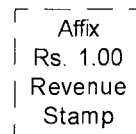
being a member/members of ASHISH POLYPLAST LIMITED hereby appoint

Mr./Ms. _____ of failing him/her

Mr./Ms. _____ of _____

as my/our proxy to vote for me/us and on my / Our behalf at the EIGHTEENTH ANNUAL GENERAL MEETING of the Company to be held on, 27th August Monday, 2012 and at any adjournment thereof.

Signed this _____ day of _____ 2011 by the said.



Signature

NOTE :

The proxy must be returned so as to reach the registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be member of the Company.



ASHISH POLYPLAST LIMITED

If Undelivered Please Return to :



ASHISH POLYPLAST LIMITED

Regd. Office :

A/305, Samudra Complex, Near Hotel Klassic Gold,
Off C.G. Road, Ahmedabad - 380 006. **Phone : 26445495, 26426758**