

14th ANNUAL REPORT 1997-98

MD	✓				BFC	✓
CS	NA				DFY	NA
RO	✓				DLI	✓
TLA	✓				CC	✓
ACM	✓	✓			ST	✓
YE	✓	✓	✓			✓



GOPALA POLYPLAST LTD.



BOARD OF DIRECTORS

Shri Prashant Somani	- Chairman
Shri S. J. Taparia	
Shri Rajendra Somani	
Shri Jugal Kishore Khetawat	
Shri Shreeprakash Somani	
Shri Manoj Somani	- Managing Director
Shri Manish Somani	- Executive Director

REGISTERED OFFICE

158/164, Kalbadevi Road,
Mumbai-400 002.

**ADMINISTRATIVE OFFICE &
SHARE DEPARTMENT**

2nd Floor, Olway House, Gurukul Road,
Memnagar, Ahmedabad-52

WORKS

Unit-I	643/B, Kadi Thol Road, Nani Kadi, Kadi, Dist. : Mehsana.
Unit-II	485, Santej Vadsar Road, Santej, Taluka Kalol, Dist. : Mehsana.

AUDITORS

M/s.V.K. Moondra & Co.
Chartered Accountants

BANKERS

Dena Bank
Ahmedabad.

LEGAL ADVISORS

Trivedi, Bhavsar & Company
Ahmedabad.



NOTICE

Notice is hereby given that the 14th Annual General Meeting of GOPALA POLYPLAST LIMITED will be held at B.D. Somani Hall, 4th Floor, Jeevan Sahakar Building, Sir P.M. Road, Fort, Mumbai-400 002 on 26th September, 1998 at 4.00 p.m. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998 and the Profit and Loss Account of the Company for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Preference Shares.
3. To declare dividend on Equity Shares.
4. To appoint a Director in place of Shri Manish Somani, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri Shreeprakash Somani, who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

7. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Sections 16 and 94 of the Companies Act, 1956 and other applicable provisions, if any, the unissued Equity Share Capital of the Company, be and is, hereby reduced to the extent of Rs. 1,50,00,000 (Rupees One crore and fifty lacs only) and Preference Share Capital of the Company be and is hereby increased by Rs. 1,50,00,000 (Rupees One crore and fifty lacs only) so that the Authorised Share Capital of the Company upon the proposed reclassification will be Rs. 10,00,00,000 (Rupees Ten crores only) divided into 60,00,000 (Sixty lacs) Equity Shares of Rs. 10/- (Rupees Ten only) each and 4,00,000 (Four lacs) Preference shares of Rs. 100/- (Rupees One hundred only) each.

RESOLVED FURTHER THAT the existing Clause V of the Memorandum of Association of the Company be replaced with the following.

- V. The Authorised Share Capital of the Company is Rs. 10,00,00,000 (Rupees Ten crores only) divided into 60,00,000 (Sixty lacs) Equity Shares of Rs. 10/- (Rupees Ten only) each and 4,00,000 (Four lacs) Preference shares of Rs. 100/- (Rupees One hundred only) each. The Company has power from time to time, to increase or reduce its capital and to divide the Shares in the Capital for the time being into other classes and to attach thereto respectively such preferential, qualified or other special rights, privileges, conditions or restrictions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions or restrictions in such manner as may for the time being be permitted by the Articles of Association of the Company or the legislative provisions for the time being in force in that behalf."

8. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the following manner :

Insert the following Heading and Article as Article 54A after article 54

BUY BACK OF SHARES OR SECURITIES

54A. Notwithstanding anything contained in these Articles, in the event it is permitted by law for a company to purchase its own shares or securities, the Board of Directors may, when and if thought fit, buy back such of the Company's own shares or securities as it may deem necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, as may be permitted by the law."

9. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution :

"RESOLVED THAT if and when permitted by the law and subject to all applicable provisions of the law and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as the "Board" which expression shall also include a Committee thereof), or as may be prescribed or imposed while granting such approvals, permission of the Company be and is hereby accorded to the Board, to purchase such number of Equity Shares or other Securities specified by the Government, of the Company, as may be thought fit, from the holders of the Equity Shares or other Securities of the Company, in such proportion and manner as may be permitted by the law, not exceeding 25% of the present paid up capital of the Company subject to such ceiling as may be prescribed by the law, from such funds of the Company as are permitted to be used for this purpose or out of the proceeds of any issue made by the Company, on such terms and subject to such conditions as may be prescribed by the law.

RESOLVED FURTHER THAT nothing hereinabove contained shall confer any right on any shareholder to offer or any obligation on the Company or Board to buy back any Equity Shares or Securities.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts and things and give such directions as may arise with regard to the said purchase of Equity Shares or other Securities."

Registered Office :
158/164, Kalbadevi Road,
Mumbai - 400 002

By order of the Board

Date : 31st July, 1998
Place : Mumbai

Manoj Somani
Managing Director

NOTES :

1. The relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956 in respect of the business under item nos. 7, 8 & 9 above are annexed thereto.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 21st September, 1998 to 26th September, 1998 (Both days inclusive).
3. The Dividend, if declared, will be paid to those members whose names appear in the Register of Members on 26th September, 1998.
4. A member entitled to attend and vote at the meeting 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 received by the Company not less than 48 hours before the time fixed for the meeting.
5. Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting.
6. Shareholders seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
7. Unclaimed Dividend for the financial year ended 31st March, 1995 will be transferred to General Revenue Account of the Central Government during October-1998 in terms of the provisions of Section 205A (5) of the Companies Act, 1956.



EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 7

The present Authorised Share Capital of the Company is Rs. 10,00,00,000 (Rupees Ten crores only) divided into 75,00,000 (Seventy five lacs) Equity Shares of Rs. 10/- (Rupees Ten only) each and 2,50,000 (Two lacs and fifty thousand) Preference shares of Rs. 100/- (Rupees One hundred only) each. It is proposed to reclassify the Authorised Capital in the manner as set out in the Notice, without any increase in the overall quantum, to enable, at appropriate time(s) as the Board may hereafter decide, issue of Preference Shares in line with the proposed business plans of the Company. The alteration to the Capital Clause of the Memorandum of Association is purely consequential in accordance with the Section 16 of the Companies Act, 1956.

A copy of the Memorandum of Association of the Company together with the proposed alterations is available for inspection by the Members of the Company at its Registered Office between 11 a.m. and 1 p.m. on any working day of the Company.

Your Directors commend the resolution for approval.

None of the Directors is concerned or interested in the resolution.

ITEM NOS. 8 & 9

The Companies Act, 1956, presently prohibits the Company from purchasing its own shares and securities. However, it is anticipated that the law in future may permit a Company to buy back its own shares and securities.

It is proposed to introduce a new Article 54A in the Articles of Association as set out in the resolution to enable the Company to purchase its own share or securities, as proposed in this resolution, in the event it is permissible by the law.

Subject to buy-back of securities being legally permissible, it is proposed to enable the Company to buy back its Equity Shares or such other permissible securities not exceeding 25% of the present paid-up capital of the Company from the members of the Company as may be permitted by the law as set out in the resolution. The resolution, if approved, will be operative for and will be given effect to within a period of 15 months from the date of passing the resolution or such other time limit laid down by the law.

A copy of the Articles of Association of the Company together with the proposed alterations is available for inspection by the Members of the Company at its Registered Office between 11 a.m. and 1 p.m. on any working day of the Company.

Your Directors commend the resolutions for approval.

None of the Directors is concerned or interested in the resolutions.

Registered Office :

158/164, Kalbadevi Road,
Mumbai - 400 002

Date : 31st July, 1998
Place : Mumbai

By order of the Board

Manoj Somani
Managing Director

GOPALA POLYPLAST LIMITED**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting before you, the 14th Annual report and the Audited Accounts for the financial year ended 31st March, 1998.

FINANCIAL RESULTS

The Financial results of the Company are summarized below :

	Rs. in Lacs	
	<u>1997-98</u>	<u>1996-97</u>
GROSS PROFIT	870.60	755.38
Less :		
Interest & Financial Charges	405.05	346.92
Depreciation	212.05	191.00
Provision for Taxation	20.33	Nil
Balance Profit	233.17	217.46
Add : Provisions no more required	15.19	Nil
NET PROFIT	<u>248.36</u>	<u>217.46</u>
Balance brought forward	305.36	192.12
Profit available for Appropriation	553.72	409.58
APPROPRIATIONS		
Proposed Dividend	75.13	72.02
Dividend Tax	7.51	7.20
Preference Share Redemption Reserve	30.56	Nil
Transfer to General Reserve	350.00	25.00
Balance carried forward to next year	90.52	305.36
	<u>553.72</u>	<u>409.58</u>

DIVIDEND

Your Directors are pleased to recommend for your approval Dividend @17.25% (Previous year -17.25%) on Preference shares and @ 20% (Previous year-20%) on Equity Shares, which will be tax free, to the members whose name appear on the Register of Members on 26th September, 1998.

YEAR IN RETROSPECT

In general, the economic scenario has been very sluggish, and our customers have also been affected badly. The cement industry is passing through its worst period and the growth in the textile apparel industry has also not been very encouraging. However, our Company has been able to sustain growth in operating profits despite lower realisation due to higher volumes, better capacity utilisation and improvement in operation efficiencies.

The growth in volume terms has been 35% over last year, which is much higher as compared to a value growth of only 23% because of lower raw material prices.

The proposed expansion in the Woven Sacks division has also been kept on hold for the time being. However with the negative growth in the Jute production the Compulsory Jute Packaging Order is due for dilution, which will open up additional demand for the woven sacks. Your Directors are watching the above developments and shall take the decision on expansion accordingly. The Building and other facilities are already completed and orders for machinery have been placed.



During the year, the capacity of the Label division was expanded by 33%. The benefit of the same shall be visible in the current year. The Company has further strengthened its marketing network by opening representative offices in Agra & Kanpur and adding extra marketing people in its existing offices. The Company is also tapping the indigenous readymade garment industry, which is growing at a fast pace, and promises a bright future for the label division.

DEPOSITS

The Company has not accepted any deposits to which the provisions of Section 58A of the Companies Act, 1956 are applicable.

PERSONNEL

Industrial relations continued to be cordial and harmonious to the continued growth and prosperity of the Company. The Board wishes to place on record its appreciation of the contribution made by all employees at all levels.

The information required under sub section 2A of Section 217 of the Companies Act, 1956 in respect of certain employees of the Company and forming part of this report, is annexed.

DIRECTORS

Shri Manish Somani and Shri Shreeprakash Somani, retire by rotation at the forthcoming Annual General Meeting, and being eligible offer themselves for reappointment.

CONSUMPTION OF ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE EARNING AND OUTGO

The information required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 is annexed hereto and forms part of this report.

The total foreign exchange out flow during the year on account of import of Machinery, Raw Material and Travelling is Rs. 252.81 Lacs.

AUDITORS

M/S V.K.Moondra & Co., Statutory Auditors of the Company, retire at the forthcoming Annual General Meeting and are eligible for reappointment.

ACKNOWLEDGMENT

The Directors thank the Shareholders, Financial Institutions, Bankers and Employees for their support and look forward to their continued co-operation.

For and on behalf of the Board of Directors

Place : Mumbai
Dated : 31/07/1998

Prashant Somani
Chairman