



GOPALA POLYPLAST LTD.

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**15TH
ANNUAL REPORT
1998-99**

**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-1	643/B, Kadi Thol Road, Nani Kadi, Kadi, Dist. : Mehsana.
Unit-2	485, Santej Vadsar Road, Santej, Taluka Kalol, Dist. : Mehsana.

AUDITORS

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

BANKERS

Dena Bank

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As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the Meeting.

**NOTICE**

Notice is hereby given that the 15th Annual General Meeting of GOPALA POLYPLAST LIMITED will be held at Indian Merchant's Chamber Building, Churchgate, Mumbai-400 020 on 30th September, 1999 at 4.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1999 and the Profit & 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 Prashant Somani, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri Jugal Kishore Khetawat, who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint Auditors and fix their remuneration.

Registered Office:

158/164, Kalbadevi Road,
Mumbai - 400 002

Date : 26th May, 1999

Place : Mumbai

By order of the Board

Manoj Somani
Managing Director

NOTES :

1. The Register of Members and Share Transfer Books of the Company will remain closed from 24/09/1999 to 30/09/1999 (Both days inclusive).
2. The Dividend, if declared, will be paid to those members whose name appear on the Register of Members of Preference Shares on 29/07/1999 and Register of members of Equity shares on 30/09/1999.
3. 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.
4. Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting.
5. 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.



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting before you, the 15th Annual Report and the Audited Accounts for the financial year ended 31st March, 1999.

FINANCIAL RESULTS

The Financial results of the Company are summarized below :

	<u>1998-99</u>	<u>Rs. in Lacs</u> <u>1997-98</u>
GROSS PROFIT	888.19	870.60
Less:		
Interest & Financial Charges	463.40	405.05
Depreciation	233.87	212.05
Provision for Taxation	20.05	20.33
Balance Profit	170.87	233.17
Add: Provisions no more required	—	15.19
NET PROFIT	170.87	248.36
Add: Transfer from General Reserve	23.33	—
Less: Earlier year Income Tax under KVSS	23.33	—
Profit carried forward	170.87	248.36
Add: Balance brought forward	90.52	305.36
Profit available for Appropriation	261.39	553.72
APPROPRIATIONS		
Proposed Dividend	42.31	75.13
Dividend Tax	4.23	7.51
Preference Share Redemption Reserve	18.33	30.56
Transfer to General Reserve	125.00	350.00
Balance carried forward to next year	71.52	90.52
	<u>261.39</u>	<u>553.72</u>

DIVIDEND

Your Directors are pleased to recommend for your approval Dividend @17.25% (Previous year - @17.25%) on Preference shares and @ 10 % (Previous year -@ 20%) on Equity Shares, which will be tax free, to the members whose name appear on the Register of Members of Preference Shares on 29th July, 1999 and Register of Members of Equity Shares on 30th September, 1999.

REVIEW OF PERFORMANCE

Woven Sacks Division

The Cement Industry was under recession for the first 9 months of last year and as a result there was continuous pressure on your Company with respect to prices and outstandings. However in the last quarter, there has been good demand for cement and the outlook for the industry as a whole is showing a very positive trend.

In the last quarter of the year your Company has gone in for modernisation of one of its Extruders and enhanced its capacity by 480 Tons per annum. This should help the Company in reducing operating costs per Kg. and with increased growth in the Cement Industry, the Company does not expect any marketing problems.

**Label Division**

This division has performed well, despite a very slow growth in the Garment export sector.

Results & Profitability

Your Company has performed satisfactorily inspite of its user industries being under recession. This was possible mainly by higher production, improved yield and expanding the customer base. The operating profits have been maintained at the same levels as last year. However, the net profit has gone down in view of the increased interest cost.

DEPOSITS

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

CONSUMPTION OF ENERGY, TECHNOLOGY ABSORPTION & 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 and Raw Material is Rs. 22.10 Lacs.

Y2K COMPLIANCE

The Company has computerised accounting system and has already installed software & hardware which are Y2K compliant. An amount of Rs. 4.25 Lacs has been spent for the same.

PERSONNEL

The employee relation in your Company was satisfactory. Your Directors place on record their appreciation for the hard work and dedication of the employees in enhancing the productivity and effectiveness of the Organisation.

There is no employee who is in receipt of remuneration exceeding the limits specified under sub section 2A of Section 217 of the Companies Act, 1956.

DIRECTORS

Shri Prashant Somani and Shri Jugal Kishore Khetawat, retire by rotation at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-appointment.

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 for their support and look forward to their continued co-operation.

For and on behalf of the Board of Directors

Place : Mumbai
Dated : 26th May, 1999

Prashant Somani
Chairman



ANNEXURE TO THE DIRECTORS' REPORT

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

A. CONSERVATION OF ENERGY

Energy conservation measures taken by the Company involves, mainly selection & installation of energy efficient equipment and energy saving devices. The impact of above measures on the cost of production is not precisely ascertainable.

B. TECHNOLOGY ABSORPTION

- a. Research & Development : The Company has not so far formally established a Research & Development wing. However it is getting its technology updated in consultation with the machinery manufacturers on a continuous basis.
- b. Technology absorption, adaptation & innovation : The Company has not imported any technology.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	(Rs. in lacs)	
	1998-99	1997-98
a. Foreign Exchange Earnings	Nil	56.47
b. Foreign Exchange Outgo	22.10	252.81

FORM - A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

I. POWER AND FUEL CONSUMPTION :

	1998-99	1997-98
Electricity		
1. Purchased from GEB Units (KWH)	3705628	4390498
Total Amount (Rs.)	14776209	15944953
Rate per unit (Rs.)	3.99	3.63
2. Own Generation (through D.G. Set)		
Total Units Generated (KWH)	3800247	2472801
Units per Ltr. of Diesel Oil (KWH)	3.23	2.89
Cost per unit (Rs.)	3.12	3.43

II. CONSUMPTION PER UNIT OF PRODUCTION

Product	HDPE Fabrics (Tons)		Label (Pcs.)	
	1998-99	1997-98	1998-99	1997-98
Production (Tons/Lac Pcs.)	5036	4732	1321	1085
Total No. of Units (KWH)	6726485	6236776	779390	626523
Units per Ton/Lac Pcs. (KWH)	1336	1318	590	577