




GOPALA POLYPLAST LTD.

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For, Gopala Polyplast Ltd.

16th


Director/Authorized Signatory

ANNUAL REPORT
1999-2000

G**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 Lalit Tulsyan - (w.e.f.) 24-6-2000		
Shri Manoj Somani	-	Managing Director
Shri Manish Somani	-	Executive Director

REGISTERED OFFICE

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

**ADMINISTRATIVE OFFICE &
SHARE DEPARTMENT**

485, Santej Vadsar Road,
Santej-382721, Taluka Kalol,
Dist. : Gandhinagar.

WORKS

Unit-1	643/B, Kadi Thol Road, Nani Kadi, Kadi, Dist. : Mehsana.
Unit-2	485, Santej Vadsar Road, Santej-382721, Taluka Kalol, Dist. : Gandhinagar.

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 16th Annual General Meeting of **GOPALA POLYPLAST LIMITED** will be held at the Registered Office of the Company at 158/164, Laxmi Bhuvan, 4th Floor, Opp. Cotton Exchange, Kalbadevi Road, Mumbai-400 002, on 19th August, 2000 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, 2000 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 appoint a Director in place of Shri S. J. Taparia, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Rajendra Somani, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT Shri Lalit Tulsyan, a Director who was appointed as an Additional Director in the meeting of Board of Directors held on 24th June, 2000 and who holds office as such upto the date of 16th Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Shri Lalit Tulsyan as a candidate for the office of Director of the Company be and is hereby appointed as a Director of the Company."

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 the Sections 198, 269, 309, 310 and 311 and other applicable provisions of the Companies Act, 1956, approval of the Company be and is hereby accorded for the reappointment of Shri Manish Somani as an Executive Director of the Company for a period of 5 years commencing from 1st October, 2000 on the remuneration and upon the terms, provisions and conditions contained in the draft agreement of reappointment to be entered into with him and the draft of which is placed before this meeting duly initialled by the Chairman for the purpose of identification, be and is hereby approved specifically with authority to the Board of Directors of the Company to alter and to vary the terms and conditions of the said agreement in accordance with the Schedule XIII of the Companies Act, 1956, if any, and/or amendments and any modifications, including any guidelines or notifications on Managerial Remuneration which may be issued or any rules that may be prescribed by the Central Government thereunder from time to time and acceptable to Shri Manish Somani.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary and or alter and/or modify the terms and conditions relating to the remuneration, commission payable and perquisites to be provided to Shri Manish Somani, in accordance with the changes that may be effected from time to time in Schedule XIII of the Companies Act, 1956, if any, any amendments / modifications including any guidelines or modifications as may be made by the Central Government from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to enter into an agreement on behalf of the Company with Shri Manish Somani in terms of the aforesaid draft agreement of appointment incorporating therein such alterations as indicated above."

Registered office :

158/164, Kalbadevi Road,
Mumbai-400 002

Mumbai, 24th June, 2000

By Order of the Board

MANOJ SOMANI
Managing Director

NOTES :

1. The relevant Explanatory Statements pursuant to Section 173 of the Companies Act, 1956 in respect of the business under item no. 6 & 7 above are annexed thereto.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 14th August 2000 to 19th August 2000 (Both days inclusive).
3. The Preference Dividend, if declared, will be paid to those members whose name appears in the Register of Members on 29/07/1999.
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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**ITEM NO. 6**

The Board of Directors appointed Shri Lalit Tulsyan as an Additional Director on 24/06/2000 pursuant to the provision of Article 92 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956 to hold the office upto the date of forthcoming Annual General Meeting.

The Company has received notice in writing alongwith the deposit of Rs. 500/- from a member in terms of Section 257 of the Act signifying his intention to propose Shri Lalit Tulsyan for the office of Director.

Shri Lalit Tulsyan is willing to act as Director of the Company, if appointed, and has filed his consent pursuant to Section 264(1) of the Companies Act, 1956. Shri Lalit Tulsyan is Executive Chairman of Tulsyan NEC Ltd., a Company engaged in the manufacturing of HDPE woven sacks. He was President of all India Flat Tape Manufacturers Association for 4 years. The Company will be benefitted by very wide experience of Shri Lalit Tulsyan.

Your Directors commend the resolution for approval.

None of the Directors is concerned or interested in the resolution, except Shri Lalit Tulsyan.

ITEM NO. 7

Shri Manish Somani was appointed as an Executive Director of the Company for a period of 5 years effective from 1st October, 1995 by the Board of Directors of the Company at its meeting held on 20th May, 1999 and approved by the Company in General Meeting held on 29th September, 1995.

The Board of Directors at the meeting held on 24th June, 2000 considered reappointment of Shri Manish Somani as an Executive Director for a further period of 5 years commencing from 1st October, 2000 on the remuneration which are set out in the draft agreement of reappointment as follows.

Salary : Rs. 12,500/- per month (including Dearness & other Allowances).

Increments : Such increment as may be fixed by the Board from time to time.

Perquisites : In addition to salary, the following perquisites not exceeding the overall ceiling prescribed under Schedule XIII be provided to the Whole-time Director.

Housing : Rent free furnished accommodation with telephone, fax, electricity, gas and water as also upkeep and maintenance of the Company's" furnished accommodation.

Medical Reimbursement : Reimbursement of medical for self and his family, as per Rules of the Company.

Leave Travel Allowance : LTA will be paid by the Company for self and family once in a year as per the Rules of the Company.

Club Fees : Reimbursement of the club fees, subject to a maximum of two clubs. Admission and life membership fees not allowed.

Personal Accident Insurance : Personal Accident Insurance Cover as applicable will be provided to him by the Company. Premium payable shall not exceed Rs. 2500/- p.a.

Contribution to Provident Fund and superannuation fund in accordance with Rules of the Company.

Gratuity : Gratuity at a rate not exceeding half month salary for each completed year of service.

Company Car : One car with services of driver, to be maintained by the Company for official use.

Reimbursement of entertainment, travelling and all other expenses incurred for the business of the Company. Leave as per Rules of the Company. So long as Shri Manish Somani functions as Whole-time Director, he shall not be paid any sitting fees for attending the meeting of the Board or any committee thereon.

In the event of absence or inadequacy of profit in any financial Year, the Remuneration including perquisites shall not exceed the ceiling laid down in this behalf in Schedule XIII of the Companies Act, 1956.

The particulars as set out above may be treated as an abstract of the terms of agreement between the Company and Shri Manish Somani which is required to be given to every member under the provision of Section 302 of the Companies Act, 1956.

Your Directors commend the resolution for approval.

None of the Directors of the Company is in any way concerned or interested in the aforesaid resolution except Shri Manish Somani himself and Shri Manoj Somani, Managing Director being relative of Shri Manish Somani.

The draft of the agreement to be entered into with Shri Manish Somani as referred to above is available for inspection by the members of the Company at the Registered Office of the Company between 11.00 a.m. to 4.00 p.m. on any working day except Saturdays, Sundays and holidays till the conclusion of the ensuing General Meeting.

Registered office :

158/164, Kalbadevi Road,
Mumbai-400 002

By Order of the Board

Mumbai, 24th June, 2000

MANOJ SOMANI
Managing Director



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting before you, the 16th Annual report and the Audited Accounts for the financial year ended 31st March, 2000

FINANCIAL RESULTS

The Financial results of the Company are summarized below :

	<u>1999-2000</u>	Rs. in Lacs <u>1998-99</u>
GROSS PROFIT	860.08	901.05
Less :		
Interest & Financial Charges	552.12	476.26
Depreciation	278.00	233.87
Provision for Taxation	3.35	20.05
Balance Profit	26.61	170.87
Less : Provisions no more required	1.13	-
NET PROFIT	25.48	170.87
Add : Transfer from General Reserve	-	23.33
Less : Earlier year Income Tax under KVSS	-	23.33
Profit carried forward	25.48	170.87
Add : Balance brought forward	71.52	90.52
Profit available for Appropriation	97.00	261.39
APPROPRIATIONS		
Proposed Dividend	3.11	42.31
Dividend Tax	0.69	4.23
Preference Share Redemption Reserve	6.11	18.33
Transfer to General Reserve	-	125.00
Balance carried forward to next year	87.09	71.52
	<u>97.00</u>	<u>261.39</u>

PREFERENCE DIVIDEND

Your directors recommend for your approval Dividend @ 17.25% (Previous Year - @ 17.25%) pro-rata for the period 1-4-1999 to 29-7-1999 i.e. till the date of redemption of Redeemable Preference Shares of Rs. 55.00 lacs.

EQUITY DIVIDEND

In view of inadequate profits your directors regret their inability to recommend dividend on Equity Shares for the year 1999-2000.

REVIEW OF PERFORMANCE

Woven Sacks Division :

The year under review was a tough year for Woven Sacks Industry. The cost of almost every input had risen during the year. However due to the recession in the user industry instead of getting price increase to offset the increased cost, the Company was forced to reduce prices whereby the contributions went down. As a result the Company's profitability went down substantially.

The current year has started on a good note as Government of India has diluted the Jute Packaging Order, which will result into increase in the demand of woven sacks from July onwards. Your Directors expect to achieve better results in the current year.