



GOPALA POLYPLAST LTD.

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ANNUAL REPORT

2000 - 2001

G**GOPALA POLYPLAST LTD.****BOARD OF DIRECTORS**

Shri Prashant Somani	- Chairman
Shri Jugal Kishore Khetawat	
Shri Shreeprakash Somani	
Shri Lalit Tulsyan	
Shri Manoj Somani	- Managing Director
Shri Manish Somani	- Executive Director

REGISTERED OFFICE

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

SHARE DEPARTMENT

1/2, Akansha Apartment,
Nr. Sola Railway Crossing,
Sola Road, Ahmedabad - 380 061.

WORKS

Unit - 1 643/B, Kadi Thol Road,
Nani Kadi, Kadi,
Dist. : Mehsana.

WORKS & ADMINISTRATIVE OFFICE

Unit-2 485, Santej Vadsar Road,
Santej - 382 721, 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 bring their copies to the Meeting.

**NOTICE**

Notice is hereby given that the 17th Annual General Meeting of GOPALA POLYPLAST LIMITED will be held at 158/164, Laxmi Bhuvan, 4th Floor, Opp. Cotton Exchange, Kalbadevi Road, Mumbai 400 002 on 28th September, 2001 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, 2001 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 appoint a Director in place of Shri Shreeprakash Somani, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Manish Somani, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

5. 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 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, approval of the company be and is hereby accorded for the reappointment for a period of Five years commencing from 1st November, 2001 of Shri Manoj Somani as Managing Director of the Company on the remuneration and upon the terms, provisions and conditions contained in the draft agreement of reappointment to be entered into with him and which draft is placed before this meeting duly initialled by the Chairman for the purpose of identification, be and is hereby specifically approved with authority to the Board of Directors to alter and to vary the terms and conditions of the said agreement in accordance with Schedule XIII of the Companies Act, 1956, if any, and/or any amendments and/or 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 Manoj Somani.

RESOLVED FURTHER THAT during such time as Shri Manoj Somani holds and continues to hold the office of the Managing Director, he shall not be liable to retirement by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are 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 for Shri Manoj Somani as Managing Director of the Company 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 and/or 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 be and is hereby authorised to enter into an agreement on behalf of the Company with Shri Manoj Somani, in terms of the aforesaid draft agreement or incorporating therein such alterations as indicated above."

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as a SPECIAL RESOLUTION :

"RESOLVED THAT subject to the provisions of the Companies Act, 1956, (including any statutory modification(s) or reenactments thereof for the time being in force), Securities Contracts (Regulation) Act, 1956, and the Rules framed thereunder, Listing Agreements and all other applicable laws, rules, regulation and guidelines and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modification as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by the Resolution), the consent of the Company be and is hereby accorded to the Board to delist the equity shares of the Company from all or any of the Stock Exchanges at Calcutta and Jaipur."

By Order of the Board

Date : 26th June, 2001
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 no. 5 & 6 above are annexed thereto.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 24/09/2001 to 28/09/2001 (Both days inclusive).
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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**ITEM NO. 5**

At the 12th Annual General Meeting of the Company held on 30th September, 1996, the members of the Company had approved the appointment and payment of remuneration and perquisites to be provided for Shri Manoj Somani, within the overall limits prescribed under the Schedule XIII of the Companies Act, 1956 for the period of five years from 1st November, 1996.

The Board of Directors at their meeting held on 26th June, 2001 considered re-appointment of Shri Manoj Somani for a further period of five years commencing from 1st November, 2001 on the terms as to the remuneration payable to Shri Manoj Somani as under.

I	Salary	: Rs. 25000/- per month
II	Commission	: Calculated @ 1% of the Net Profit of the Company for each financial year subject to maximum of 50% of Annual Salary.
III	Perquisites	: In addition to salary, the following perquisites not exceeding the overall ceiling prescribed under Schedule XIII will be provided to the Managing Director.
1.	Housing	: Rent free furnished accommodation with telephone, fax, electricity, gas and water as also upkeep and maintenance of Company's furnished accommodation.
2.	Medical Reimbursement	: Reimbursement of medical for self and family, as per rules of the Company.
3.	Leave Travel Allowance	: For self and his family, once in a year, incurred in accordance with the rules specified by the Company.
4.	Club Fees	: Fees of clubs, subject to a maximum of two clubs. This will not include admission and Life Membership fees.
5.	Personal accident Insurance	: Personal Accident Insurance cover as applicable will be provided to him by the Company, Premium payable shall not exceed Rs. 10,000/-p.a.
6.	Provident Funds / Superannuation Fund	: Contribution to Provident Fund and Superannuation fund in accordance with the rules of the Company.
7.	Gratuity	: Gratuity, payable at a rate not exceeding one-half month's salary for each completed year of service.
8.	Company Car	: One car with the services of driver to be maintained by the Company for official use.

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GOPALA POLYPLAST LTD.

9. Reimbursement of entertainment, travelling and all other expenses incurred for the business of the Company.
10. Leave as per rules of the Company.

So long as Shri Manoj Somani functions as Managing Director, he shall not be paid any sitting fees for attending the meeting of the Board or any Committee thereof.

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 set out above may be treated as an abstract of the terms of agreement between the Company and Shri Manoj Somani, which requires to be given to every member under the provisions of Section 302 of the Companies Act, 1956.

The Board of Directors of the Company recommend passing of the resolution for the re-appointment of Shri Manoj Somani as the Managing Director of the Company for a term of five years commencing from 1st November, 2001 without being subject to retirement of Director by rotation.

The Draft of the agreement to be entered into with the Managing Director 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. and 4.00 on any working day, till the conclusion of the ensuing General Meeting.

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

ITEM NO. 6

At present the shares of the Company are listed on the Stock Exchanges of Mumbai, Ahmedabad, Jaipur and Calcutta. Considering that the number of shareholders in the region covering the Stock Exchanges of the Jaipur and Calcutta are very low and negligible trading of the Company's share on these Stock Exchanges, the Company may opt for voluntary delisting of the Company's share from the said Stock Exchanges. This will save annual listing fees and also hassles of complying with the listing requirement. However, in terms of the Circular No. SMDRP/CIR- 14-98 dated 29th April . 1998 of the Securities and Exchanges Board of India, among other, the Company is required to obtain approval of the shareholders of the Company by Special Resolution at General Meeting and the shareholders in the region of the concerned Stock Exchanges are to be given a exit opportunity requiring the promoters to buy or to make arrangement for buying the shares from such shareholders after fixing a record date for this purpose and at a price which should not be less than the weighted average of the traded price of the share in the preceding six months at any of the Exchanges on which the shares are listed and where highest of the volume of the shares was traded. Accordingly the Company will give Special Notice of the proposed enabling resolution for the said delisting in one National Newspaper on all India basis and exit offer will be made to the all shareholders in the region covering the Stock Exchanges of Jaipur and Calcutta on the record date fixed in consultation with the concerned Stock Exchanges. The Proposed delisting of the Company's securities, as and when takes place, will not adversely affect the investors as the Company's securities will continue to be listed on the Stock Exchanges at Mumbai and Ahmedabad. The delisting will take effect after all approvals, permissions and sanctions are received. The exact date on which delisting will take effect will be suitably notified at that time.

Your Directors commend the Special Resolution for approval.

None of the Directors is in any way concerned or interested in the proposed resolution.

By Order of the Board

Date : 26th June, 2001
Place : Mumbai

MANOJ SOMANI
Managing Director



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting before you, the 17th Annual report and the Audited Accounts for the financial year ended 31st March, 2001.

FINANCIAL RESULTS

The Financial results of the Company are summarized below:

	2000-01	Rs. in Lacs 99-2000
GROSS PROFIT	906.32	860.08
Less:		
Interest & Financial Charges	574.50	552.12
Depreciation	297.24	278.00
Provision for Taxation	2.93	3.35
Balance Profit	31.65	26.61
Less : Provisions no more required	—	1.13
NET PROFIT	31.65	25.48
Add: Balance brought forward	87.09	71.52
Profit available for Appropriation	118.74	97.00
APPROPRIATIONS		
Earlier year Income-tax	40.00	—
Proposed Dividend	—	3.11
Dividend Tax	—	0.69
Preference Share Redemption Reserve	—	6.11
Balance carried forward to next year	78.74	87.09
Total	118.74	97.00

EQUITY DIVIDEND

In view of inadequate profits your directors regret their inability to recommend dividend on Equity Shares for the year 2000-01.

REVIEW OF PERFORMANCE

Woven Sacks Division

The woven sacks market continued to be difficult with margins shrinking everyday. In order to pass through this difficult time your Company has focussed on cutting down costs and enhance productivity. The production capacity has been enhanced by 720 MTPA by undertaking technical upgradation and removal of bottlenecks in the existing Plant & Machinery.

The Company reduced its interest cost on Term Loans from IDBI. With the help of energy audit and advise of Energy saving consultant the Company has also reduced the overall power consumption. The other areas where cost has been reduced are Manpower and Administrative cost. All the other cost heads are also being carefully looked into and efforts are intensified to rationalise the same.

Label Division

The Label Division had another good year and the demand for the products was better. However the current economic recession in the U.S. is a cause of concern. Your Company has already intensified its marketing efforts and expects to perform better in the current year with larger penetration in the domestic garment industry.

The results of all the above efforts should reflect completely in the current year.

FUTURE PROSPECTS

Your Company is one of the largest suppliers of woven sacks to the Cement Industry. The current year has started on very good note with the demand of Cement increasing continuously. The prices of Cement have also risen to healthy levels. With this turnaround of its Customers, the Company can now look forward to better price for its product to meet the increasing costs.

The slow down in U.S. may have its impact on Garment Exports from the Country. However with increased shift towards the branded garments, the domestic market for readymade clothing is growing rapidly, which augurs well for the Label industry.

**DIRECTORS**

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

During the period under review Shri S. J. Taparia and Shri Rajendra Somani resigned from the Board of Directors. Your directors place on record their sincere appreciation for the guidance and valuable services rendered by Shri S. J. Taparia and Shri Rajendra Somani during their tenure as Directors of the Company.

DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956.

The Directors hereby confirm :

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for that period;
- iii. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the directors had prepared the annual accounts on a going concern basis

INVESTOR SERVICES

During the year under review the Company entered into an Agreement with National Securities Depository Limited and Central Depository Services Limited to dematerialize Company's shares. Members have now option to hold shares of the Company in demat form through NSDL/CDSL.

At present the equity shares of the Company are listed on the Stock Exchanges of Mumbai, Ahmedabad, Jaipur and Calcutta. The number of shareholders in the region covering the Stock Exchanges of Jaipur and Calcutta are very low and also trading of the Company's share on these Stock Exchanges is negligible. Hence, it is proposed to opt for voluntary delisting of the Company's equity shares from the Stock Exchanges of Jaipur and Calcutta. This will save cost as well as time.

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 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, Spares and other expenses is Rs. 10.75 Lacs (Previous year - Rs.20.04 Lacs).

PERSONNEL

The employee relations situation 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.

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

For and on behalf of the Board of Directors

Place : Mumbai
Date : 26th June, 2001

Prashant Somani
Chairman