



GOPALA POLYPLAST LTD

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18th
ANNUAL REPORT
2001-2002

**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

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.

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18TH ANNUAL GENERAL MEETING

Date : 30th September, 2002
Day : Monday
Time : 11.00 a.m.
Place : 158/164, Kalbadevi Road,
Mumbai - 400 002.

GOPALA POLYPLAST LTD.**G****NOTICE**

Notice is hereby given that the 18th 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 30th September, 2002 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2002 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 Mr. Prashant Somani, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Jugal Kishore Khetawat, 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 Mr. Ram Prakash Khatod be and is hereby appointed a Director of the company whose period of office shall be liable to determination by retirement of Director by rotation."

By Order of the Board

Date : 31st July, 2002

Place : Mumbai

MANOJ SOMANI
Managing Director

NOTES :

1. The Register of Members and Share Transfer Books of the Company will remain closed from 25/09/2002 to 30/09/2002 (Both days inclusive).
2. 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.
3. Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting.
4. 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.
5. Unclaimed Dividend for the financial year ending 31st March, 1995 will be transferred in October-2002 to Investor Education and Protection Fund of the Central Government pursuant to Section 205C of the Companies Act, 1956.
6. Securities and Exchange Board of India has made it compulsory to trade in the Company's Equity Shares in dematerialised form by all investors with effect from 27/11/2000. In view of the above fact, the Shareholders are advised to convert their shareholding in dematerialised form by opening a dematerialised account with any of the depository participants, who acts as an agent of NSDL/ CDSL so that the shareholders may not face any problems while trading in Company's shares. The Shareholders may please note that they can continue to hold shares in physical form. However, whenever they desire to sell the Shares through Stock Exchange, the Shareholding has to be first converted into dematerialised form.

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

The Board of Directors appointed Mr. Ram Prakash Khatod as an Additional Director on 31/07/2002 pursuant to the provision of Article 92 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 Mr. Ram Prakash Khatod for the office of Director.

Mr. Ram Prakash Khatod is willing to act as Director of the Company and has given his consent for the same. Mr. Ram Prakash Khatod aged 30 years is a Chartered Accountant. The Company will be benefited by valued experience of Mr. Ram Prakash Khatod in the areas of finance and accounts and it will also help the Company to comply with the requirement under Corporate Governance. The information pursuant to clause 49 of the Listing Agreement is annexed.

Your Directors commend the resolution for approval.

None of the Directors is concerned or interested in the resolution, except Mr. Ram Prakash Khatod

By Order of the Board
MANOJ SOMANI
Managing Director

Date : 31st July, 2002

Place : Mumbai

**Details of the Directors seeking appointment in forthcoming Annual General Meeting
(in pursuance of clause 49 of the Listing Agreement)**

Name of Director	Mr. Prashant Somani	Mr. Jugal Kishore Khetawat	Mr. Ram Prakash Khatod
Date of Birth	01/01/1952	24/09/1940	07/11/1972
Date of appointment	11/06/1984	02/07/1993	31/07/2002
Expertise in specific functional areas	Industrialist with rich experience in Industries like Glass-bottles manufacture and textiles.	Industrialist with rich experience in areas like transportation, property development, trading, exports.	Finance and Accounts
Qualifications	B.Com.	Senior Cambridge	B. Com., A.C.A
List of Companies in which Directorship held as on 31/03/2002	<ol style="list-style-type: none"> Excel Glasses Limited Blue Nile Finvest Pvt. Ltd. Himgiri Finlease Pvt. Ltd. Navjeevan Synthetics Ltd. New Life Marketing and Trading Pvt. Ltd. One Time Leafin Pvt. Ltd. Pantheon Securities Pvt. Ltd. Redaelli (India) Pvt. Ltd. Swastik Capital and Stocks Pvt. Ltd. Status Credit and Capital Pvt. Ltd. Star Track Syntex Pvt. Ltd. Vijaybhan Investment and Consultancy Pvt. Ltd. 	<ol style="list-style-type: none"> Rameshwara Transport Ltd. Khetawat Properties Ltd. Eastern Spining Mills Ltd. South City Projects (Kolkata) Ltd. Rameshwara Distributors Pvt. Ltd. Rameshwara Leasing Pvt. Ltd. Rameshwara International Pvt. Ltd. Rameshwara Developers Pvt. Ltd. Rameshwara Holdings Pvt. Ltd. Khetawat Towers Pvt. Ltd. Channel Four Electronics Pvt. Ltd. East End Tower Pvt. Ltd. Indus Developers Pvt. Ltd. Himalaya Promoters Pvt. Ltd. 	<ol style="list-style-type: none"> Naresh Securities Pvt. Ltd.
Chairman / Membership of the Committees of the Board of the Companies on which he is a Director as on 31/03/2002	Gopala Polyplast Limited Audit Committee Chairman	Nil	Gopala Polyplast Limited Audit Committee-Member

GOPALA POLYPLAST LTD.**G****DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting before you, the 18th Annual report and the Audited Accounts for the financial year ended 31st March, 2002.

FINANCIAL RESULTS

The Financial results of the Company are summarized below:

	2001-02	Rs. in Lacs 2000-01
GROSS PROFIT	794.18	906.32
Less:		
Interest & Financial Charges	627.05	574.50
Depreciation	341.76	297.24
Provision for Taxation	—	2.93
NET PROFIT / (LOSS)	(174.63)	31.65
Add: Balance brought forward	78.74	87.09
Profit/(Loss) available for Appropriation	(95.89)	118.74
APPROPRIATIONS		
Earlier year Income-tax	—	40.00
Transfer from General Reserve	95.89	—
Balance carried forward to next year	<u>NIL</u>	<u>78.74</u>

EQUITY DIVIDEND

In view of loss during the year, your directors regret their inability to recommend dividend on Equity Shares for the year 2001-02.

REVIEW OF PERFORMANCE & FUTURE PROSPECTS

The Company's performance during the year under review has been bad due to various external factors.

Woven Sacks Division

Despite having a good and consistent demand from its customers from the Cement Industry the Company's woven sacks division is still in red as the increase in the costs could not be passed on to the customers who have not considered the Company's request for price increase. To worsen the scenario the increased competition from smaller and new players has led to fall in the selling prices thus reducing the existing margins.

Despite all above the Company is continuously working on cost savings. To start with, the Company has installed a 1 MW power plant based on Furnace Oil. With low operating costs and cheaper fuel this would entail substantial savings in the power cost. However the plant has been fully functional by March-02 and the full impact thereof shall be visible in the current year.

Since January-02, the Company has shifted its Kadi operations to Santej to improve the productivity and reduce costs. This coupled with other cost savings measures is expected to improve the performance of this Division in the current year.

Label Division

The year under review had been extremely bad for this division. The division mainly caters to the Garment Exporters. The events of 11th September, 01 in USA led to sudden decline of exports from the Country. The garment sector was the worst hit with major order cancellations, holding back of the shipments, delay in the payments etc.. This led to substantial drop in the sales, delays in the payments, increased bad debts for the Company. All the factors led to losses in this division for the first time since inception. The situation has started improving since April-02 and the Company expects to regain the lost market in the current year.

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.

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

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

The equity shares of the Company are listed on the Stock Exchanges of Mumbai, Ahmedabad, Jaipur and Calcutta and the Company has paid listing fees for the year 2002-03 to all the Stock Exchanges.

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. 26.35 Lacs (Previous year - Rs.10.75 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 : 29th June, 2002

Prashant Somani
Chairman

GOPALA POLYPLAST LTD.**6****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
	<u>2001-02</u>	<u>2000-01</u>
a. Foreign Exchange Earnings	—	—
b. Foreign Exchange Outgo	26.35	10.75

FORM - A**DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY****I. POWER AND FUEL CONSUMPTION :**

	<u>2001-02</u>	<u>2000-01</u>
Electricity		
1. Purchased from GEBUnits (KWH)	4946924	5870432
Total Amount (Rs.)	28685316	25991408
Rate per unit (Rs.)	5.80	4.42
2. Own Generation (through D.G. Set)		
Total Units Generated (KWH)	2127487	2231648
Units per Ltr. of Diesel Oil (KWH)	3.26	3.29
Cost per unit (Rs.)	4.82	3.50
3. Own Generation (Captive Power Plant)		
Total Units Generated (KWH)	1199950	----
Units per Ltr. of Fuel Oil (KWH)	3.34	----
Fuel Cost per unit (Rs.)	2.85	----

II. CONSUMPTION PER UNIT OF PRODUCTION

Product	HDPE Fabrics (Tons)		Label (Lac Pcs.)*	
	<u>2000-01</u>	<u>99-2000</u>	<u>2000-01</u>	<u>99-2000</u>
Production (Tons/Lac Pcs.)	7298	6338	1249	1466
Total No. of Units (KWH)	7627379	7403636	646982	698444
Units per Ton/Lac Pcs. (KWH)	1045	1168	518	476

* Approx.