



GOPALA POLYPLAST LTD.

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***19th
ANNUAL REPORT
2002-2003***

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 |
| Shri Ramprakash Khatod | |

REGISTERED OFFICE

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

REGISTRAR & TRANSFER AGENT

MCS LIMITED
101, 1st Floor, Shatdal Complex,
Opp. Bata Show Room,
Ashram Road, Ahmedabad - 380 009

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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19TH ANNUAL GENERAL MEETING

Date : 30th September, 2003
Day : Tuesday
Time : 11.00 a.m.
Place : 158/164, Kalbadevi Road,
Mumbai - 400 002.

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

Notice is hereby given that the 19th 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, 2003 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, 2003 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. Shreeprakash Somani, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Lalit Tulsyan, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

By Order of the Board

Place : Mumbai

Date : 28th June, 2003

MANOJ SOMANI
Managing Director

NOTES :

1. The Register of Members and Share Transfer Books of the Company will remain closed from 25/09/2003 to 30/09/2003 (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. In terms of Section 205A and 205C of the Companies Act, 1956, any dividend remaining unpaid for a period of seven years from the due date of payment is required to be transferred to the Investor Education and Protection Fund. Unclaimed Dividend for the financial year ending 31st March, 1996 will be transferred in October-2003 to Investor Education and Protection Fund. Shareholders, who have not encashed the Dividend Warrants for the year 1995-96 are, therefore, requested to immediately forward the same to the Company for payment.

G**GOPALA POLYPLAST LTD.**

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

| | | |
|--|--|---|
| Name of Director | Mr. Shreeprakash Somani | Mr. Lalit Tulsyan |
| Date of Birth | 13/02/1950 | 05/02/1960 |
| Date of appointment | 11/06/1984 | 24/06/2000 |
| Expertise in specific functional areas | Industrialist | Industrialist |
| Qualifications | B.Com. | B.Com. |
| List of Companies in which Directorship held as on 31/03/2003 | <ol style="list-style-type: none"> 1. Navjeevan Credit and Holdings Pvt. Ltd. 2. Swastik Capital and Stocks Pvt. Ltd. 3. Status Credit and Capital Pvt. Ltd. 4. Kagaj Marketing and Trading Pvt. Ltd. 5. New Life Marketing and Trading Pvt. Ltd. | <ol style="list-style-type: none"> 1. Tulsyan NEC Limited 2. Tulsyan Technologies Limited 3. Tulsyan Power Limited 4. Vijya Steel Limited |
| Chairman / Membership of the Committees of the Board of the Companies on which he is a Director as on 31/03/2003 | Gopala Polyplast Limited Shareholders/Investors Grievance Committee Chairman Share Transfer Committee Member | Gopala Polyplast Limited Audit Committee - Member Tulsyan NEC Limited Audit Committee - Member |

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting before you, the 19th Annual report and the Audited Accounts for the financial year ended 31st March, 2003.

FINANCIAL RESULTS

The Financial results of the Company are summarized below:

| | 2002-03 | Rs. in Lacs 2001-02 |
|---|-----------------|--------------------------------|
| GROSS PROFIT | 411.26 | 794.18 |
| Less: | | |
| Interest & Financial Charges | 543.49 | 627.05 |
| Depreciation | 356.70 | 341.76 |
| Provision for Taxation | -- | -- |
| NET PROFIT / (LOSS) | (488.93) | (174.63) |
| Add: Balance brought forward | NIL | 78.74 |
| Profit/(Loss) available for Appropriation | (488.93) | (95.89) |
| APPROPRIATIONS | | |
| Earlier year Income-tax | 15.07 | -- |
| Transfer from General Reserve | 504.00 | 95.89 |
| Balance carried forward to next year | <u>NIL</u> | <u>NIL</u> |

EQUITY DIVIDEND

In view of loss during the year, your directors regret their inability to recommend dividend on Equity Shares for the year 2002-03.

MANAGEMENT DISCUSSION AND ANALYSIS

As required by Clause 49 of the Listing Agreement with the Stock Exchange, a Management Discussion and Analysis Report is appended.

DIRECTORS

Mr. Shreeprakash Somani and Mr. Lalit Tulsyan, 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 :

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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;
- 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;
- that the directors had prepared the annual accounts on a going concern basis

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. 9.91 Lacs (Previous year - Rs. 19.90 Lacs).

PERSONNEL

The employee relation 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.

CORPORATE GOVERNANCE

As required by Clause 32 of the Listing Agreement, a Report on Corporate Governance is appended along with Certificate of Compliance from the Auditors.

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 : 28th June, 2003

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

| | 2002-03 | Rs. in Lacs 2001-02 |
|------------------------------|---------|------------------------|
| a. Foreign Exchange Earnings | - | - |
| b. Foreign Exchange Outgo | 9.91 | 19.90 |

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

| | 2002-03 | 2001-02 |
|---|----------|----------|
| Electricity | | |
| 1. Purchased from GEBUnits (KWH) | 2346088 | 4946924 |
| Total Amount (Rs.) | 12821648 | 28685316 |
| Rate per unit (Rs.) | 5.47 | 5.80 |
| 2. Own Generation (through D.G. Set) | | |
| Total Units Generated (KWH) | 1851495 | 2127487 |
| Units per Ltr. of Diesel Oil (KWH) | 3.45 | 3.26 |
| Cost per unit (Rs.) | 4.05 | 4.82 |
| 3. Own Generation (Captive Power Plant) | | |
| Total Units Generated (KWH) | 4178140 | 1199950 |
| Units per Ltr. of Fuel Oil (KWH) | 3.18 | 3.34 |
| Fuel Cost per unit (Rs.) | 3.28 | 2.85 |

II. CONSUMPTION PER UNIT OF PRODUCTION

| Product | HDPE Fabrics (Tons) | | Label (Lac Pcs.)* | |
|------------------------------|---------------------|---------|-------------------|---------|
| | 2002-03 | 2001-02 | 2002-03 | 2001-02 |
| Production (Tons/Lac Pcs.) | 7640 | 7298 | 1286 | 1249 |
| Total No. of Units (KWH) | 7701687 | 7627379 | 674036 | 646982 |
| Units per Ton/Lac Pcs. (KWH) | 1008 | 1045 | 524 | 518 |

* Approx.

REPORT ON CORPORATE GOVERNANCE

The Provisions of Corporate Governance introduced by the Securities and Exchange Board of India (SEBI) through clause 49 of the Listing Agreement with the Stock Exchanges became applicable to the Company from the Financial Year 2002-03. Accordingly, Report on Corporate Governance as per clause 49 is included in the Annual Report for the years 2002-03 as per the schedule.

1. Board of Directors :

The Company is managed by Board of Directors comprising a non-executive Chairman, 2 executive directors and 4 non-executive directors. Of these directors, 2 are independent directors.

The composition of directors and their attendance at the board meetings during the year and at the last annual general meeting, as also the number of their other directorships/committee positions are given in the following tables : -

Table 1 : Composition of Board of Directors and number of other directorships and committee positions held as on 31st March, 2003 :

| Director | Executive / Non-executive Independent | Other Directorships held ♦ | Other Committee positions | |
|-----------------------|---------------------------------------|----------------------------|---------------------------|-----------|
| | | | As Chairman | As member |
| Prashant Somani | Non-executive, Chairman | 13 | - | 1 |
| Shreeprakash Somani | Non-executive | 5 | 1 | 1 |
| Manoj Somani | Executive | 1 | 1 | 1 |
| Manish Somani | Executive | 3 | - | 2 |
| Jugalkishore Khetawat | Non-executive | 14 | - | - |
| Lalit Tulsyan | Non-executive, Independent | 4 | - | 2 |
| Ramprakash Khatod | Non-executive, Independent | 3 | 1 | - |

♦ Directorships as stipulated under section 275 of the Companies Act, 1956.

Table 2 : Attendance of Directors at Board Meetings and at the last AGM :

| Director | Number of Board Meetings | | Last AGM Attendance |
|-----------------------|--------------------------|----------|---------------------|
| | Held | Attended | |
| Prashant Somani | 4 | 4 | Yes |
| Shreeprakash Somani | 4 | 4 | Yes |
| Manoj Somani | 4 | 4 | No |
| Manish Somani | 4 | 4 | Yes |
| Jugalkishore Khetawat | 4 | 2 | No |
| Lalit Tulsyan | 4 | 2 | No |
| Ramprakash Khatod* | 2 | 2 | No |

Appointed at the meeting of Board of Directors held on 31/07/2002

Table 3 : No. of Board Meetings held and dates of meetings.

| No. of Board Meetings held during the year 2002-03 | Dates of Meetings |
|--|--|
| 4 | 29/06/2002, 31/07/2002, 30/10/2002, 31/01/2003 |

Disclosure regarding Directors considered for appointment / re- appointment :

At the annual General Meeting of the Company, Mr. Shreeprakash Somani and Mr. Lalit Tulsyan, are retiring by rotation and being eligible for re-appointment are proposed to be re-appointed. Their brief particulars are annexed with the notice convening Annual General Meeting.

GOPALA POLYPLAST LTD.**Information placed before the Board of Directors :**

The Board of the Company was presented with all the relevant and necessary information at their meetings such as production, sales, capital expenditure budgets, actual performance statistics, review of business, any legal proceedings by or against the Company, Share transfer compliance, quarterly financial results, minutes of the meetings of the Audit Committee, Share Transfer Committee and Shareholders/Investors Grievance Committee, Staff matters including senior appointments, significant labour and human relations matters, and such other information.

2. Audit Committee :

The Company had constituted a three-member Audit Committee on 31/07/2001 comprising of Mr. Prashant Somani, Mr. Manoj Somani and Mr. Shreeprakash Somani in compliance with the requirement of Section 292A of the Companies Act, 1956. The Committee was reconstituted on 31/07/2002, comprising of non-executive directors of whom two are independent directors. The members of the Committee are Mr. Ramprakash Khatod, Chairman, Mr. Prashant Somani, and Mr. Lalit Tulsyan. Mr. Ramprakash Khatod, Chartered Accountant, has good financial and accounting knowledge.

The Board terms of reference of the Audit Committee are as follows : -

- ❖ review of the company's financial reporting process.
- ❖ review of the adequacy of internal control systems.
- ❖ review of the company's financial management policies.
- ❖ review of the payments made to creditors without any substantial default.

The committee met three times during the year ended 31st March, 2003 on 21/06/2002, 29/11/2002 and 30/03/2003.

| Director | Number of Board Meetings | |
|---------------------|--------------------------|----------|
| | Held | Attended |
| Prashant Somani | 3 | 3 |
| Shreeprakash Somani | 1 | 1 |
| Manoj Somani | 1 | 1 |
| Ramprakash Khatod | 2 | 2 |
| Lalit Tulsyan | 2 | 2 |

3. Remuneration Committee :

The Company has not constituted a Remuneration Committee. Remunerations of Mr. Manish Somani, Executive Director and Mr. Manoj Somani, Managing Director were earlier approved at Annual General Meeting respectively held on 19/08/2000 and on 28/09/2001. The agreement with each of the Executive Directors is for a period of five years. Presently, the Company does not have scheme for grant of stock options either to the Executive Directors or employees.

4. Director's Interest in the Company :

Table 4 gives (a) full details of remuneration paid to each director (b) their relationships with other directors (where applicable), and (c), their business interests with either the Company or its directors (where material).

Table 4 : Relationships of directors, their business interests and remuneration paid :

| Director | Relationship with other directors * | Business relationship with the company, if any | Remuneration paid/payable during 2002-03 (in Rs.) | | | |
|---------------------|-------------------------------------|--|---|----------------|-------------|-------|
| | | | Sitting Fees | Salary & Perks | Comm-ission | Total |
| Prashant Somani | Brother of Shreeprakash Somani | None | 8,000 | Nil | Nil | 8,000 |
| Shreeprakash Somani | Brother of Prashant Somani | None | 8,000 | Nil | Nil | 8,000 |