



***GOPALA POLYPLAST LTD.***

Report  junction.com

*20<sup>th</sup> Annual Report*  
*2003-2004*

**NOTICE**

Notice is hereby given that the 20th 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, 2004 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, 2004 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 appoint a Director in place of Mr. Manish Somani, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Ramprakash Khatod, 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 though fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION  
"RESOLVED THAT pursuant to the provisions of Sections 16 and 94 of the Companies Act, 1956 and other applicable provisions, if any, the unissued Equity Share Capital of the Company be and is hereby reduced to that extent of Rs.30,00,000/- (Rupees Thirty lacs only) divided into 3,00,000 (Three lacs) Equity Shares of Rs.10/- (Rupees ten only) and Preference Share Capital of the Company be and is hereby increased by Rs.6,30,00,000 (Rupees six crores and thirty lacs only) divided into 6,30,000 (Six lacs and thirty thousand) Preference Shares of Rs.100/- (Rupees one hundred only) each so that the Authorised Share Capital of the Company will be Rs.16,00,00,000 (Rupees sixteen crores only) divided into 97,00,000 (Ninety Seven lacs) Equity Shares of Rs.10/- (Rupees ten only) each and 6,30,000 (Six lacs and thirty thousand) Redeemable Preference Shares of Rs.100/- (Rupees one hundred only) each.

RESOLVED FURTHER THAT the existing Clause V of the Memorandum of Association of the Company be replaced with the following.

- V. The Authorised Share Capital of the Company is Rs.16,00,00,000 (Rupees sixteen crores only) divided into 97,00,000 (Ninety seven lacs) Equity Shares of Rs.10/- (Rupees ten only) each and 6,30,000 (Six lacs and thirty thousand) Redeemable Preference Shares of Rs.100/- (Rupees one hundred only) each. The Company has power from time to time, to increase or reduce its capital and to divide the Shares in the Capital for the time being into other classes and to attach thereto respectively such preferential, qualified or other special rights, privileges, conditions or restrictions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions or restrictions in such manner as may for the time being be permitted by the Articles of Association of the Company or the legislative provisions for the time being in force in that behalf."

6. To Consider and if though fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION  
"RESOLVED THAT pursuant to Section 81(1-A) of the Companies Act, 1956 and other applicable provisions, if any, of the said Act and in accordance with the Memorandum of Association and Articles of Association of the Company and also subject to such approvals, consents, permission or sanction of Securities and Exchange Board of India, Financial Institutions and Banks with whom the Company has financial arrangements and other appropriate authorities, if any and to the extent necessary and such other approval, permission and sanction as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them 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") and / or a duly authorised Committee thereof the consent of the Company be and is hereby accorded to the Board for offering, issuing and allotting 30,00,000 (Thirty Lacs) Equity Shares of the Company in one or more tranches at a price of Rs.10/- (Rupees ten only) per share for cash at par, higher than the price as per SEBI Guidelines corresponding to the relevant date of 30th August, 2004 preferentially on Private Placement basis to Industrial Development Bank of India upon such terms and conditions as may be determined by the Board of Director(s) or a Committee authorised by Board of Directors in this regards in consultation with the lead manager, underwriter, advisor and such other persons.

RESOLVED FURTHER THAT all such equity shares shall rank pari-passu with the existing equity shares of the Company in respect of all rights.

RESOLVED FURTHER that the Board/Committee be and is hereby authorised to do all such acts, deeds, matters and things and to settle all such disputes, questions and matters as are arising out of and incidental to the proposed offer and issue of Equity shares, which the Board/Committee in its absolute discretion, consider necessary, proper or expedient for giving effect to the above resolution.

RESOLVED FURTHER that the Board be and is hereby authorised to make on its own accord or to accept such amendments, modifications, variations and alterations as the Government of India, Securities and Exchange Board of India and/or Financial Institutions may stipulate in that behalf and to amend, modify, vary or alter all or any of the terms of the preferential issue and/or private placement on such terms as the Board may in its absolute discretion decide within the Guidelines of the Securities and Exchange Board of India".

7. To Consider and if though fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION  
"RESOLVED THAT pursuant to Section 81(1-A) of the Companies Act, 1956 and other applicable provisions, if any, of the said Act and in accordance with the Memorandum of Association and Articles of Association of the Company and also subject to such approvals, consents, permission or sanction of Securities and Exchange Board of India, Financial Institutions and Banks with whom the Company has financial arrangements and other appropriate authorities, if any and to the extent necessary and such other approval, permission and sanction as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them 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") and / or a duly authorised Committee thereof the consent of the Company be and is hereby accorded to the Board for offering, issuing and allotting 6,30,000 (Six lacs and thirty thousand) Redeemable Cumulative Preference Shares of the Company in one or more tranches at a price of Rs.100/- (Rupees



one hundred only) per share for cash at par aggregating to Rs.630.00 lacs (Rupees six crores and thirty lacs only) preferentially on Private Placement basis to the Promoters, Members, Employees, Financial Institutions, Foreign Institutional Investors, Overseas Corporate Bodies, Companies other entities / authorities, for conversion of loans and general corporate purpose including capital expenditure, working capital requirement upon such terms and conditions including the rate of dividend, redemption period, manner of redemption as may be determined by the Board of Director(s) or a Committee authorised by Board of Directors in this regards in consultation with the lead manager, underwriter, advisor and such other persons.

RESOLVED FURTHER THAT the Preference shareholders shall carry the right to attend General Meeting of the Company and vote on resolutions directly affecting their interest or where the dividends in respect thereof are in arrears for not less than two years on the date of meeting, on all resolution at every meeting of the Company and in winding up, to payment of capital paid up and arrears of dividend upto the commencement of winding up in priority to the equity shares but not the right to participate in profits or assets of the Company.

RESOLVED FURTHER that the Board/Committee be and is hereby authorised to do all such acts, deeds, matters and things and to settle all such disputes, questions and matters as are arising out of and incidental to the proposed offer and issue of Preference shares, which the Board/Committee in its absolute discretion, consider necessary, proper or expedient for giving effect to the above resolution.

RESOLVED FURTHER that the Board be and is hereby authorised to make on its own accord or to accept such amendments, modifications, variations and alterations as the Government of India, Securities and Exchange Board of India and/or Financial Institutions may stipulate in that behalf and to amend, modify, vary or alter all or any of the terms of the preferential issue and/or private placement on such terms as the Board may in its absolute discretion decide within the Guidelines of the Securities and Exchange Board of India".

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

\*RESOLVED THAT pursuant to the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, the Securities Contracts (Regulation) Act, 1956 and all other applicable laws, rules, regulations and guidelines (including any statutory modification(s) or reenactment(s) thereof for the time being in force) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications 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 ("the Board") (which term shall be deemed to include any Committee thereof or any other person authorised by the Board of Directors), consent of the company be and is hereby accorded to the Board to delist the equity shares of the Company from The Calcutta Stock Exchange Association Limited, Jaipur Stock Exchange Limited and The Stock Exchange, Ahmedabad.

RESOLVED FURTHER THAT the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise with respect to the aforesaid voluntary delisting of Shares as it may in its absolute discretion deem fit without being required to seek any further approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all necessary steps in this regard in order to comply with all the legal and procedural formalities and further to authorize any of its Committee or any of the Directors of the Company to do all such acts, deeds or things to give effect to the aforesaid resolutions".

By Order of the Board  
**MANOJ SOMANI**  
 Managing Director

Date : 30th August, 2004

Place : Mumbai

#### NOTES :

1. The Register of Members and Share Transfer Books of the Company will remain closed from 25/09/2004 to 30/09/2004 (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, 1997 will be transferred in October-2004 to Investor Education and Protection Fund. Shareholders, who have not encashed the Dividend Warrants for the year 1996-97 are, therefore, requested to immediately forward the same to the Company for payment.

#### ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

##### ITEM NO. 5

The existing Authorised Share Capital of the Company is Rs.10,00,00,000 (Rupees ten crores only) divided into 100,00,000 (One crore) Equity Shares of Rs.10/- (Rupees ten only) each out of which unissued Equity Share Capital is Rs.3,46,78,000/- (Rupees three crores forty six lacs and seventy eight thousand only) divided into 34,67,800 (Thirty four lacs sixty seven thousand and eight hundred) Equity Shares of Rs.10/- (Rupees ten only) each. It is proposed to reduce the unissued Equity Share Capital by Rs.30,00,000 (Rupees thirty lacs only) and to increase Preference Share Capital of the Company by Rs.6,30,00,000 (Six crores and thirty lacs only) so that the Authorised Share Capital of the Company will be Rs.16,00,00,000 (Rupees sixteen crores only) divided into 97,00,000 (Ninety seven lacs) Equity Shares of Rs.10/- (Rupees ten only) each and 6,30,000 (Six lacs and thirty thousand) Preference Shares of Rs.100/- (Rupees



**GOPALA POLYPLAST LTD.**

one hundred only) each to enable the Company to issue Equity Share / Preference Shares at appropriate time, in line with the business plans of the Company.

A copy of the Memorandum of Association of the Company together with the proposed alterations is available for inspection by the Members of the Company at its Registered Office between 11 a.m. and 1 p.m. on any working days.

Your Directors commend the resolution for approval.

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

**ITEM NO. 6**

As per the financial restructuring approved by the Industrial Development Bank of India (hereinafter referred to as "IDBI") the Company has to issue / allot 30,00,000 (Thirty lacs) Equity shares each of Rs.10/- at par for an amount not exceeding in aggregate Rs.3,00,00,000/- (Rupees three crores only) on preferential and private placement basis to IDBI by way of conversion of a portion of existing Term Loan in accordance with and on such terms and conditions as the Board may consider desirable and in the best interest of the Company in accordance with the existing guidelines of Securities and Exchange Board of India (SEBI) and subject to all other consents and permissions as may be required to the proposed issue.

**I. Allottee Details**

It is proposed to allot 30,00,000 Equity shares of the Company to the Allottee(s) as under.

Name of the Allottee	Relationship with the existing promoter group
Industrial Development Bank of India	None

**II. Acquisition Details**

- It is proposed to allot 30,00,000 Equity Shares pursuant to Special Resolution proposed under Section 81 (1A) of the Companies Act, 1956, which shall be 31.47% of the expanded paid-up Equity Share Capital of the Company.
- No. of shares proposed to be allotted to the existing promoters is nil.
- The preferential allotment on private placement is proposed to be made at Rs.10/- for cash at par and the same is in accordance with the SEBI preferential offer guideline dated 4/8/94 as amended from time to time.
- The purpose of the said allotment is to give effect to the financial restructuring as approved by the IDBI.
- No change in Board of Directors is envisaged consequent to proposed preferential allotment.
- Consequential change in shareholding pattern of the Company will be as under.

		Pre allotment		Post allotment	
		No.	%	No.	%
1.	Promoter Group	4399880	67.36	4399880	46.16
2.	Acquirer(s) – IDBI	.....	.....	3000000	31.47
3.	MFs/FIs/FIs (Other than Acquirer)	12300	0.19	12300	0.13
4.	Public	2120020	32.45	2120020	22.24
	Total paid-up Equity Capital of the Company	6532200	100.00	9532200	100.00

**g. Consequential change in voting rights**

		Pre allotment		Post allotment	
		No.	%	No.	%
1.	Promoter Group				
2.	Acquirer(s) – IDBI	4399880	67.36	4399880	46.16
3.	MFs/FIs/FIs (Other than Acquirer)	.....	.....	3000000	31.47
4.	Public	12300	0.19	12300	0.13
	Total paid-up Equity Capital of the Company	2120020	32.45	2120020	22.24
		6532200	100.00	9532200	100.00

Thus the voting rights would change in tandem with shareholding pattern of the Company.

- The said allotment would not result in change in control over the Company.
- As per the SEBI guideline for Preferential Issue, in case of the equity shares allotted Shares allotted on preferential basis to any person other than promoters/promoters group shall be locked-in for a period of one year from the date of their allotment. Hence, 30,00,000 Equity Shares proposed to be allotted to the IDBI would be subject to lock-in requirement of one year. The Directors recommend the resolution for approval.
- The promoters will be required to buy back the Equity shares of Rs. 3,00,00,000/- proposed to be converted out of the loan, after five years from allotment, so as to give IDBI a return of 10.25% p.a. (on simple basis). This will be subject to SEBI guidelines and other laws prevailing at that time.

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

**ITEM NO. 7**

As per the financial restructuring approved by the Industrial Development Bank of India (hereinafter referred to as "IDBI") the Company has to issue / allot 3,50,000 (Three lacs and fifty thousand) Cumulative Redeemable Preference shares each of Rs.100/- at par to IDBI



by way of conversion of Funded Interest Term Loan. Further promoters proposes to induct long term funds of Rs.280.00 lacs over a period of time by way of 2,80,000 Cumulative Redeemable Preference Shares each of Rs.100/- for cash at par aggregating Rs.6,30,00,000/- (Rupees six crores and thirty lacs only) on preferential and/or private placement basis in accordance with and on such terms and conditions as the Board may consider desirable and in the best interest of the Company in accordance with the existing guidelines of Securities and Exchange Board of India (SEBI) and subject to all other consents and permissions as may be required to the proposed issue.

The Directors recommend the resolution for approval.

None of the Directors is concerned or interested in the proposed resolution except to the extent of shares allotted to them or to the Companies in which they are interested.

#### ITEM NO. 8

The Equity Shares of the Company are presently listed on the Stock Exchanges at Calcutta, Jaipur, Ahmedabad and Mumbai.

It has been observed that bulk of the trading in the company's equity shares takes place on The Stock Exchange, Mumbai (BSE). There has been negligible or no trading in the Company's share at The Calcutta Stock Exchange Association Limited, Jaipur Stock Exchange Limited and The Stock Exchange, Ahmedabad. The investors / members have access to online dealing in the company's equity shares on the trading terminals provided by BSE across the country. The annual listing fees paid to the Calcutta, Jaipur and Ahmedabad Stock Exchanges do not offer commensurate benefits or added service to the Company or its investors. In addition the delisting would further contribute to the reduction in administrative cost / efforts of the Company.

SEBI has recently issued guidelines permitting the companies for voluntary delisting of its equity shares where the companies have multiple listings provided that the Shares are listed at least one or more stock exchanges having nationwide trading terminals. Therefore, the Company proposes to continue the listing of company's equity shares at the Stock Exchange, Mumbai (BSE) and to delist the same from the stock exchanges at Calcutta, Jaipur and Ahmedabad subject to the company complying the various provisions of SEBI (Delisting of Securities) Guide lines, 2003 ("the Delisting Guidelines") and obtaining requisite approvals, permissions and sanctions from appropriate authorities.

In accordance with the delisting guidelines, a Company is entitled to delist from a stock exchange where its securities are listed provided that these have been so listed on the stock exchange for atleast three years. The said guidelines further provides that an exit opportunity is not necessary to be given to the shareholders where securities continue to be listed on a stock exchange with nationwide terminals. The Delisting Guidelines have identified the Stock Exchange, Mumbai as stock exchanges that has nationwide terminals. As set out in the Delisting Guidelines, the modalities of actual delisting consist of, amongst others, the General Body approval through a Special Resolution and a public announcement followed by an application to the respective stock exchange where delisting is sought.

In view of the above, the Board recommends the Resolution. None of the Director of the Company is, in any way, concerned or interested in the said Special Resolution.

Date : 30th August, 2004

Place : Mumbai

By Order of the Board

**MANOJ SOMANI**

Managing Director

#### **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. Manish Somani	Mr. Ramprakash Khaotd
Date of Birth	20/09/1968	05/02/1960
Date of appointment	20/05/1995	31/07/2002
Expertise in specific functional areas	Industrialist	Chartered Accountant
Qualifications	B.Com.	B.Com., A.C.A.
List of Companies in which Directorship held as on 31/03/2004	1. Gopala Mercantile Limited	1. Vijaybhan Investments and Consultancy Private Limited 2. Pantheon Securities Private Limited 3. Naresh Securities Private Limited 4. One Time Leafin Private Limited 5. Himgiri Finlease Private Limited
Chairman / Membership of the Committees of the Board of the Companies on which he is a Director as on 31/03/2004	Gopala Polyplast Limited Shareholders/Investors Grievance Committee - Member Share Transfer Committee - Member	Gopala Polyplast Limited Audit Committee - Chairman

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

Shri Prashant Somani  
 Shri Jugal Kishore Khetawat  
 Shri Shreeprakash Somani  
 Shri Lalit Tulsyan  
 Shri Manoj Somani  
 Shri Manish Somani  
 Shri Ramprakash Khatod

- Chairman

- Managing Director  
 - Executive Director

**REGISTERED OFFICE**

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

**REGISTRAR & TRANSFER AGENT**

MCS Ltd.,  
 101, First Floor,  
 Shatdal Complex,  
 Opp. Bata Show room,  
 Ashram Road, Ahmedabad.

**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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**20<sup>TH</sup> ANNUAL GENERAL MEETING**

**Date** : 30 th September, 2004 Thursday  
**Time** : 11-00 A.M.  
**Place** : 158/164, Kalbadevi Road,  
 Mumbai - 400 002.



## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting before you, the 20th Annual report and the Audited Accounts for the financial year ended 31st March, 2004.

**FINANCIAL RESULTS**

The Financial results of the Company are summarized below:

	2003-04	Rs. in Lacs 2002-03
<b>GROSS PROFIT</b>	394.39	411.26
Less:		
Interest & Financial Charges	415.73	543.49
Depreciation	370.00	356.70
Depreciation for earlier year written back	(2.38)	
<b>NET PROFIT / (LOSS)</b>	(388.96)	(488.93)
Add: Balance brought forward	Nil	Nil
Profit available for Appropriation	(388.96)	(488.93)
<b>APPROPRIATIONS</b>		
Earlier year Income-tax		15.07
Transfer from General Reserve	80.08	504.00
Balance carried forward to next year	(308.88)	Nil

**EQUITY DIVIDEND**

In view of loss during the year, your directors regret their inability to recommend dividend on Equity Shares for the year 2003-04.

**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. Manish Somani and Mr. Ramprakash Khatod, 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. 26.87 Lacs (Previous year - Rs.9.91 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**

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.

Mumbai  
25th June, 2004

For and on behalf of the Board of Directors

**Prashant Somani**  
Chairman

**GOPALA POLYPLAST LTD.****G****ANNEXURE TO THE DIRECTOR'S 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. Reserch & 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)	
	<b>2003-04</b>	<b>2002-03</b>
a. Foreign Exchange Earnings	-	-
b. Foreign Exchange Outgo	26.82	9.91

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

	<b>2003 - 04</b>	<b>2002 - 03</b>
Electricity		
1. Purchased from GEB Units (KWH)	1924748	2346088
Total Amount (Rs.)	10607491	12821648
Rate per unit (Rs.)	5.51	5.47
2. Own Generation (through D.G. Set)		
Total Units Generated (KWH)	1867502	1851495
Units per Ltr. of Diesel Oil (KWH)	2.87	3.45
Cost per unit (Rs.)	4.51	4.05
3. Own Generation (Captive Power Plant)		
Total Units Generated (KWH)	4345788	4178140
Units per Ltr. of Fuel Oil (KWH)	3.22	3.18
Fuel Cost per unit (Rs.)	3.08	3.28

**II. CONSUMPTION PER UNIT OF PRODUCTION**

Product	HDPE Fabrics (Tons)		Label (Lac Pcs.)*	
	<b>2003 - 04</b>	<b>2002 - 03</b>	<b>2003 - 04</b>	<b>2002 - 03</b>
Production (Tons/Lac Pcs.)	8780	7640	1350	1286
Total No. of Units (KWH)	7447183	7701687	690855	674036
Units per Ton/Lac Pcs.(KWH)	848	1008	512	524

\* Approx



**REPORT ON CORPORATE GOVERNANCE**

Report on Corporate Governance for the year 2003-04 as per clause 49 of the Listing Agreement is placed here below :

**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, 2004 :

Director	Executive / Non-executive Independent	Other Directorships held	Other Committee positions	
			As Chairman	As member
Prashant Somani	Non-executive, Chairman	12	-	1
Shreeprakash Somani	Non-executive	5	1	1
Manoj Somani	Executive	1	1	1
Manish Somani	Executive	2	-	2
Jugalkishore Khetawat	Non-executive	11	-	-
Lalit Tulsyan	Non-executive, Independent	7	-	1
Ramprakash Khatod	Non-executive, Independent	5	1	-

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	5	5	Yes
Shreeprakash Somani	5	5	Yes
Manoj Somani	5	5	Yes
Manish Somani	5	5	No
Jugalkishore Khetawat	5	4	No
Lalit Tulsyan	5	4	No
Ramprakash Khatod	5	4	Yes

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

No. of Board Meetings held during the year 2003-04	Dates of Meetings
5	15/05/2003, 28/06/2003, 31/07/2003, 30/10/2003, 31/01/2004

**Disclosure regarding directors considered for appointment / re- appointment :**

At the annual General Meeting of the Company, Mr. Manish Somani and Mr. Ramprakash Khatod, 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.

**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 : -

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