

**21ST
ANNUAL REPORT
2004-05**

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GOPALA POLYPLAST LTD.

**BOARD OF DIRECTORS**

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

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-380 052

WORKS

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

**WORKS & ADMINISTRATIVE
OFFICE**

Unit-2 485, Santej Vadsar Road,
Santej, Taluka Kalol,
Dist. : Mehsana.

AUDITORS

M/s. V. K. Moondra & Co.
Chartered Accountants

BANKERS

Dena Bank

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21st Annual General Meeting

Day : Thursday

Date : 15th September, 2005

Time : 11 a.m.

Venue : ~~Kilacha~~ and Room, 4th Floor,
India Merchant Chambers,
Church Gate, Mumbai-400020



NOTICE

Notice is hereby given that the 21st Annual General Meeting of GOPALA POLYPLAST LIMITED will be held at Kilachand Room, 4th Floor, India Merchant Chambers, Church Gate, Mumbai – 400 020 on 15th September, 2005 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, 2005 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. 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 a Special Resolution

“RESOLVED THAT in accordance with the provisions of Sections 13, 16 and 94 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), listing agreements entered into by the Company with the stock exchange/s and the enabling provisions in that behalf in the Articles 3 and 3A of the Articles of Association of the Company and subject to such approvals, permissions and sanctions, if any, required from any concerned authorities, the existing equity shares of the face value of Rs.10/- (Rupees Ten) each in the Share Capital of the Company be and are hereby sub-divided such that each Equity Share of the face value of Rs.10/- (Rupees Ten) is sub-divided into 2 (Two) Equity Shares of the face value of Rs.5/- (Rupees Five) each and consequently sub-divided Authorised Share Capital of the Company would be Rs.16,00,00,000 (Rupees Sixteen crores only) divided into 1,94,00,000 (One crore ninety four lacs) Equity Shares of Rs.5/- (Rupees five) each and 6,30,000 (Six lacs and thirty thousand) Redeemable Preference Shares of Rs.100/- (Rupees one hundred only) each.

RESOLVED FURTHER THAT pursuant to the sub-division of the Equity Shares, existing issued, subscribed and paid-up Equity Share Capital comprising 95,32,200 Equity Shares of the face value of Rs.10/- each fully paid-up be and is sub-divided into 1,90,64,400 Equity Shares of the face value of Rs.5/- each fully paid-up.

RESOLVED FURTHER THAT the Board of Directors of the Company or a Committee thereof be and are hereby authorised to do all such acts, deeds, matters and things as may in its sole and absolute discretion deem necessary, expedient, usual or proper and to settle any question, doubt or difficulty that may arise in implementation of this resolutions or any other matter incidental or consequential thereto.

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

RESOLVED 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 1,94,00,000 (One crore ninety four lacs) Equity Shares of Rs.5/- (Rupees five 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.”

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 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 Three years commencing from 1st April, 2005 of Shri Manoj Somani as a 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 a 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."

8. 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 Three years commencing from 1st April, 2005 of Shri Manish Somani as an Executive 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 Manish Somani.

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 Manish Somani as an Executive 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 Manish Somani, in terms of the aforesaid draft agreement or incorporating therein such alterations as indicated above."

By Order of the Board

Date : 8th August, 2005

Place : Mumbai

Manoj Somani
Managing Director

NOTES :

1. The Register of Members and Share Transfer Books of the Company will remain closed from 12/09/2005 to 15/09/2005 (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, 1998 will be transferred in October-2005 to Investor Education and Protection Fund. Shareholders, who have not encashed the Dividend Warrants for the year 1997-98 are, therefore, requested to immediately forward the same to the Company for payment.



6. The relevant Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of the business under item no. 5 to 8 above are annexed thereto.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 5 & 6

The existing authorised share capital of the Company is Rs.16,00,00,000/- divided into 97,00,000 Equity Shares of Rs.10/- each and 6,30,000 Redeemable Preference Shares of Rs.100/- each. The present issued, subscribed and paid-up capital of the Company is Rs.14,03,22,000/- divided into 95,32,200 Equity Shares of Rs.10/- each and 4,50,000 Redeemable Preference Shares of Rs.100/- each fully paid-up.

It is proposed to re-organise the Authorised Share Capital as well as the issued, subscribed and paid-up equity share capital of the Company comprising of 95,32,200 Equity Shares of Rs.10/- each fully paid-up to stand sub-divided into 1,90,64,400 Equity Shares of the face value of Rs.5/- each fully paid-up and Authorised Share Capital of the Company be altered to 1,94,00,000 Equity Shares of Rs.5/- each and 6,30,000 Redeemable Preference Shares of Rs. 100/- each.

The proposed sub-division of the Equity Shares into shares of smaller denomination as aforesaid would enhance the liquidity of the shares on the Stock Exchange/s. The record date for the purpose of sub-division will be decided by the Board and will be advised to the Stock Exchange/s.

The Board would take all the requisite steps in the matter including cancellation of the share certificates held in physical form and issuance of fresh certificate in lieu thereof in accordance with the provisions of the Companies (Issuance of Share Certificate) Rules, 1950 and in the case of shareholders who hold the Equity Shares / opt to receive the sub-divided Equity Shares in dematerialisation form, the sub-divided Equity Shares will be credited to the respective beneficiary accounts of the shareholders with the respective Depository Participants.

Consequent upon the proposed sub-division of the Equity Shares, the Memorandum of Association of the Company is proposed to be amended as set out in resolution no. 6.

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 4 p.m. on any working days.

Your Directors commend the resolution for approval.

The Directors of the Company may be deemed to be interested or concerned in the resolution to the extent of Equity Shares of the Company held by them or by the companies, bodies corporate or trusts of which the Directors of the Company are directors, members or beneficiaries.

ITEM NO. 7

At the 17th Annual General Meeting of the Company held on 28th September, 2001, the members of the Company had approved the re-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, 2001.

Shri Manoj Somani is due for re-appointment as a Managing Director on 1st November, 2006. However, the Board of Directors at their meeting held on 30th July, 2005 decided to re-appointment of Shri Manoj Somani for a further period of three years effective from 1st April, 2005 with revised remuneration as detailed hereinafter subject to approval of the Company in General Meeting and approval of the Central Government, if necessary.

The particulars set out hereinafter may be treated as an abstract of the terms of agreement between the Company and Shri Manoj Somani, which is required 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 Managing Director of the Company for a term of three years commencing from 1st April, 2005 without being subject to retirement 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 a.m. and 4 p.m. 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.

In accordance with the requirements of Schedule XIII of the Companies Act, 1956, a statement providing the required information for the re-appointment and payment of remuneration to Shri Manoj Somani is given below :

I. General Information									
(1) Nature of industry	Polypropylene Woven Sacks and Textile Woven Labels								
(2) Date or expected date of commencement of commercial production	The Company commenced commercial production as per detail below : Polypropylene Woven Sacks : The date of commencement of commercial production is not available as the existing promoter group took over the management of the Company from 1st July, 1988. Textile Woven Labels : 28th March, 1994.								
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not applicable								
(4) Financial performance based on given indicators	The net profit after tax / (loss) for the last three years was as follows. <table> <tr> <th>Year</th><th>Net Profit / (Loss) (Rs. In lacs)</th></tr> <tr> <td>2002-03</td><td>(488.93)</td></tr> <tr> <td>2003-04</td><td>(388.96)</td></tr> <tr> <td>2004-05</td><td>103.64</td></tr> </table>	Year	Net Profit / (Loss) (Rs. In lacs)	2002-03	(488.93)	2003-04	(388.96)	2004-05	103.64
Year	Net Profit / (Loss) (Rs. In lacs)								
2002-03	(488.93)								
2003-04	(388.96)								
2004-05	103.64								
(5) Export performance and net foreign exchange collaborations	Nil								
(6) Foreign investments or collaborators, if any.	Nil								
II. Information about the appointee									
(1) Background details	Shri Manoj Somani, Aged 38 years is a B. E. (Production) from Bombay University. He was inducted as a Director on the Board of the Company on 04/07/1988. He has been Managing Director of the Company since 01/11/1991. He has been instrumental in driving the Company on growth path. During his tenure the capacity of Woven sacks division has been expanded from 489 TPA in 1990-91 to 9996 TPA in 2004-05 and the Company also diversified into highly profitable Woven Garment Labels.								
(2) Past remuneration	For the year 2004-05 Salary : Rs.3.00 lacs Contribution to PF: Rs.0.36 lac								
(3) Recognition or awards	<ul style="list-style-type: none"> ❖ Visiting faculty with Entrepreneurship Development Institute, Ahmedabad. ❖ President of All India Flat Tape Manufacturers Association (The National body of Woven Sacks Manufacturers) for two terms during 2000-03. ❖ Member, Managing Committee, Plastindia (Year 2003) ❖ Vice President at Lions Club of Rajnagar ❖ Trustee, Badminton Players' Welfare Trust, Ahmedabad. ❖ President, Ahmedabad Maheshwari Yuva Sangathan (2000-03) 								
(4) Job profile and his suitability	Overall management and administration of the Company.								
(5) Remuneration proposed									
A Salary	Rs.70,000/- per month								
B Commission	Calculated @ 1% of the Net Profit of the Company for each financial year subject to maximum of 50% of Annual Salary.								
C 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	Nil								
2 Medical Reimbursement	Reimbursement of medical for self and family, as per rules of the Company.								



3	Leave Travel Allowance	: Nil
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 exceeding Rs. 4000/- 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.
9	Entertainment, travelling and all other expenses incurred for the business of the Company	: Reimbursement of actual expenses.
10	Sitting fees for attending the meeting of the Board or any Committee thereof	: So long as Shri Manoj Somani functions as a Managing Director, he shall not be paid any sitting fees for attending the meeting of the Board or any Committee thereof.
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.	: The proposed remuneration is in line with the remuneration payable to the managerial personnel holding similar stature / position in the industry.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	: Besides remuneration, Shri Manoj Somani is a part of the promoter group holding 44.69% shares of the Company.
III. Other Information :		
(1)	Reasons of loss or inadequate profits	: The Company was earning net profit upto the year 1999-2000 and paid reasonable dividend for the years from 1992-93 to 1998-99. However, due to increase in raw materials prices not completely absorbed by the recession hit user industry and high interest cost the Company incurred losses during the years 2000-01 to 2003-04. However, during these period the company made conscious efforts for reducing its cost. The Company increased production capacity to get benefits of economy of scales through higher production and also achieving better productivity. A captive power plant has been installed to reduce power cost. Under an arrangement with IDBI for debt restructuring term loan of Rs.300.00 lacs was converted into equity shares and Funded Interest Term Loan of Rs.350.00 lacs converted into 1% Cumulative Redeemable Preference Shares effective from 01/10/2004, which reduced interest cost. All these measures helped the Company to improve its bottom line and the results of the Company are once again in black from the year 2004-05. As per the unaudited financial performance during first three months of the year 2005-06, the Company earned net profit of Rs.67.49 lacs before tax as against net loss of Rs.86.23 lacs during corresponding period of the previous year, which shows the turnaround & growth of the company.
(2)	Steps taken or proposed to be taken for improvement	
(3)	Expected increase in productivity and profits in measurable terms.	
IV. Disclosures		: Remuneration details of all directors are given in the Corporate Governance Report.

ITEM NO. 8

At the 16th Annual General Meeting of the Company held on 19th August, 2000, the members of the Company had approved the re-appointment and payment of remuneration and perquisites to be provided for Shri Manish Somani, within the overall limits prescribed under the Schedule XIII of the Companies Act, 1956 for the period of five years from 1st October, 2000.

Shri Manish Somani is due for re-appointment as an Executive Director on 1st October, 2005. However, the Board of



Directors at their meeting held on 30th July, 2005 decided to re-appointment of Shri Manish Somani for a further period of three years effective from 1st April, 2005 with revised remuneration as detailed hereinafter subject to approval of the Company in General Meeting and approval of the Central Government, if necessary.

The particulars set out hereinafter 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 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 Manish Somani as an Executive Director of the Company for a term of three years commencing from 1st April, 2005.

The Draft of the agreement to be entered into with the Executive Director referred to above is available for inspection by the members of the Company at the Registered Office of the Company between 11 a.m. and 4 p.m. 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 Manish Somani himself and Shri Manoj Somani, Managing Director being relative of Shri Manish Somani.

In accordance with the requirements of Schedule XIII of the Companies Act, 1956, a statement providing the required information for the re-appointment and payment of remuneration to Shri Manish Somani is given below :

I. General Information	: As given in item no. 7 of the Explanatory Statement.
II. Information about the appointee	:
(1) Background details	: Shri Manish Somani, Aged 37 years is B. Com and PGDBM from Bombay University. During the PGDBM at Sydenham College, Mumbai he completed summer training at Automotives Paint Division of Asian Paints (India) Limited He was inducted as a Director on the Board of on 20/05/1995. He has been Executive Director of the Company since 01/10/1995.
(2) Past remuneration	: For the year 2004-05 Salary : Rs.1.50 lacs Contribution to PF: Rs.0.18 lac
(3) Recognition or awards	: —
(4) Job profile and his suitability	: He is in charge of production, marketing and factory management of Woven Label Division.
(5) Remuneration proposed	:
A Salary	: Rs.50,000/- per month
B Commission	: Nil
C 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	: Nil
2 Medical Reimbursement	: Reimbursement of medical for self and family, as per rules of the Company.
3 Leave Travel Allowance	: Nil
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 exceeding Rs. 2500/- 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.



9	Entertainment, travelling and all other expenses incurred for the business of the Company	: Reimbursement of actual expenses.
10	Sitting fees for attending the meeting of the Board or any Committee thereof	: So long as Shri Manish Somani functions as a Executive Director, he shall not be paid any sitting fees for attending the meeting of the Board or any Committee thereof.
(6)	Comparative remuneration profile with respect to industry, size of the company profile of the position and person.	: The proposed remuneration is in line with the remuneration payable to the managerial personnel holding similar stature / position in the industry.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	: Besides remuneration, Shri Manish Somani is a part of the promotor group holding 44.69% shares of the Company.
III. Other Information		: As given in item no. 7 of the Explanatory Statement
IV. Disclosures		: Remuneration details of all directors are given in the Corporate Governance Report.

By Order of the Board

Date : 8th August, 2005

Place : Mumbai

Manoj Somani

Managing Director

**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
Date of Birth	01/01/1952	24/09/1940
Date of appointment	11/06/1984	02/07/1993
Expertise in specific functional areas	Industrialist with rich experience in a Glass Bottle and Textiles Industries.	Industrialist with rich experience in areas like Transportation, Real Estate Development, Trading, Exports.
Qualifications	B.Com.	Senior Cambridge
List of Companies in which Directorship held as on 31/03/2005	<ol style="list-style-type: none"> Excel Glasses Limited Blue Nile Finvest Pvt. Ltd. Himgiri Finlease Pvt. Ltd. Navjeevan Synthetics 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 Distributors Pvt Ltd. Rameshwara Leasing Pvt. Ltd. Rameshwara International Pvt Ltd. Rameshwara Developers Pvt Ltd. Rameshwara Holdings Pvt. Ltd. Khetawat Towers Pvt. Ltd. East End Tower Pvt. Ltd. Indus Developers Pvt. Ltd. Himalaya Promoters Pvt. Ltd.
Chairman / Membership of the Committees of the Board of the Companies on which he is a Director as on 31/03/2005	Gopala Polyplast Limited Audit Committee-Member	Nil

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting before you, the 21st Annual report and the Audited Accounts for the financial year ended 31st March, 2005.

FINANCIAL RESULTS

The Financial results of the Company are summarized below:

	Rs. in Lacs	
	2004-05	2003-04
GROSS PROFIT	787.55	394.39
Less:		
Interest & Financial Charges	346.94	415.73
Depreciation	336.97	370.00
Depreciation for earlier year written back	—	(2.38)
NET PROFIT / (LOSS)	103.64	(388.96)
Add: Balance brought forward	(308.88)	Nil
Profit available for Appropriation	(205.24)	(388.96)
APPROPRIATIONS		
Transfer from General Reserve	—	80.08
Balance carried forward to next year	(205.24)	(308.88)

EQUITY / PREFERENCE DIVIDEND

In view of inadequate profits, your directors do not recommend dividend on Equity / Preference Shares for the year 2004-05.

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. Prashant Somani and Mr. Jugalkishore 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 :

- 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.