



GOPALA POLYPLAST LTD.

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24TH
ANNUAL REPORT
2007-08

G

GOPALA POLYPLAST

BOARD OF DIRECTORS

Shri Mahendra Somani	- Chairman
Shri Manoj Somani	- Managing Director
Shri Manish Somani	- Executive Director
Shri Jugal Kishore Khetawat	
Shri Kashyap Mehta	
Shri Malay Dalal	
Shri Ramprakash Khatod	
Shri Lalit Tulsyan (Resigned w.e.f. 23.01.08)	
Shri Sanjeev Taparia (Resigned w.e.f. 10.03.08)	

REGISTERED & ADMIN. OFFICE

485, Santej Vadsar Road, Santej,
Taluka Kalol, Dist. Gandhinagar-382721

REGISTRAR & TRANSFER AGENT

MCS LIMITED
101, 1st Floor, Shatdal Complex,
Opp. Bata Show Room, Ashram Road,
Ahmedabad-380 052

WORKS

Unit-1 485, Santej Vadsar Road, Santej,
Taluka Kalol, Dist. Gandhinagar-382721

Unit-2 Siddhi Vinayak Filaments
(A unit of Gopala Polyplast Ltd.)
66/A, Govt. Ind. Estate,
Masat, Silvassa, (D&NH)

AUDITORS

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

BANKERS

Industrial Development Bank of India Ltd.
Dena Bank

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24th Annual General Meeting

Day : Tuesday

Date : 30th September, 2008

Time : 11 a.m.

Venue : 485, Santej Vadsar Road,
Santej, Taluka Kalol,
Dist. : Gandhinagar-382721.



NOTICE

Notice is hereby given that the 24th Annual General Meeting of GOPALA POLYPLAST LIMITED will be held at Plot No. 485, Santej Vadsar Road, Santej, Taluka Kalol, Dist. Gandhinagar - 382721, Gujarat on 30th September, 2008 at 11.00 a.m. to transact the following business: **ORDINARY BUSINESS**

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 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. Mahendra Somani, who retires by rotation and being eligible, offers himself for reappointment
3. To appoint a Director in place of Mr. Ram Prakash Khatod, who retires by rotation and being eligible, offers himself for reappointment.
4. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution :
"RESOLVED THAT a written certificate pursuant to provision to sub-section (1) of section 224 of the Companies Act, 1956, having been received from M/s. V. K. Moondra & Co., Chartered Accountants, Ahmedabad, the said M/s. V. K. Moondra & Co., be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on a remuneration as may be agreed upon between the Board of Directors or any committee thereof and the said M/s. V. K. Moondra & Co."

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 pursuant to the provisions of Section 198, 269, 309 and 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company do hereby accord its approval to the reappointment of Mr. Manoj Somani as Managing Director of the Company not liable to retirement by rotation for a period of five years with effect from 1st January, 2008 to 31st December, 2012 on the terms and conditions (as approved by the 'Remuneration Committee') set out in the draft agreement of appointment submitted to this meeting duly initialled by the Chairman for identification and that he be paid remuneration by way of Salary and Perquisites not exceeding the amount thereof as set out in the accompanying explanatory statement which is permissible under Part II of Schedule XIII of the Companies Act, 1956 as may be decided by the Board of Directors of the Company from time to time."
RESOLVED FURTHER THAT the extent and scope of Salary and Perquisites as specified in the Explanatory Statement be altered, enhanced, widened or varied by the Board of Directors in accordance with the relevant provisions of the Companies Act, 1956 for the payment of managerial remuneration in force during the tenure of the Managing Director without the matter being referred to the Company in General Meeting again."
6. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Special Resolution :
"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company do hereby accord its approval to the reappointment of Mr. Manish Somani as Executive Director of the Company for a period of five years with effect from 1st January, 2008 to 31st December, 2012 on the terms and conditions (as approved by the 'Remuneration Committee') set out in the draft agreement of appointment submitted to this meeting duly initialled by the Chairman for identification and that he be paid remuneration by way of Salary and Perquisites not exceeding the amount thereof as set out in the accompanying explanatory statement which is permissible under Part II of Schedule XIII of the Companies Act, 1956 as may be decided by the Board of Directors of the Company from time to time."
RESOLVED FURTHER THAT the extent and scope of Salary and Perquisites as specified in the Explanatory Statement be altered, enhanced, widened or varied by the Board of Directors in accordance with the relevant provisions of the Companies Act, 1956 for the payment of managerial remuneration in force during the tenure of the Executive Director without the matter being referred to the Company in General Meeting again."

By Order of the Board

Manoj Somani
Managing Director

Place : Santej
Date : 30th July, 2008

NOTES:

1. The relevant Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of the special business under item no. 5 & 6 are annexed thereto.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2008 to 30th September, 2008 (Both days inclusive).
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the time fixed for the meeting.
4. Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting.



GOPALA POLYPLAST

5. Shareholders seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

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

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, following Explanatory Statement sets out all material facts relating to the Special Business mentioned at Item No.5 & 6 of the accompanying notice dated 30th July, 2008 and should be taken as forming part of the notice.

In respect of Item No.5:

Shareholders may recall that in the 21st Annual General Meeting held on 15th September, 2005, Mr. Manoj Somani was appointed as Managing Directors of the Company for a period of three years from 1st April, 2005 to 31st March, 2008. Shri Manoj Somani, Aged 41 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.

The Board of Directors, on the recommendation of Remuneration Committee, in their meeting held on 31st January, 2008 has reappointed Mr. Manoj Somani as Managing Director for a further period of five years i.e. from 1st January, 2008 to 31st December, 2012.

The major common terms and conditions of his reappointment are as under:

I. PERIOD:

The term of the Managing Director shall be for a period of five years from 1st January, 2008 to 31st December, 2012.

II. REMUNERATION:

I. SALARY : Rs. 70,000/- per month

II. COMMISSION : Calculated @ 1% of the Net Profit of the Company for each Financial Year subject, to a maximum of 50% of the Annual Salary. However, for any year of aggregate of salary, perquisites and commission shall not exceed the overall ceilings laid down under Section 198 and 309 of the Companies Act, 1956.

III. PERQUISITES : In addition to salary, the Following perquisites not exceeding the overall ceiling prescribed under schedule XIII of the Companies Act, 1956 will be provided to the Managing Director.

A. HOUSING : Nil

B. MEDICAL REIMBURSEMENT :

Reimbursement of medical expenses for self and family as per Rules of the Company.

C. CLUB FEES :

Fees of clubs, subject to a maximum of two clubs. This will not include admission and Life Membership fees.

D. PERSONAL ACCIDENT INSURANCE :

Personal Accident Insurance Cover as applicable will be provided to him by the Company. Premium payable shall not exceed Rs. 4000/-

E. PROVIDENT FUNDS / SUPERANNUATION FUND :

Contribution to provident fund and superannuation fund in accordance with the rules of the company.

F. GRATUITY :

Gratuity at a rate not exceeding one half month's salary for each completed year of service.

G. COMPANY CAR / PHONE :

One car with the services of driver, to be maintained by the company for official use and phone to be used for official purpose.

H. Earned / Privilege leave may be allowed as per the Rules of the Company. Leave accumulated and not availed of during his tenure as Managing Director may be allowed to be encashed at the time of end of his tenure as per Rules of the Company.

III. Reimbursement of Actual Expenses :

Reimbursement of entertainment, traveling and all other expenses actually and properly incurred in the course of legitimate business of the Company.

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

V. The Managing Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.

VI. DUTIES: Subject to the superintendence, direction and control of the Board of Directors of the Company, the Managing Director Shall be entrusted with substantial powers of management and also such other duties and responsibilities as may be entrusted to him by the Board of Directors from time to time except those which are specifically required by the Companies Act, 1956 to be exercised only at a Meeting of the Board subject to any limitation or condition which may be prescribed by the Act or Board or by the Company in General Meeting. The headquarter of the Managing Director shall be at Ahmedabad or at such place as the Board of Directors may decided from time to time.

**VII. TERMINATION:**

The Managing Director may be removed from his office for gross negligence, breach of duty or trust if the Company in its General Meeting to that effect passes a special Resolution. The Managing Director may resign from his office by giving 90 days' notice to the Company.

VIII. COMPENSATION:

In the event of termination of office of Managing Director takes place before the expiration of tenure thereof, Managing Director Shall be entitled to receive compensation from the Company for loss of office to the extent and subject to limitation as provided under section 318 of the Companies Act, 1956.

As per the provisions of Sections 198, 269, 309, 314 and all other applicable provisions, if any, of the Companies Act, 1956 consent of the Company accorded by Special Resolution is necessary for holding office as Managing Director of the Company on remuneration.

The terms and conditions mentioned in the above explanatory statement may be treated as abstract of the terms of proposed contract under Section 302 of the Companies Act, 1956.

Resolution of the Board of Directors reappointing Mr. Manoj Somani as Managing Director and Draft agreement of reappointment are open for inspection at the Registered Office of the Company between 11.00 A.M. to 1.00 P.M. on any working day prior to the date of the meeting.

Mr. Manoj Somani is concerned or interested in the business since it relates to his appointment as Managing Director of the Company. Mr. Mahendra Somani and Mr. Manish Somani, Directors may also be treated as concerned or interested in the business since Mr. Manoj Somani is their relative. No other Director of the Company is deemed to be interested or concerned with the business.

In respect of Item No.6:

Shareholders may recall that in the 21st Annual General Meeting held on 15th September, 2005, Mr. Manish Somani was appointed as Executive Directors of the Company for a period of three years from 1st April, 2005 to 31st March, 2008.

Shri Manish Somani, Aged 39 years, is a B.Com and PGDBM from Bombay University. He was inducted as a Director on the Board of the Company on 20/05/1995. He has been Executive Director of the Company since 01/10/1995.

The Board of Directors, on the recommendation of Remuneration Committee, in their meeting held on 31st January, 2008 has reappointed Mr. Manish Somani as Executive Director for a further period of five years i.e. from 1st January, 2008 to 31st December, 2012.

The major common terms and conditions of his reappointment are as under:

I. PERIOD:

The term of the Executive Director shall be for a period of five years from 1st January, 2008 to 31st December, 2012.

II. REMUNERATION:

I. SALARY : Rs. 50,000/- per month

II. COMMISSION : Nil

III. PERQUISITES : In addition to salary, the Following perquisites not exceeding the overall ceiling prescribed under schedule XIII of the Companies Act, 1956 will be provided to the Executive Director.

A. HOUSING : Nil

B. MEDICAL REIMBURSEMENT :

Reimbursement of medical expenses for self and family as per Rules of the Company.

C. CLUB FEES :

Fees of clubs, subject to a maximum of two clubs. This will not include admission and Life Membership fees.

D. PERSONAL ACCIDENT INSURANCE :

Personal Accident Insurance Cover as applicable will be provided to him by the Company, Premium payable shall not exceed Rs. 2500/-

E. PROVIDENT FUNDS / SUPERANNUATION FUND :

Contribution to provident fund and superannuation fund in accordance with the rules of the company.

F. GRATUITY :

Gratuity at a rate not exceeding one half month's salary for each completed year of service.

G. COMPANY CAR / PHONE :

One car with the services of driver, to be maintained by the company for official use and Phone to be used for official purpose.

H. Earned / Privilege leave may be allowed as per the Rules of the Company. Leave accumulated and not availed of during his tenure as Executive Director may be allowed to be encashed at the time of end of his tenure as per Rules of the Company.

**III. Reimbursement of Actual Expenses :**

Reimbursement of entertainment, traveling and all other expenses actually and properly incurred in the course of legitimate business of the Company.

IV. So long as Mr. Manish Somani functions as Executive Director, he shall not be paid any sitting fees for attending the meeting of the Board or any Committee thereof.**V. The Executive Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.****VI. DUTIES:** Subject to the superintendence, direction and control of the Board of Directors of the Company, the Executive Director shall manage the business and affairs of the company and exercise all the powers vested in Directors except those which are specifically required by the Companies Act, 1956 to be exercised only at a Meeting of the Board subject to any limitation or condition which may be prescribed by the Act or Board or by the Company in General Meeting. The headquarter of the Executive Director shall be at Ahmedabad or at such place as the Board of Directors may decided from time to time.**VII. TERMINATION:**

The Executive Director may be removed from his office for gross negligence, breach of duty or trust if the Company in its General Meeting to that effect passes a special Resolution. The Executive Director may resign from his office by giving 90 days' notice to the Company.

VIII. COMPENSATION:

In the event of termination of office of Executive Director takes place before the expiration of tenure thereof, Executive Director shall be entitled to receive compensation from the Company for loss of office to the extent and subject to limitation as provided under section 318 of the Companies Act, 1956.

As per the provisions of Sections 198, 269, 309, 314 and all other applicable provisions, if any, of the Companies Act, 1956 consent of the Company accorded by Special Resolution is necessary for holding office as Executive Director of the Company on remuneration.

The terms and conditions mentioned in the above explanatory statement may be treated as abstract of the terms of proposed contract under Section 302 of the Companies Act, 1956.

Resolution of the Board of Directors reappointing Mr. Manish Somani as Executive Director and Draft agreements of reappointment are open for inspection at the Registered Office of the Company between 11.00 A.M. to 1.00 P.M. on any working day prior to the date of the meeting.

Mr. Manish Somani is concerned or interested in the business since it relates to his appointment as Executive Director of the Company. Mr. Mahendra Somani and Mr. Manoj Somani, Directors may also be treated as concerned or interested in the business since Mr. Manish Somani is their relative. No other Director of the Company is deemed to be interested or concerned with the business.

By Order of the Board

Place : Santej

Date : 30th July, 2008

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. Mahendrakumar Somani	Mr. Ram Prakash Khatod
Date of Birth	02/10/1947	07/11/1972
Date of appointment	31/07/2006	31/07/2002
Expertise in specific functional areas	Business	Finance and Accounts
Qualifications	S.S.C.E.	B.Com, A.C.A.
List of Companies in which Directorship held as on 31/03/2008	1. Kamala Mercantile Limited 2. Gopala Kraft Pack Pvt. Ltd. 3. Navjeevan Synthetics Pvt. Ltd. 4. Parag Velvets Pvt. Ltd. 5. Triflex Inks Pvt. Ltd. 6. Arunodaya Credit & Holding Investment (P) Ltd.	1. Onetime Leafin Pvt. Ltd. 2. Himgiri Finlease Pvt. Ltd. 3. Vijaybhan Investment and Consultancy Pvt. Ltd. 4. Pantheon Securities Pvt. Ltd. 5. Naresh Securities Pvt. Ltd.
Chairman / Membership of the Committees of the Board of the Companies on which he is a Director	Gopala Polyplast Limited Audit Committee-Member	Gopala Polyplast Limited Remuneration Committee - Member Shareholder/Investor Grievance Committee - Chairman


GOPALA POLYPLAST LTD.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting before you, the 24th Annual report and the Audited Accounts for the financial year ended 31st March, 2008.

FINANCIAL RESULTS

The Financial results of the Company are summarized below:

	2007-08	Rs. in Lacs 2006-07
GROSS PROFIT (PBDIT)	283.77	846.41
Less:		
Interest & Financial Charges	388.17	395.39
Depreciation	309.67	299.01
PROFIT BEFORE TAX	(414.07)	152.01
Provision for Fringe Benefit Tax	5.80	24.80
Provision for Deferred Tax	(2.21)	—
PROFIT AFTER TAX	(417.66)	127.21
Add: Balance brought forward	121.95	—
Profit available for Appropriation	(295.71)	127.21
APPROPRIATIONS		
Proposed Preference Dividend	—	4.50
Tax on proposed Preference Dividend	—	0.76
Transfer from General Reserve	—	—
Balance carried forward to next year	(295.71)	121.95

DIVIDEND

Due to losses, your directors do not recommend any dividend on Equity Shares and Preference Shares for the year 2007-08

EXPANSION & MODERNISATION

Woven Sacks Division

In order to have a better control over operation and controlling transportation & other cost the company is planning to shift its finishing unit from Silvassa to Santej. For this purpose a new building is being constructed at its Santej unit. Apart from this the Company has not undertaken any major expansion in this division during the year under review.

Label Division

The company has added one new Jacquard loom imported from Jakob Muller, AG Frick in the label division. However due to the rising of Rupee against the US Dollar the margin of this division was also remain under pressure.

General

The woven sacks division has suffered badly and made heavy losses mainly due to the increase in power cost as the BPCL has increased the gas prices by almost 45%. Apart from this, a major break down had occurred to the gas based Captive Power Plant at the year end just to make things worse.

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. Mahendra Somani and Mr. Ram Prakash Khatod, retire by rotation at the forthcoming Annual General Meeting, and being eligible offer themselves for re-appointment.

During the period under review Mr. Lalit Kumar Tulsyan and Mr. Sanjay Taparia, Directors of the Company resigned from the Board of Directors. Your directors place on record their sincere appreciation for the guidance and valuable services rendered by Shri Lalit Kumar Tulsyan and Shri Sanjay Taparia, during their tenure as Directors of the Company.

Mr. Kashyap Mehta and Mr. Malay Dalal, who were earlier appointed as Additional Director on 31/07/2007 were appointed as Director of the Company at the Annual General Meeting held on 24/09/2007.

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

The Directors hereby confirm, that they have :

- i. followed in the preparation of the annual accounts, the applicable accounting standards along with proper explanation relating to material departures;
- ii. 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. 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. 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.

DELISTING OF EQUITY SHARES

The Company has applied to the Calcutta Stock Exchanges for voluntary delisting and its outcome is still awaited. The equity shares of the Company are continued to be listed on the Bombay Stock Exchange Limited (BSE).

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 earning in foreign exchange from Direct Exports is Rs.168.09 lacs. (Previous year - Rs.130.79 lacs)

The total foreign exchange out flow during the year on account of import of Machinery, Spares and other expenses is Rs. 83.26 Lacs (Previous year - Rs. 17.57 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 49 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 Board of Directors places on record its warm appreciation for the devoted services of the staff at all levels of the Company who have contributed all these years to the growth of the Company. The Board of Directors gratefully acknowledge support extended by various Government Authorities, customers, investors, Banks and Financial Institutions to the Company from time to time.

For and on behalf of the Board of Directors

Santej
30th July, 2008

Mahendra Somani
Chairman

G**GOPALA POLYPLAST LTD.****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. The company has installed Heat Recovery Equipments at its Captive Power Plant which enables it to meet the chilling requirement of its plants, which otherwise was fulfilled out of power run compressors and chilling plant. The potential power saving out of these equipments is estimated at 7.00 lac KWH per annum.

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>2007-08</u>	<u>2006-07</u>
a. Foreign Exchange Earnings	168.09	130.79
b. Foreign Exchange Outgo	83.26	17.57

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

	<u>2007-08</u>	<u>2006-07</u>
Electricity		
1. Purchased from GEB Units (KWH)	2946120	2076778
Total Amount (Rs.)	17195960	10730008
Rate per unit (Rs.)	5.83	5.17
2. Gas Consumption (in kg)	—	29780
Total Amount (Rs.)	—	800693
3. Own Generation (through D.G. sets)		
Total Units Generated (KWH)	125968	82816
Total Amount (Rs.)	1874049	926069
Units per Ltr. (KWH)	3.19	3.15
Cost per unit (Rs.)	14.88	11.18
4. Own Generation (CPP-Gas)		
Total Units Generated (KWH)	7107587	8188085
Total Amount (Rs.)	26141511	23966576
Units SCM	3.61	3.80
Cost per unit (Rs.)	3.68	2.93

II. CONSUMPTION PER UNIT OF PRODUCTION

Product	PP Woven Sacks	
	<u>2007-08</u>	<u>2006-07</u>
Production (Tons)	12287	12140
Total No. of Units (KWH)	9469870	9339270
Units per Ton (KWH)	770	769

* The quantitative details of Label Division cannot be compiled hence the relevant details are not given.



REPORT ON CORPORATE GOVERNANCE

Report on Corporate Governance for the year 2007-08 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, 3 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, 2008 :

Director	Executive / Non-executive Independent	Number of Directorships of other Public companies	Committee positions	
			As Chairman	As Member
Mahendra Somani	Non-executive, Chairman	1	-	1
Manoj Somani	Executive	1	1	1
Manish Somani	Executive	-	-	2
Jugalkishore Khetawat	Non-executive	5	-	-
Ramprakash Khatod	Non-executive, Independent	-	1	1
Malay Dalal	Non-executive, Independent	-	1	1
Kashyap Mehta	Non-executive, Independent	5	7	5

As mandated by the revised clause 49, the independent directors on the Company's Board

- Apart from receiving Directors remuneration, do not have any material, pecuniary relationship or transactions with the Company, its promoters, its Directors, its senior management or its associates which may affect the independence of the Director.
- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- Have not been executive of the Company in the immediately preceding three financial years.
- Are not partners or executives or were not partners or executive during the preceding three years of the
 - Statutory Audit firm or the internal audit firm that is associated with the Company.
 - Legal firm(s) and consulting firm(s) that have a material association with the Company.
- Are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect their independence.
- Are not substantial shareholders of the Company i.e. do not own two percent or more of the block of voting shares.

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

Director	Number of Board Meetings		Last AGM Attendance
	Held	Attended	
Mahendra Somani	5	5	Yes
Manoj Somani	5	5	Yes
Manish Somani	5	5	Yes
Jugalkishore Khetawat	5	-	No
Lalit Tulsyan (*)	4	-	No
Ramprakash Khatod	5	1	No
Sanjeev Taparia (**)	5	-	No
Malay Dalal (***)	4	4	Yes
Kashyap Mehta (***)	4	4	Yes

(*) Mr. Lalit Tulsyan resigned from the Board of Directors w.e.f. 23/01/2008

(**) Mr. Sanjiv Taparaia resigned from the Board of Director w.e.f. 10/03/2008

(***) Mr. Malay Dalal and Mr. Kashyap Mehta appointed as Director w.e.f. 31/07/2007