



GOPALA POLYPLAST LTD.

25TH
ANNUAL REPORT
2008-09


GOPALA POLYPLAST LTD.
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	

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.)
10-11-12, First Floor,
Madhuban Dam Road, Rakholi,
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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25th Annual General Meeting

Day : Thursday

Date : 24th September, 2009

Time : 11 a.m.

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



NOTICE

Notice is hereby given that the 25th 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 24th September, 2009 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, 2009 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. Malay Dalal, who retires by rotation and being eligible, offers himself for reappointment
3. To appoint a Director in place of Mr. Kashyap Mehta, 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 for the financial year 2009-10 and 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."

By Order of the Board

Place : Santej
Date : 26th August, 2009

Manoj Somani
Managing Director

NOTES:

1. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd September, 2009 to 24th September, 2009 (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.

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

Name of Director	Mr. Malay Dalal	Mr. Kashyap Mehta
Date of Birth	26/06/1963	07/03/1960
Date of appointment	31/07/2007	31/07/2007
Expertise in specific functional areas	Finance and Accounts	Finance and Company Laws
Qualifications	B.Com., F.C.A., Grad C.W.A.	B.Com, LL.B., F.C.S., AICWA, ACIS (UK)
List of Companies in which Directorship held as on 31/03/2009	NIL	1. Gujarat Craft Industries Limited 2. Typhoon Financial Services Limited 3. Prism Finance Limited 4. Som Shiva (Impex) Limited
Chairman / Membership of the Committees of the Board of the Companies on which he is a Director	Gopala Polyplast Limited Audit Committee-Chairman Remuneration Committee - Member	Gopala Polyplast Limited Audit Committee - Member Remuneration Committee - Chairman Gujarat Craft Industries Limited Audit Committee - Member Remuneration Committee - Member Shareholders' Grievances Committee - Member Typhoon Financial Services Limited Audit Committee - Chairman Remuneration Committee - Chairman Shareholders' Grievances Committee - Chairman Prism Finance Limited Audit Committee - Member



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting before you, the 25th Annual report and the Audited Accounts for the financial year ended 31st March, 2009.

FINANCIAL RESULTS

The Financial results of the Company are summarized below:

	<u>2008-09</u>	Rs. in Lacs <u>2007-08</u>
GROSS PROFIT (LOSS)(PBDIT)	(219.86)	283.77
Less:		
Interest & Financial Charges	406.30	388.17
Depreciation	261.09	309.67
PROFIT / (LOSS) BEFORE TAX	(887.25)	(414.07)
Less:		
Provision for Fringe Benefit Tax	4.09	5.80
Provision for Deferred Tax	(217.74)	(2.21)
Provision for Income-Tax of earlier year	0.48	—
PROFIT / (LOSS) AFTER TAX	(674.08)	(417.66)
Add: Balance brought forward	(295.71)	121.95
Profit / (Loss) available for Appropriation	(969.79)	(295.71)
APPROPRIATIONS	—	—
Balance carried forward to next year	(969.79)	(295.71)

EQUITY / PREFERENCE DIVIDEND

Due to losses, your directors do not recommend dividend on Equity Shares and Preference Shares for the year 2008-09

EXPANSION & MODERNISATION

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

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. Mr. Malay Dalal and Mr. Kashyap Mehta, 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 they have :

- followed in the preparation of the annual accounts, the applicable accounting standards along with proper explanation relating to material departures;
- 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;
- 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;
- 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. 112.73 lacs. (Previous year – Rs.168.09 lacs)

The total foreign exchange out flow during the year on account of import of Machinery, Spares and other expenses is Rs. 11.57 Lacs (Previous year – Rs. 83.26 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
26th August, 2009

Mahendra Somani
Chairman



ANNEXURE TO THE DIRECTORS' REPORT

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

A. CONSERVATION OF ENERGY

Energy conservation measures taken by the Company involves mainly selection & installation of energy efficient equipment and energy saving devices. The impact of above measures on the cost of production is not precisely ascertainable.

B. TECHNOLOGY ABSORPTION

a. Research & Development The Company has not so far formally established a Research & Development wing. However it is getting its technology updated in consultation with the machinery manufacturers on a continuous basis.

b. Technology absorption, adaptation & innovation The Company has not imported any technology.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in Lacs)

	<u>2008-09</u>	<u>2007-08</u>
a. Foreign Exchange Earnings	112.73	168.09
b. Foreign Exchange Outgo	11.57	83.26

FORM - A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

I. POWER AND FUEL CONSUMPTION:

	<u>2008-09</u>	<u>2007-08</u>
Electricity		
1. Purchased from GEB Units (KWH)	3113842	2946120
Total Amount (Rs.)	19331622	17195960
Rate per unit (Rs.)	6.21	5.83
2. Own Generation (through D.G. sets)		
Total Units Generated (KWH)	26507	125968
Total Amount (Rs.)	877144	1874049
Units per Ltr. (KWH)	3.11	3.19
Cost per unit (Rs.)	14.88	14.88
3. Own Generation (CPP-Gas)		
Total Units Generated (KWH)	6753240	7107587
Total Amount (Rs.)	35556503	26141511
Units/SCM	3.74	3.61
Cost per unit (Rs.)	5.28	3.68

II. CONSUMPTION PER UNIT OF PRODUCTION

Product	PP Woven Sacks	
	<u>2008-09</u>	<u>2007-08</u>
Production (Tons)	11423	12287
Total No. of Units (KWH)	9036699	9469870
Units per Ton (KWH)	791	770

* 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 2008-09 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, 2009 :

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	2	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	4	4	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	6	6	Yes
Manoj Somani	6	6	Yes
Manish Somani	6	6	No
Jugalkishore Khetawat	6	—	No
Ramprakash Khatod	6	—	No
Malay Dalal	6	5	Yes
Kashyap Mehta	6	5	No



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

No. of Board Meetings held during the year 2008-09	Dates of Meetings
6	31/05/2008, 28/06/2008, 30/07/2008, 31/10/2008, 31/01/2009 and 20/02/2009. The maximum time gap between any two consecutive meetings did not exceed four months.

Disclosure regarding directors considered for appointment / re- appointment :

At the annual General Meeting of the Company, Mr. Malay Dalal and Mr. Kashyap Mehta are retiring by rotation and being eligible for reappointment are proposed to be reappointed. 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 reconstituted 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 lastly reconstituted on 31/07/2007, comprising of non-executive directors of whom two are independent directors. The members of the Committee are Mr. Malay Dalal, Chairman, Mr. Kashyap Mehta and Mr. Mahendra Somani. Mr. Malay Dalal, Chartered Accountant and Mr. Kashyap Mehta, Company Secretary Whole-time in practice have good financial and accounting knowledge. The Chairman of the Audit Committee attended the Annual General Meeting of the Company held on 30/09/2008.

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

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to :
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism, as and when implemented by the Company.



13. To review the following information

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The committee met four times during the year ended 31st March, 2009 on 28/06/2008, 30/07/2008, 31/10/2008 and 31/01/2009.

Name of the member	Number of Meetings	
	Held	Attended
Director		
Malay Dalal	4	4
Kashyap Mehta	4	4
Mahendra Somani	4	4

3. Remuneration Committee :

Remuneration Committee comprising of Shri Sanjeev Taparia, Shri Ramprakash Khatod and Shri Lalit Tulsyan Independent Directors of the Company as members of the Committee under the Chairmanship of Shri Sanjeev Taparia was appointed on 26/06/2007 for the approval of the remuneration of the Managing Director / Executive Director / Whole-time Director / Manager of the Company. The Remuneration Committee was reconstituted on 31/07/2007 comprising Mr. Kashyap Mehta, Chairman, Mr. Malay Dalal and Mr. Ram Prakash Khatod

The committee did not meet once during the year ended 31st March, 2009

Name of the Member	Number of Meetings	
	Held	Attended
Director		
Kasyap Mehta	Nil	N.A.
Malay Dalal	Nil	N.A.
Ramprakash Khatod	Nil	N.A.

4. Director's Interests in the Company :

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

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

Director	Relationship with other directors *	Business relationship with the company if any	Remuneration paid/payable during 2008-09 (in Rs.)			
			Sitting Fees	Salary & Perks	Commission	Total
Mahendra Somani	Father of Manoj Somani and Manish Somani	None	Nil	Nil	Nil	Nil
Manoj Somani	Son of Mahendra Somani	None	Nil	940800	Nil	940800
Manish Somani	Son of Mahendra Somani	None	Nil	672000	Nil	672000
Jugal kishore Khetawat	None	None	Nil	Nil	Nil	Nil
Malay Dalal	None	None	Nil	Nil	Nil	Nil
Kasyap Mehta	None	None	Nil	Nil	Nil	Nil

* as defined under Section 6 of the Companies Act, 1956.

Table 5 : No. of shares held by non-executive directors as on 31st March, 2009 :

Director	No. of shares held
Mahendra Somani	60,600
Jugal kishore Khetawat	1,60,900
Malay Dalal	Nil
Kasyap Mehta	Nil
Ramprakash Khatod	Nil

* during the year 2008-09, the Company did not advance any loan to any of the directors.



5. Shareholders'/ Investors' Grievance Committee :

The Company has constituted a three-member Committee designated as 'Shareholders/Investors Grievance Committee' under the chairmanship of Mr. Ramprakash Khatod, Non-executive director and Mr. Manoj Somani, Managing Director and Mr. Manish Somani, Executive Director to specifically look into the redressing of shareholder and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

The committee met once during the year on 31st March, 2009, which was attended by Mr. Ramprakash Khatod, Mr. Manoj Somani and Manish Somani

The relevant data are as under :

Name of non-executive director heading the committee	:	Mr. Ramprakash Khatod
Name and designation of Compliance Officer	:	Mr. Yogesh Jain Dy. Gen. Manager (Finance)
Number of shareholders' complaints received during the year	:	2
Number of shareholders' complaints not solved to the satisfaction of shareholders	:	Nil
Number of share transfers pending for over 30 days as on 31-3-2009.	:	Nil

6. General Body Meetings :

Location and time, where last three AGMs held :

AGM Number	Date & Time	Venue
22nd	18/09/2006 at 11.00 a.m.	Kilachand Room, India Merchant Chamber, Church Gate, Mumbai – 400 020
23rd	24/09/2007 at 11.00 a.m.	Plot No. 485, Santej Vadsar road, Santej, Taluka Kalol, Dist. Gandhinagar-382721, Gujarat.
24th	30/09/2008 at 11.00 a.m.	Plot No. 485, Santej Vadsar road, Santej, Taluka Kalol, Dist. Gandhinagar-382721, Gujarat.

Any special resolution passed at these meetings through postal ballot last year	No
Person who conducted the postal ballot exercise	Not applicable
Any special Resolution proposed to be conducted through postal ballot	No
Procedure adopted for postal ballot	Not applicable

7. Disclosures :

a. Related party transaction

Disclosures on materially significant related party transactions i.e., transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interest of the Company at large :

Related party transactions of the Company during the year are as under :-

Sr. No.	Particulars	Transaction value (Rs. in lacs)	Outstanding Amount carried in Balance Sheet (Rs. In lacs)
1.	Remuneration to Mr. Manoj Somani, Managing Director	9.41	Nil
2.	Remuneration to Mr. Manish Somani, Executive Director	6.72	Nil
3.	Rent paid to Mr Manoj Somani, Managing Director	0.26	Nil
4.	Rent paid to Smt. Purnima Somani, Spouse of Mr. Manish Somani	0.27	Nil
5.	Rent paid to Smt. Ushadevi Somani mother of Mr. Manoj Somani, Managing Director and Mr. Manish Somani, Executive Director	2.38	Nil
6.	Amount received from Indian Bobbin Manuf. Company Pvt. Ltd.	64.97	25.00
7.	Amount received from New Life Marketing & Trading Pvt. Ltd.	50.00	50.00
8.	Amount paid to Indian Bobbin Manufacturing Company Pvt. Ltd.	39.97	25.00

b. Accounting treatment

There is no deviation in following the treatment prescribed in Accounting Standard in preparation of financial statements for the year 2008-09.