



G O P A L A
P O L Y P L A S T L T D

28TH ANNUAL REPORT 2011-12

**BOARD OF DIRECTORS**

Shri Mahendra Somani	- Chairman
Shri Manoj Somani	- Managing Director
Shri Manish Somani	- Executive Director
Shri Jugal Kishore Khetawat	
Shri Malay Dalal	
Shri Balkrishna Mittle	
Shri Subhash Dalmia (resigned on 25.07.2011)	
Shri Rajkumar Poddar (from 01.10.2011)	
Ms. Anal Desai	- Company Secretary

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.)
Survey No 207/P, Plot No. 6,
Nr. Dadra Check Post, Village Dadra,
Union Territory of Dadra and Nagar Haveli.

AUDITORS

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

BANKERS

Industrial Development Bank of India Ltd.
Dena Bank

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28th Annual General Meeting

Day : Saturday

Date : 22nd September, 2012

Time : 11 a.m.

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



NOTICE

Notice is hereby given that the 28th 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 Saturday, 22nd September, 2012 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, 2012 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. Manish Somani, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors, to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution :

"RESOLVED THAT Mr. Rajkumar Poddar who is appointed as an Additional Director in the meeting of Board of Directors held on 1st October, 2011 and who holds office as such upto the date of 28th Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. Rajkumar Poddar as a candidate for the office of Director of the Company be and is hereby appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of Director by rotation".

6. 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 Section 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company do hereby accord its approval to the appointment of Mr. Mahendra Somani as a whole-time Director of the Company for a period of five years with effect from 1st October, 2011 to 30th September, 2016 on such terms and conditions and on such remunerations (approved by the 'Remuneration Committee') as set out in the draft agreement of appointment submitted to this meeting duly initialled by the Chairman for identification.

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 or any Committee thereof from time to time in accordance with the relevant provisions of the Companies Act, 1956 for the payment of managerial remuneration in force during the tenure of the Whole-time 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 : 31st July, 2012

NOTES :

1. The relevant Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of the special business above are annexed thereto
2. The Register of Members and Share Transfer Books of the Company will remain closed from 20th September, 2012 to 22nd September, 2012 (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.
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****ITEM NO. 5**

The Board of Directors appointed Mr. Rajkumar Poddar as an Additional Director on 01/10/2011 pursuant to the provision of Article 92 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956 to hold the office upto the date of forthcoming Annual General Meeting.

The Company has received notice in writing along with the deposit of Rs. 500/- from a member in terms of Section 257 of the Act signifying his intention to propose Mr. Rajkumar Poddar for the office of Director.

Mr. Rajkumar Poddar is willing to act as Director of the Company, if appointed, and has filed his consent pursuant to Section 264 (1) of the Companies Act, 1956. Mr. Rajkumar Poddar, aged 65 years, is S.S.C.E. Passed and is having very large experience of textile business.

The Board recommends the above Resolution for the approval of the members.

None of the Directors is concerned or interested in the resolution, except Mr. Rajkumar Poddar.

ITEM NO. 6

The Board of Directors in their meeting held on 1st October, 2011 has appointed Mr. Mahendra Somani as a Whole-time Director for a period of five years i.e. from 1st October, 2011 to 30th September, 2016 on such remuneration as approved by the Remuneration Committee.

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

I. PERIOD:

The term of the Whole-time Director shall be for a period of five years from 1st October, 2011 to 30th September, 2016.

II. REMUNERATION:

A. SALARY : Rs. 20,000/- per month

B. COMMISSION : Nil

C. 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 Whole-time Director.

i. MEDICAL REIMBURSEMENT :

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

ii. CLUB FEES :

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

iii. PERSONAL ACCIDENT INSURANCE :

Personal Accident Insurance Cover as applicable will be provided to him by the Company. Premium payable shall not exceed Rs. 2000/-

iv. 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.

v. GRATUITY :

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

vi. LEAVE ENCASHMENT :

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

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.

So long as Mr. Mahendra Somani functions as a Whole-time Director, he shall not be paid any sitting fees for attending the meeting of the Board or any Committee thereof.

The Whole-time 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.

**III. DUTIES:**

Subject to the superintendence, direction and control of the Board of Directors of the Company, the Whole-time Director, while looking after General Administration of the Company, 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.

IV. TERMINATION:

The Whole-time Director may be removed by the Company from his office for gross negligence, breach of duty or trust by giving 90 days notice. The Whole-time Director may resign from his office by giving 90 days notice to the Company.

If at any time the Whole-time Director ceases to be a director of the company from any cause whatever, he shall cease to be Whole-time Director

V. COMPENSATION:

In the event of termination of office of Whole-time Director takes place before the expiration of tenure thereof, Whole-time 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 and 309 and all other applicable provisions, if any, of the Companies Act, 1956 consent of the Company accorded by Ordinary Resolution is necessary for holding office as Whole-time 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 appointing Mr. Mahendra Somani as a Whole-time Director and Draft agreements of appointment 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. Mahendra Somani is concerned or interested in the business since it relates to his appointment as a Whole-time Director of the Company. Mr. Manoj Somani and Mr. Manish Somani, Directors may also be treated as concerned or interested in the resolution since Mr. Mahendra Somani is their relative. No other Director of the Company is deemed to be concerned or interested in the resolution.

By Order of the Board

Manoj Somani

Managing Director

Place : Santej

Date : 31st July, 2012

**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. Manish Somani	Mr. Rajkumar Poddar
Date of Birth	02/10/1947	20/09/1968	19/07/1947
Date of appointment	31/07/2006	20/05/1995	01/10/2011
Expertise in specific functional areas	Industrialist	Industrialist	Textile Business
Qualifications	F.Y.B.Com.	B.Com., PGDBM	F.Y.B.Com
List of other Public Companies in which Directorship held as on 31/03/2012	Kamala Mercantile Limited	NIL	NIL
Chairman / Membership of the Committees of the Board of the Companies on which he is a Director	NIL	Gopala Polyplast Limited Shareholder/Investors Grievances Committee – Member Share Transfer Committee - Member	Gopala Polyplast Limited Audit Committee - Member Remuneration Committee - Member

**DIRECTORS' REPORT****Dear Shareholders,**

Your Directors have pleasure in presenting before you, the 28th Annual report and the Audited Accounts for the financial year ended 31st March, 2012.

FINANCIAL RESULTS

The Financial results of the Company are summarized below:

	2011-12	Rs. in Lacs 2010-11
GROSS PROFIT (LOSS)(PBDIT)	658.10	223.85
Less:		
Interest & Financial Charges	330.45	227.46
Depreciation	247.94	257.91
PROFIT / (LOSS) BEFORE TAX & EXTRA ORDINARY ITEM	79.71	(261.52)
Add:		
Extra Ordinary Item	—	309.89
PROFIT / (LOSS) BEFORE TAX	79.71	48.37
Less:		
Provision for Deferred Tax	(78.99)	23.02
PROFIT / (LOSS) AFTER TAX	158.70	25.35
Add: Balance brought forward	(1,409.22)	(1,434.57)
Profit / (Loss) available for Appropriation	—	—
APPROPRIATIONS	—	—
Balance carried forward to next year	(1,250.52)	(1,409.22)

EQUITY / PREFERENCE DIVIDEND

Due to inadequate distributable profits, your directors do not recommend dividend on Equity Shares and Preference Shares for the year 2011-12.

EXPANSION & MODERNISATION

The company is regularly upgrading its plant and machinery and has spent Rs. 70.62 lakhs on plant and machinery 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. Mahendra Somani and Mr. Manish Somani, retire by rotation at the forthcoming Annual General Meeting, and being eligible offer themselves for re-appointment.

Mr. Rajkumar Poddar, who was earlier appointed as Additional Director 01/10/2011, is proposed to be appointed as Director of the Company at the next Annual General Meeting.

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;



- 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. 237.22 lacs. (Previous year - Rs. 152.82 lacs)

The total foreign exchange out flow during the year is Rs18.36 Lacs (Previous year - Rs. 15.07 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
31st July, 2012

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)

	2011-12	2010-11
a. Foreign Exchange Earnings	237.32	152.82
b. Foreign Exchange Outgo	18.36	15.07

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

	2011-12	2010-11
Electricity		
1. Purchased from GEB Units (KWH)	79,78,998	28,42,925
Total Amount (Rs.)	4,91,02,896	1,72,00,613
Rate per unit (Rs.)	6.15	6.05
2. Own Generation (through D.G. sets)		
Total Units Generated (KWH)	14,328	31,631
Total Amount (Rs.)	1,56,351	3,87,214
Cost per unit (Rs.)	10.91	12.24
3. Own Generation (CPP-Gas)		
Total Units Generated (KWH)	6,32,853	69,10,716
Total Amount (Rs.)	65,77,674	4,21,74,461
Cost per unit (Rs.)	10.39	6.10

II. CONSUMPTION PER UNIT OF PRODUCTION

Product	PP Woven Sacks	
	2011-12	2010-11
Production (Tons)	11,779	12,341
Total No. of Units (KWH)	86,26,179	88,74,519
Units per Ton (KWH)	732	719

* 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 2011-12 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 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, 2012 :

Director	Executive / Non-executive Independent	Number of Directorships of other Public companies	Committee positions	
			As Chairman	As Member
Mahendra Somani	Executive, Chairman	1	-	-
Manoj Somani	Executive	2	1	1
Manish Somani	Executive	-	-	2
Jugalkishore Khetawat	Non-executive	8	-	-
Malay Dalal	Non-executive, Independent	-	3	-
Balkrishna Mittle	Non-executive, Independent	-	-	2
Rajkumar Poddar	Non-executive, Independent	-	-	2

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	Yes
Jugalkishore Khetawat	6	0	No
Malay Dalal	6	5	Yes
Balkrishna Mittle	6	5	No
Subhash Dalmia (*)	1	0	N.A.
Rajkumar Poddar (**)	4	3	N.A.

(*) Mr. Subhash Dalmia resigned from the Board of Directors w.e.f. 25/07/2011

(**) Mr. Rajkumar Poddar appointed as Director on 01/10/2011

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

No. of Board Meetings held during the year 2011-12	Dates of Meetings
6	30/05/2011, 30/07/2011, 01/10/2011, 31/10/2011, 31/01/2012 and 17/03/2012. 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. Mahendra Somani and Mr. Manish Somani 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 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 lastly reconstituted on 01/10/2011, comprising of non-executive directors and all of them are independent directors. The members of the Committee are Mr. Malay Dalal, Chairman, Mr. Balkrishna Mittle and Mr. Rajkumar Poddar. Mr. Malay Dalal, Chartered Accountant has good financial and accounting knowledge. The Chairman of the Audit Committee attended the Annual General Meeting of the Company held on 30/09/2011.

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

1. 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.
2. 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.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to :
 - a. 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
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems
7. 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.
8. Discussion with internal auditors any significant findings and follow up thereon.
9. 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.
10. 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.
11. 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.
12. To review the functioning of the Whistle Blower mechanism, as and when implemented by the Company.