

29<sup>TH</sup> ANNUAL REPORT 2012-13



***GOPALA POLYPLAST LTD.***

***"And Reduced"***

**BOARD OF DIRECTORS**

Shri Mahendra Somani	- Chairman & Wholetime Director
Shri Manoj Somani	- Managing Director
Shri Manish Somani	- Executive Director
Shri Jugal Kishore Khetawat	
Shri Malay Dalal	
Shri Balkrishna Mittle	
Shri Rajkumar Poddar	
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**

Dena Bank

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**29th Annual General Meeting**

Day : Monday

Date : 30th September, 2013

Time : 11 a.m.

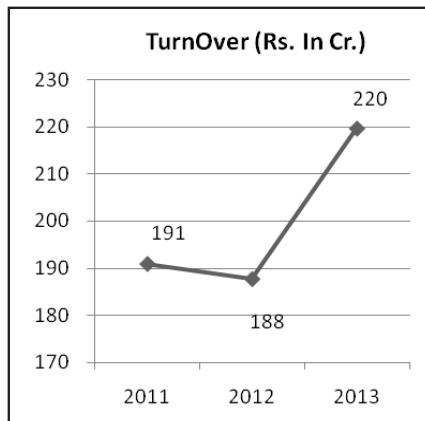
Venue : 485, Santej Vadsar Road,  
Santej, Taluka Kalol,  
Dist. : Gandhinagar-382721.



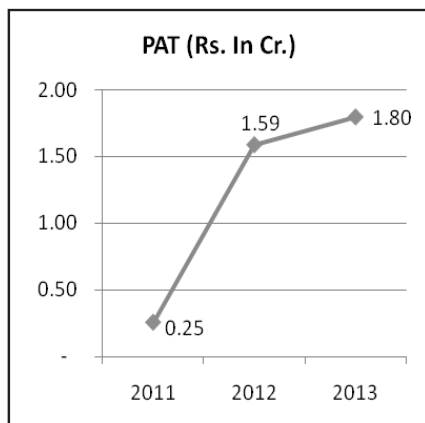
## Letter to Shareholders

Dear Fellow Shareowners,

A warm hello! We are optimistic about the future prospects of Gopala Polyplast Ltd. This past year we moved back to growth, increased the bottom line and finished the year stronger than we started it. Our manufacturing team and distribution network continues to strengthen, and our HDPE/PP Woven Sacks and Synthetic Woven Fabric segment continues to deliver stellar performance in a competitive market. We are prepared to face future challenges and continue to grow the company and deliver value to our customers, employees and shareholders.



At present, the company's woven sacks division (HDPE Division) is supplying mainly to Cement Industry. During last four years, the company has developed its capabilities for Sugar Industry and Food grain Industry. We are among the few companies that have successfully completed all government orders for food grain supply. After being well established in these industries, the company plans on expanding its existing block of plant and machinery. Without increasing too much capacity in this expansion project, the company is moving to higher levels of automation in bag making. This will substantially decrease our dependency on labour and increase our product quality. Through its diversification and modernization programme, the company is trying to enter a niche market with premium, higher margin products along with its existing product line. One of the product identify is BOPP laminated bags.



"BOPP laminated bags" are widely used today in retail packaging of 5-25 kg packs of rice, chakkiatta, maida, besan, sugar, seed, fertilizers, cement putty and other premium products. Retail sector is exploding and the BOPP bag market is rapidly growing because of the importance of branding and need of aesthetically appealing packaging. The company would like to exploit this opportunity in this time of growth.

Woven Fabric has traditionally been an accessory for the main garment and are the creators of brand value of the garment. Thus it constitutes an important role in garment manufacturing and is used by both the garment exporters as well domestic garment manufacturers. We are one of the approved suppliers of woven fabric to renowned garment exporters and international department stores.

During the coming year, we look forward to sharing with you our new milestones and accomplishments as we lead the company through its next stage of growth. On behalf of the Board of Directors and the entire management team, we would like to thank our customers, suppliers, distributors, employees and shareholders for their continued support.

Sincerely,

**Manoj Somani**  
Managing Director



## NOTICE

Notice is hereby given that the 29th 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 Monday, 30th September, 2013 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, 2013 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. Manoj Somani, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Balkrishna Mittle, 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 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 reappointment of Mr. Manoj Somani as Managing Director of the Company for a period of five years with effect from 1st January, 2013 to 31st December, 2017 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 with a liberty to the Directors to alter and vary the terms and conditions of the said appointment without referring the same to the General Meeting in such manner as may be agreed to between the Directors and Mr. Manoj Somani.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

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 reappointment of Mr. Manish Somani as Executive Director of the Company for a period of five years with effect from 1st January, 2013 to 31st December, 2017 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 with a liberty to the Directors to alter and vary the terms and conditions of the said appointment without referring the same to the General Meeting in such manner as may be agreed to between the Directors and Mr. Manish Somani.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

By Order of the Board

Place : Santej  
Date : 29th July, 2013

**Manoj Somani**  
Managing Director

### 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 27th September, 2013 to 30th September, 2013 (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**

Shareholders may recall that in the 24th Annual General Meeting held on 30th September, 2008, Mr. Manoj Somani was appointed as Managing Directors of the Company for a period of five years from 1st January, 2008 to 31st December, 2012.

The Board of Directors, in their meeting held on 31st December, 2012, has reappointed Mr. Manoj Somani as Managing Director for a further period of five years i.e. from 1st January, 2013 to 31st December, 2017 on such remuneration as recommended on by Remuneration Committee.

The main 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, 2013 to 31st December, 2017.

#### **II. REMUNERATION:**

- A. SALARY : Rs. 1,45,000/- 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 Managing Director.
  - i. HOUSING : Nil
  - ii. MEDICAL REIMBURSEMENT :  
Reimbursement of medical expenses for self and family as per Rules of the Company.
  - iii. CLUB FEES :  
Fees of clubs, subject to a maximum of two clubs. This will not include admission and Life Membership fees.
  - iv. PERSONAL ACCIDENT INSURANCE :  
Personal Accident Insurance Cover as applicable will be provided to him by the Company, Premium payable shall not exceed Rs. 4000/-
  - v. PROVIDENT FUNDS / SUPERANNUATION FUND :  
Contribution to provident fund and superannuation fund in accordance with the rules of the company.
  - vi. GRATUITY :  
Gratuity at a rate not exceeding one half month's salary for each completed year of service.
  - vii. 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.
- D. 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 head quarter of the Managing Director shall be at Ahmedabad or at such place as the Board of Directors may decide 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 and all other applicable provisions, if any, of the Companies Act, 1956 consent of the Company accorded by an Ordinary 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 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. Manoj Somai is concerned or interested in the business since it relates to his appointment as a Managing Director of the Company. Mr. Mahendra Somani and Mr. Manish Somani, Directors may also deemed to be concerned or interested in the resolution since Mr. Manoj Somai is their relative. No other Director of the Company is deemed to be concerned or interested in the resolution.

**ITEM NO. 6**

Shareholders may recall that in the 24th Annual General Meeting held on 30th September, 2008, Mr. Manish Somani was appointed as Executive Directors of the Company for a period of five years from 1st January, 2008 to 31st December, 2012.

The Board of Directors, in their meeting held on 31st December, 2012 has reappointed Mr. Manish Somani as an Executive Director for a further period of five years i.e. from 1st January, 2013 to 31st December, 2017 on such remuneration as recommended on by Remuneration Committee.

The main 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, 2013 to 31st December, 2017.

**II. REMUNERATION:**

A. SALARY : Rs. 1,25,000/- 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 Executive Director.

i. HOUSING : Nil

ii. MEDICAL REIMBURSEMENT :

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



**iii. CLUB FEES :**

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

**iv. PERSONAL ACCIDENT INSURANCE :**

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

**v. PROVIDENT FUNDS / SUPERANNUATION FUND :**

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

**vi. GRATUITY :**

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

**vii. 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.

- D.** 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 head quarter of the Executive Director shall be at Ahmedabad or at such place as the Board of Directors may decide 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 and all other applicable provisions, if any, of the Companies Act, 1956 consent of the Company accorded by an Ordinary 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 Somai is concerned or interested in the business since it relates to his appointment as an Executive Director of the Company. Mr. Mahendra Somani and Mr. Manoj Somani, Directors may also deemed to be concerned or interested in the resolution since Mr. Manish Somai is their relative. No other Director of the Company is deemed to be concerned or interested in the resolution.

Place : Santej  
Date : 29th July, 2013

By Order of the Board  
**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. Manoj Somani	Mr. Balkrishna Mittle
Date of Birth	05/07/1967	01/05/1945
Date of appointment	04/07/1988	10/07/2010
Expertise in specific functional areas	Industrialist and rich experience of woven sack industry	Advertising and Marketing
Qualifications	B.E. (Production)	B.Com.
List of other Public Companies in which Directorship held as on 31/03/2013	YPO (Gujarat)	NIL
Chairman / Membership of the Committees of the Board of the Companies on which he is a Director	Gopala Polyplast Limited Share Transfer Committee - Chairman Shareholders Grievances Committee - Member	Gopala Polyplast Limited Audit Committee - Member Remuneration Committee - Member



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

Your Directors have pleasure in presenting before you, the 29th Annual report and the Audited Accounts for the financial year ended 31st March, 2013.

**FINANCIAL RESULTS**

The Financial results of the Company are summarized below:

	<b>2012-13</b>	<b>Rs. in Lacs 2011-12</b>
<b>GROSS PROFIT (LOSS)(PBDIT)</b>	<b>1002.43</b>	<b>649.43</b>
Less:		
Interest & Financial Charges	<b>472.61</b>	<b>247.94</b>
Depreciation	<b>304.55</b>	<b>257.91</b>
<b>PROFIT / (LOSS) BEFORE TAX &amp; EXTRA ORDINARY ITEM</b>	<b>225.27</b>	<b>71.04</b>
Add:		
Extra Ordinary Item (Profit) / Loss	<b>27.94</b>	<b>(8.67)</b>
<b>PROFIT / (LOSS) BEFORE TAX</b>	<b>197.33</b>	<b>79.71</b>
Less:		
Provision for Deffered Tax	<b>17.80</b>	<b>(78.99)</b>
<b>PROFIT / (LOSS) AFTER TAX</b>	<b>179.53</b>	<b>158.70</b>
Add: Balance brought forward	<b>(1250.52)</b>	<b>(1409.22)</b>
<b>APPROPRIATIONS</b>	<b>—</b>	<b>—</b>
Transfer from Capital Restructure Account	<b>1250.50</b>	<b>—</b>
Balance carried forward to next year	<b>179.51</b>	<b>(1250.52)</b>

**EQUITY / PREFERENCE DIVIDEND**

With a view to conserving resources for future expansion cum modernization facilities, your directors do not recommend dividend on Equity Shares for the year 2012-13

**EXPANSION & MODERNISATION**

The company is regularly upgrading its plant and machinery and has spent Rs. 715.30 lakhs on addition to factory shed and plant and machinery during the year under review.

**CAPITAL RESTRUCTURING**

For ensuring that the financial statements of the Company reflect the real picture and the Capital, reserves and surplus which are lost are not continued to be shown on the face of balance sheet the Company carried out reduction of capital of the Company. Further, conversion of the preference share capital into Equity Share Capital was carried out for creating a stable capital structure for future. The Hon'ble High Court of Gujarat at Ahmedabad vide its Order dated 7th day of May, 2013 sanctioned the Scheme of Arrangement involving Financial Restructuring of the Company and its Shareholders under Sections 391 to 394 read with 80, 100 to 104, 106 of the Companies Act, 1956. Pursuant to the said Composite Scheme of Arrangement, the Company has 1. Reduced its Equity Share Capital from Rs. 10,91,55,000/- divided into 2,18,31,000 Equity Shares of Rs.5/- each to Rs. 4,36,63,920/- divided into 43,66,392 Equity Shares of Rs.10/- each. 2. Face value of Equity Shares has been consolidated from Rs. 5/- per share to Rs.10/- per share. 3. 4,50,000 1% Cumulative Redeemable Preference shares of Rs.100/- each has been converted into 45,00,000 Equity shares of Rs.10/- each. The effects of order are given in the annual accounts for the year ended 31/03/2013 in compliance with Accounting Standard AS4.

**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. Manoj Somani and Mr. Balkrishna Mittle, 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 :

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

The total foreign exchange out flow during the year is Rs.12.00 Lacs (Previous year - Rs. 18.37 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.

**COST AUDITORS**

Pursuant to Direction of the Ministry of Corporate Affairs, the company appointed M/s. A. G. Tulsian & Co., Cost Accountants (Firm No.19812) for submitting Compliance Report on cost accounts maintained by the Company for processing of plastic for the year ending on 31/03/2012. The Cost accounts submitted their Compliance Report on 22/09/2012 as against due date of 28/01/2013. Your directors have now appointed M/s. A. G. Tulsian & Co., Cost Accountants to carry out audit of cost accounts maintained by the Company for processing of plastic for the year ending on 31/03/2013. The due date for filing Cost Audit Report is 27/09/2013.

**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 directors express their sincere thanks to all customers, vendors, investors, bankers, insurance companies, consultants, advisors, stock exchange and government authorities for their continued support and co-operation throughout the year.

**For and on behalf of the Board of Directors**

Santej  
29th July, 2013

**Mahendra Somani**  
Chairman