



GOTHI PLASCON (INDIA) LIMITED

Regd. Office: 9, Mahaveer Colony, E.V.K. Sampath Road, Chennai-600007, Phone: 588533, 586521 Telex: 041-5555 DPI IN Fax: 91-44-581782

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2nd & 3rd Annual Report together

entry for the year 1998.

MD	✓		BKC	-
CS	NA		DPY	NA
RO	✓		DIV	NA
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		

ANNUAL REPORT FOR THE YEAR 1997 - 98

GOTHI PLASCON (INDIA) LIMITED**BOARDS OF DIRECTORS**

Mr. Parasmal Gothi	- Managing Director
Mr. Sanjay Gothi	- Joint Managing Director
Mr. Navrattan Kothari	- Director
Mr. Surjit Geol	- Director

BANKERS

Bank of Baroda
80 Ritherdon Road
Purasawakkam
Chennai 600 007

SECOND ANNUAL GENERAL MEETING

DATE : 29th September 1998
DAY : Tuesday
TIME : 10.00 A.M.
PLACE : C.M. Palace,
273, & 274, G.S.T. Road
Chrompet,
Chennai - 600 044.

AUDITORS

M/s Sudheer Baid & Co.
Chartered Accountants
No.40 Ekambareshwar Agraharam
Chennai 600 003

Registrars & Share Transfer Agents

Cameo Share Registry
(A Division of MCC Finance Limited)
"Subramanya Building"
1, Club House Road,
Chennai 600 001

Registered Office

9, Mahaveer Colony
EVK Sampath Road
Vepery
Chennai 600 007

Factory

17/5 - B/1 - A, Vazhudavur Road
Kurumbapet
Pondicherry 605 009

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Note: Share Holders are requested to bring their copy of the Second Annual Report with them to the Annual General meeting.

SECOND ANNUAL REPORT

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Adjourned **SECOND ANNUAL GENERAL MEETING** of **GOTHI PLASCON (INDIA) LIMITED** will be held on Tuesday **29th September 1998** at **C.M. Palace, 273 & 274 GST Road, Chrompet, Chennai - 600 044** at **10.00 AM** to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March 1997, and the Profit and Loss Account for the year ended on that date along with the Auditor's and Director's reports thereon:

FOR AND ON BEHALF OF THE BOARD,

Place : Chennai

Date : July 29th, 1998

PARASMAL GOTHI,

MANAGING DIRECTOR.

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Note : A member who is entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member.

GOTHI PLASCON (INDIA) LIMITED**DIRECTORS' REPORT****TO THE MEMBERS OF GOTHI PLASCON
(INDIA) LIMITED**

Your Directors have pleasure in presenting the Second Annual Report along with the audited Statement of Accounts of the Company for the Year ended on 31st March 1997.

FINANCIAL RESULTS

The Company registered a turnover of Rs 338.75 lakhs during the Year and the results may be observed from the summary below:

	1996-97 (Rs Lakhs)
Sales	338.75
Other Income	16.92
	<u>355.67</u>
Net Profit for the year	55.01
Profits brought forward	—
	<u>55.01</u>
Less: Income Tax Provision	7.28
Profit carried forward	47.73

DIVIDEND

Since the profits are inadequate. No dividend is considered.

FIXED DEPOSIT

During the year the Company has not accepted any fixed deposit from the public.

PARTICULARS OF EMPLOYEES

The information required under section 217 (2A) of the Companies Act, 1956 and the rules framed there under is not annexed as none of the employees were in receipt of remuneration as per the limits prescribed therein.

7. DISCLOSURE OF OTHER PARTICULARS

Information pertaining to (A) Conservation of energy (B) Technology Absorption and (C) Foreign Exchange Earnings and Outgo as required by Companies (Disclosure of particulars in the Report of Board of Director) Rules, 1988.

A. Conservation of Energy: The company's operation call for a nominal energy consumption cost and there are no major areas where conservation measures could be applied on. However, the company is making continuous efforts to conserve and optimise energy consumption where practicable by economising the use of power. Total cost of power consumed (Purchased) during the year is Rs 21.30 lakhs.

B. Technology Absorption: The company has been using the latest technology available in the industry keeping in mind, however the indigenous condition. Accordingly, continuous efforts are made to maintain and develop the quality of the product to meet the expectation of market.

C. Foreign Exchange Earnings and Outgo: Please refer to Schedule annexed to the Statements of Account for the particulars in respect of Foreign Exchange Earnings and Outgo.

INDUSTRIAL RELATIONS

The relationship with the employees continued to be harmonious and cordial this year too; and the Board place on record our deep appreciation for their sincere, dedicated and efficient services.

ACKNOWLEDGEMENT

The Board of directors record their appreciation with deep sense of gratitude for the co-operation extended by the Company's bankers and for the cordial co-operation by all Government Agencies.

For and on behalf of the Board,

Place: Chennai

Date : July 29, 1998

PARASMAL GOTHI

Managing Director.

AUDITOR'S REPORT TO THE MEMBERS OF GOTHI PLASCON (INDIA) LIMITED

We have audited the Balance Sheet of Gothi Plascon (India) Limited as on 31st March, 1997 and the Profit & Loss Account for the Period from 1st January 1996 to 31st March 1997, annexed thereto and report as follows:

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, We give in the annexure a statement of the matters specified in paragraph 4 & 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above:
 - a. We have obtained all the informations and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of such books.
 - c. The Balance Sheet and the Profit & Loss Account dealt with by the report are in agreement with the books of account.
 - d. In our opinion and to the best of our information and according to the explanations given to us, the annexed Balance Sheet and Profit and Loss Account read together with the notes thereon, give information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - i. In so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 1997 and
 - ii. In so far as it related to the Profit and Loss Account, of the Profit of the Company for the Period from 1st January 1996 to 31st March 1997.

Annexure To the Report of the Auditor's (Referred to in paragraphs (1) of our report of even date)

1. The Company has maintained proper records showing full particulars including quantitative details and situations of Fixed Assets. All Fixed Assets have been physically verified during the year by the Management and no material discrepancies between the book records and physical verification were noticed.
2. None of the Fixed Assets of the Company have been revalued during the year.
3. This Stocks of Finished Goods, Spares and Raw Materials have been physically verified by the Management during the year. In our opinion, having regard to the size of operations, the frequency of verification of stocks is reasonable.
4. The Procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business:
5. The discrepancies noted on verification between the physical stocks and book records were not material.
6. On the basis of our examination of stock records, we are of the opinion that the valuation of stocks is fair and proper and in accordance with normally accepted accounting principles and is on the same basis as in the preceding year.
7. The Company has not taken unsecured loans from companies under the same Management as defined U/S 301 and Sub-section (1B) of Section 370 of the Companies Act, 1956.
8. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the registers maintained u/s 301 and of Companies Act,

GOTHI PLASCON (INDIA) LIMITED

1956 and/or to the companies under the same Management as defined under Sub-Section (1B) of Section and 370 of the Companies Act, 1956.

9. The Parties and employees to whom loans have been given by the company are repaying the principal amount as stipulated and are also regular in payment of interest wherever applicable.
10. In our opinion and according to the information and explanations given to us during the course of audit, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regards to the purchase of Stores, Raw Materials including Components, Plant and Machinery, Equipment and other assets and with regard to the sale of goods.
11. In our opinion and according too the information and explanations give to us, the transactions of purchase of goods and material and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the register maintained u/s 301 of the Companies Act, 1956 and aggregating during the Year to Rs.50,000/- (Rupees Fifty Thousand Only) or more in respect of each part, have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services or the prices at which transactions of similar goods, materials or services have been made with other parties.
12. As explained to us, the Company has a regular procedure for the determination and write off of unserviceable or damaged stores and raw materials and adequate provision has been made in the accounts for the loss arising on the items so determined.
13. During the year under consideration, the Company has not accepted any deposit from the public covered by Section 58-A.
14. In our opinion, reasonable records have been maintained by the Company for the sale and disposal of scrap. According to the information and explanations give to us, the Company has no by-products.
15. In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
16. The Central Government has not prescribed maintenance of cost record by the Company u/s 209 (1) (d) of the Companies Act, 1956 for its products.
17. The Company has been regular in depositing provident Fund and Employees State insurance dues with the appropriate authorities.
18. As explained to us, there were no undisputed amounts payable in respect of Income Tax, Wealth Tax, Customs Duty and Excise Duty outstanding as on 31st March, 1997 for a period of more than six months from the date they became payable.
19. According to the information and explanations given to us, no personal expenses of employees or Directors have been charged to Revenue Account other than those payable under contractual obligations or in accordance with generally accepted business practice.
20. The Company is not a Sick Industrial Company with in the meaning of Clause (O) of sub-section (1) of Section 3 of the Sick Industrial Companies (special Provisions) Act, 1985.

For **SUDHEER BAID & CO,**
Chartered Accounts,

Place : Chennai
Date : 29.7.98

(**SUDHEER JAIN**)
Proprietor.

BALANCE SHEET AS AT 31ST MARCH , 1997

PARTICULARS	SCH.NO.	31.03.97 RS.	31.12.95 RS.
SOURCES OF FUNDS			
Share holders' Funds			
Share Capital	1	10,20,00,000	10,20,00,000
Reserves & Surplus	2	47,73,499	
BORROWED FUNDS			
Secured Loans			
Unsecured Loans			
Total Sources		10,67,73,499	10,20,00,000
Application of Funds			
Fixed Assets			
Gross Fixed Assets		6,96,95,054	5,81,82,342
Capital WIP - Building		1,351,399	2,805,225
Net Fixed Assets	3	7,10,46,453	6,09,87,567
Investments - NSC		19,400	19,400
Current Assets, Loans & Advances			
Inventories	4	86,54,880	6,164,997
Sundry Debtors	5	46,15,237	-
Cash & Bank Balances	6	11,74,494	914,546
Loans & Advances	7	2,60,03,082	36,808,467
		4,04,47,693	4,38,88,010
Less: Current Liabilities	8	61,52,529	4,961,531
Provision for taxation		7,27,673	
Net Current Assets		3,35,67,491	3,89,26,479
Miscellaneous Expenditure (To the extent not written off or adjusted)		21,40,155	2,066,554
Total Funds Applied		10,67,73,499	10,20,00,000

NOTES TO ACCOUNTS REFER SCHEDULE

Vide Report Attached

For **SUDHEER BAID & CO.**
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

SUDHEER JAIN
Proprietor

PARASAMAL GOTH
Managing Director

SANJAY GOTH
Joint Managing Director

Place : Chennai
Date : 29th July, 1998

GOTHI PLASCON (INDIA) LIMITED**PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH , 1997**

PARTICULARS	SCH.NO.	1996-97 RS. (15 MONTHS)
INCOME		
Sales: Local	9	3,38,75,123
Other Income	10	16,92,263
Total Income (A)		3,55,67,386
EXPENDITURE		
Materials Consumed	11	1,48,07,120
Salaries And Wages	12	10,27,293
Manufacturing Expenses	13	81,20,279
Administration Expenses	14	43,19,120
Selling Expenses	15	17,92,402
Total Expenditure (B)		3,00,66,214
NET PROFIT (A-B)		55,01,172
Less: Provision for taxation		7,27,673
Profit after taxation		47,73,499
Add: Profit Brought Forward		
BALANCE CARRIED FORWARD		47,73,499
NOTES TO ACCOUNTS REFER SCHEDULE		
Vide Report Attached		
For SUDHEER BAID & CO. Chartered Accountants	FOR AND ON BEHALF OF THE BOARD	
SUDHEER JAIN Proprietor	PARASAMAL GOTHI Managing Director	SANJAY GOTHI Joint Managing Director
Place : Chennai		
Date : 29th July, 1998		

SECOND ANNUAL REPORT

SCHEDULES ANNEXED TO ACCOUNTS - 31ST MARCH , 1997

PARTICULARS	31.3.97 RS.
1. SHARE CAPITAL	
Authorised	
1,10,00,000 Equity Shares of Rs. 10 each	11,00,00,000
Issued, Subscribed & Paidup	
1,02,00,000 Equity Shares of Rs. 10 each	10,20,00,000
	10,20,00,000
2. RESERVES AND SURPLUS	
Profit & Loss Account	47,73,499
	47,73,499
3. FIXED ASSETS	
Schedule 3 Fixed Assets - Summary	
Description	As on 31.03.97
Land	11,92,015
Plant & Machinery	5,67,11,209
Electrical Instalation	18,44,919
Furniture & Fixtures	22,61,805
Other Misc. Assets	9,83,006
Computer	2,65,775
Vehicles	18,86,196
Modavat Credit Aailed	45,50,129
	6,96,95,054
4. INVENTORIES	
(As Taken Valued And Certified By The Management)	
Raw Materials	43,74,000
Sheet Rolls, Flakes, Granules	3,98,430
Scrap, waste	1,51,030
Semi Finished / WIP	37,31,420
Electrical Items	
Tools	
Printing Material	
	86,54,880

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SCHEDULES ANNEXED TO ACCOUNTS - 31ST MARCH , 1997

PARTICULARS	31.3.97 RS.
5. SUNDRY DEBTORS	
(Unsecured)	
Debts Due For More Than Six Months	
Doubtful Debts	
Debts Considered Good	
Other Debts	46,15,237
Debts Considered Good	
	<u>46,15,237</u>
6. CASH AND BANK BALANCES	
Cash On Hand	53686
Bank Balances	
Bank of Baroda - Pondicherry	7,88,874
Bank of Baroda - Madras	3,31,934
	<u>11,74,494</u>
7. LOANS AND ADVANCES	
Advance Tax (1996-97)	17,58,294
Electricity Deposit	2,82,265
Advance to Staff	70,433
Rent Deposit	2,500,000
TDS	3,64,090
Telephone Deposit	18,000
Telex Deposit	10,000
Acquisition Advance	2,10,00,000
	<u>2,60,03,082</u>
8. CURRENT LIABILITIES	
Sundry Creditors	60,48,269
Other Liabilities	
Salaries, Wages & Benefits	99,260
Audit Fees Payable	5,000
	<u>61,52,529</u>
9. SALES	
Local Sales	3,38,75,123
	<u>3,38,75,123</u>