



GOTHI PLASCON (INDIA) LIMITED

Regd. Office : 9, Mahaveer Colony, E.V.K. Sampath Road, Chennai-600 007.

Ph : 5388533, 5386521. Fax : 91-44-5381782.

**ANNUAL REPORT
FOR THE YEAR
2000-2001**

BOARD OF DIRECTORS

Mr. PARASMAL GOTH	-	Chairman
Mr. SANJAY GOTH	-	Managing Director
Mr. NAVRATTAN KOTHARI	-	Director
Mr. AMIT GOTH	-	Director

Registrar & Share Transfer Agent

Cameo Corporate Services Limited
Subramanyam Building
1, Club House Road,
Chennai - 600 001.

SIXTH ANNUAL GENERAL MEETING

Date : 24th September 2001
Day : Monday
Time : 10.00 a.m.
Place : C.M. Palace
273 & 274 G.S.T. Road
Chromepet
Chennai - 600 044.

Registered Office

9, Mahaveer Colony
EVK Sampath Road
Vepery
Chennai - 600 007.
Ph : 538 8533, 538 6521.
e-mail : gothi@pobox.com

Bankers

Bank of Baroda
80, Ritherdon Road,
Purasawalkkam
Chennai - 600 007.
Ph : 532 1900

Factory

17/5-B/1-A, Vazhudavur Road,
Krumbapet
Pondicherry - 605 009.
Ph : 371151, 371125.
e-mail : gothi@satyam.net.in

Auditors

Achha Associates
Chartered Accountants
Chennai - 600 079.

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Sixth Annual General Meeting of the company will be held on 24th day of the September 2001 at 10.00 am C.M.Palace, 273 & 274 GST Road, Chromepet, Chennai-44 for transacting the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the profit & loss account of the company for the financial year ended 31-3-2001 and the balance sheet as at 31-3-2001 together with the director's report and auditor's report thereon.
2. To appoint a Director in the place of Mr. Parasmal Gothi who retires by rotation and being eligible offers himself for reappointment.
3. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS:

To consider and if thought fit, to pass with or without modifications the following resolutions

4. As an ordinary Resolution:

"RESOLVED THAT the Board of Directors of the company be and is hereby authorised to borrow money, notwithstanding the fact money to be borrowed, together with monies already borrowed by the company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose, provided that the aggregate of the monies so borrowed shall not exceed the sum of Rupees 100 crores.

5. As an ordinary resolution :

"RESOLVED THAT pursuant to the provisions of section 293 (1) (a) and other applicable provisions, if any, of the companies Act, 1956 (hereinafter referred to as the Act) including any statutory modification or reenactment thereof for the time being in force and as may be enacted from time to time, the content of the company be and is hereby accorded to the Board of Directors of the Company (herein after referred to as 'the Board'), to mortgage and / or charge, in addition to the mortgages and / or charges created / to be created by the Company, on such terms and conditions and at such time or times and in such form or manner as it may think fit, on all or any of the movable and / or immovable properties of the Company, both present and future and / or the whole or substantially the whole of the company's anyone or more or all of the undertakings, in favour of the Company's Bankers and / or Financial Institutions and / or bodies corporate and / or other lenders, to secure the loans and / or advances and / or cash credit and / or over draft facilities and / or the amount of debentures whatsoever, whether raised and / or to the raised and whether issued and / or to be issued, together with interest, compound interest in the event of default, accumulated interest, commitment charges, liquidated damages, premium or redemption, premium on prepayment trustee's remuneration, costs charges, expenses and other monies as may be thought expedient by the Board or any Committee thereof and in such manner as may be agreed to between and concerned parties, subject, however, that the total amount up to which money may be borrowed shall not exceed, in the aggregate, the total limit approved by the shareholders, from time to time, pursuant to the provisions of Section 293 (1) (d) and other applicable provisions, if any of the Act.

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board or any committee thereof, be and is hereby authorised to finalise, settle, delegate and execute such documents, deeds, writings and agreements, as may be required and to do all such acts, deeds, matters and things, it may in its absolute discretion deem necessary, proper, expedient or desirable and to settle any question, difficulty or doubt that may arise in regard to creating the aforesaid mortgages and / or charges.

6. As an Ordinary Resolution :

"RESOLVED THAT subject to the provisions of Sections 198, 269, 309, 316 and other applicable provisions, if any, of the Companies Act, 1956 and the laws prevailing for the time being and subject to the Schedule XIII to the Act, with such alterations and modifications, if any, that may be effected by the Central Government, pursuant to any change in policies or laws, guidelines, rules and regulations relating to the managerial remuneration, consent of the company be and is hereby accorded for the appointment of Mr. Sanjay Gothi as Managing Director of the Company for a period of five years from 01/08/2001 on following remuneration Salary Scale : Minimum of Rs. 50,000/- per month till 31-03-2002 subject to the maximum as may be determined by the board subject to the schedule XIII of the companies Act, 1956 and any modification thereof.

Perquisites : Gratuity, Contribution to PF, Superannuation Fund, Encashment of leave & Annuity fund as per the rules of Company.

Notwithstanding anything contained herein, where, in any financial year during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate, the company will pay him remuneration by way of salary and perquisites specified above.

Date 31/07/2001
Chennai

By Order of the Board
for Gothi Plascon (India) Limited
sd/- Parasmal Gothi
Chairman

NOTES :

1. Explanatory Statement as required under section 173(2) of the Companies Act, 1956 is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE ANNUAL GENERAL MEETING.
3. Shareholders / proxy holders are requested to produce at the entrance the attached admission slip duly completed and signed, for admission to the meeting hall.
4. The documents referred to in the proposed resolutions are open for inspection at the Registered Office of the Company during working hours between 9.30 a.m. to 1.00 p.m. except on holidays.
5. The Register of Members Share Transfer Books of the Company will remain closed from 20th of September 2001 to 24th of September 2001 (both the days inclusive)
6. Members desirous of getting any information about the accounts and operation of the company are requested to address their query to the company at the registered office of the company well in advance so that the same may reach at least seven days before the date of meeting to enable the management to keep the required information readily available at the meeting.

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

ITEM NO. 4

Keep in view the present size of operations and future growth plans, the company may borrow sums of money which may exceed the limits.

Accordingly, it is expedient that the Board of Directors of the Company may be authorised to borrow in excess of the paid up capital and free reserves subject to a maximum of Rs. 100 crores. As per the provisions in Section 293 (1) (d) of the Companies Act, 1956, such increase in the borrowing power of the Board of Directors needs approval from the shareholders.

Accordingly, your consent is sought for the same.

NONE OF THE DIRECTORS IS IN ANY WAY CONCERNED OR INTERESTED IN THIS RESOLUTION.

ITEM NO.5

In the course of business, the company acquires movable and immovable properties i.e., plants, machineries, equipments and vehicles etc., through borrowings from bank and financial institutions. Resultantly, more or less all the plants, machineries, equipments and vehicles etc., so acquired by the company from the borrowings of the company from the banks and financial institution borrowings of the company from the banks and financial institutions are mortgaged and / or hypothecated to the banks and / or financial institutions as and by way of security.

Also by looking at the present circumstances faced by the disposable plastic industries the future seems to be grim. Most of the state government are on the verge of banning the usage of disposable plastic items which may force the company to sell off some of its plant & machinery / ies.

In terms of the provisions of Section 293 (1) (a) of the Companies Act, 1956, mortgaging and / or hypothecating of the said plants, machineries, equipments and vehicles etc. may amount to the disposal of the whole or substantially the whole of the undertaking(s) of the Company.

Since Section 293 (1) (a) provided that a company cannot except with the approval of the company in a general meeting dispose of whole or substantially the whole of the undertaking(s) of the company, as and by way of abundant caution and for the continued growth in business of the company, it has been advised to obtain an enabling resolution under this item.

NONE OF THE DIRECTORS IS IN ANY WAY CONCERNED OR INTERESTED IN THIS RESOLUTION.

ITEM NO. 6

Mr. Sanjay Gothi is one of the key person having rich experience in the field of Plastics. Your Directors recommend appointing him as the Managing Director of the Company for the term of five years on the remuneration as specified in the resolution.

The board of directors recommends the resolution to the members for their approval.

None of the Directors except Mr. Parasmal Gothi & Mr. Sanjay Gothi may be deemed to be interest in the resolution.

Date 31/07/2001
Chennai

By Order of the Board
for Gothi Plascon (India) Limited
sd/- Parasmal Gothi
Chairman

DIRECTORS REPORT

Dear Members

Your Directors have pleasure in presenting the 6th Annual Report and Audited Accounts for the financial year ended 31/03/2001.

FINANCIAL RESULTS:

	(Rs.in '000)	(Rs.in "000)
	Year ended	Year ended
	31.03.2000	31.03.2001
	(Audited)	(Audited)
Income	50555.00	54816.00
Total Expenditure	45587.00	77164.00
Gross PROFIT	4968.00	-22348.00
Net Profit / Loss	4968.00	-22348.00

PERFORMANCE, PLANS & PROSPECTS :

The Company incurred a loss of Rs. 223.47 lacs mainly due to the charging of Depreciation for all the previous financial years amounting to Rs. 175.32 lacs thus making a operational loss of Rs. 48.15 lacs as compared to a profit of Rs. 49.68 lacs in the previous year. The performance of the company was affected mainly due to the present circumstances faced by the disposable plastic industries due to banning of the usage of disposable plastic items.

In a year where our industry got fundamentally redefined in many ways, GOTHI sustained by experimenting with many new ideas, strategies, systems and processes even as an unprecedented downturn persisted in the sector in which the company operates. Very often, we had to reconfigure emerging reality within and without, leading to significant shifts in the original business plan. By not holding ourselves hostage to frozen thought patterns, we could come out unscathed last year

We intend to focus on the following to sustain and grow our business ;

1. To sustain quality processes set in places and achieve quality for each of our products / service based on standards of excellence.
2. To ruthlessly focus on cost reduction in order to achieve a sharp growth in our bottom line.

DIRECTORS :

Mr. Parasmas Gothi vacated the managing directorship of the company and continuing as director of the company. The board places its warm appreciation for the valuable contribution made by him during his tenure of office as managing director. He retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment. Your Directors recommend his reappointment.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 217 (2AA) of the Companies Act, 1956, it is hereby confirmed :

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to given a true and fair view of the state of affairs of the Company as at 31st March, 2001 and of the profit or loss of the Company for the year ended 31st March, 2001;
3. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. That the Director had prepared the annual accounts on a going concern basis.

FIXED DEPOSITS :

The Company has not accepted any deposit during the year from the public.