



GOTHI PLASCON (INDIA) LIMITED

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**ANNUAL REPORT
2003 - 2004**

BOARD OF DIRECTORS

Mr. Parasmal Gothi	-	Chairman
Mr. Sanjay Gothi	-	Managing Director
Mr. Navrattan Kothari	-	Director
Mr. Ajit Singh Nahata	-	Director
Mr. K. Desikan	-	Director

NINETH ANNUAL GENERAL MEETING

Date	:	27 th September 2004
Day	:	Monday
Time	:	10.00 a.m.
Place	:	C.M. Palace, 273 & 274, G.S.T. Road, Chromepet, Chennai – 600 044.

Registrar & Share Transfer Agent

Cameo Corporate Service Limited
Subramaniam Building
1, Club House Road
Chennai – 600 002.

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Registered Office

New No.31 (Old No.26), Wallers Road
1st Floor
Chennai – 600 002.
PH: 26618521 / 26618533

Bankers

Bank of Baroda
80, Ritherdon Road
Purasawalkkam
Chennai – 600 007
PH: 25321900

Factory

No.17/5B/1A, Vazhudavur Road
Kurumbapet
Pondicherry – 605 009
PH: 2271151 / 2271115

Auditors

Achha Associates
Chartered Accountants
Chennai – 600 079.

MEMBER CAN TAKE NOTE THAT THE REGISTERED OFFICE HAS BEEN SHIFTED FROM NO.9, MAHAVEER COLONY, E.V.K. SAMPATH ROAD, VEPERY, CHENNAI – 600 007 TO NEW NO. 31 (Old No. 26), Wallers Road, Chennai – 600 002 W.E.F. 1/8/2004.

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 9th Annual General Meeting of the company will be held on 27th September 2004 at 10 a.m. at 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 31-3-2004 and the balance sheet as at 31-3-2004 together with the director's report and auditor's report thereon.
2. To appoint director in the place of director who retires by rotation.
3. To appoint auditors and fix their remuneration. The retiring auditors M/s. ACCHA ASSOCIATES. Chartered Accountants, Chennai are eligible for re-appointment.

SPECIAL BUSINESS:

To consider and, if thought fit, to pass with or without modification the following resolution:

4.AS SPECIAL RESOLUTION.

"RESOLVED THAT subject to the provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and other applicable Acts, Rules and Regulations, if any, (including any statutory modification or re-enactment thereof for the time being in force) and subject to such approval, permissions and sanctions from such authorities as may be required and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, approval of the Company be and is hereby accorded to the voluntary delisting of Securities of the Company from the Madras Stock Exchange Limited and Jaipur Stock Exchange Limited."

"RESOLVED FURTHER THAT the Board of Directors of the Company (to include any Committee of Directors that may be appointed by the Board of Directors) be and is hereby authorised to agree such terms and conditions which they may consider appropriate and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to execute all such applications, documents and writings as are considered necessary or proper for giving effect to this resolution."

5. As an Ordinary Resolution:

"RESOLVED THAT in addition to the resolution passed in this regard, 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 consent of the company be and is hereby accorded to the Board of Directors of the Company (herein after referred to as 'the Board'), to sell / dispose off / exchange / or to do enter in to any other commercial transaction 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, involving 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 any person/ persons including the Company's Bankers and / or Financial Institutions and / or bodies corporate and / or others as may be thought expedient by the Board or any Committee thereof and in such manner as may be agreed to between the concerned parties."

"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."

By Order of the Board for Gothi Plascon (India) Limited

Date : 01/08/2004

Place : Chennai

Sd/- SanjayGothi
Managing Director

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. The Register of Members of the Company will remain closed from 26th of September 2004 to 27th of September 2004 (both the days inclusive).
4. Shareholders / proxy holders are requested to bring their copy of the annual report with them at meeting and to produce at the entrance the attached admission slip duly completed and signed, for admission to the meeting hall.
5. 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.
6. Companies Passing of Resolutions by Postal Ballot Rules, specifies that the approval of the Members for certain resolutions at the General Meetings are required to be carried through postal ballot. Item 5 of the notice attracts these provisions and hence, this resolution is required to be approved through postal ballot. The postal ballot paper is enclosed. As per the rules, the postal ballot with assent / dissent must reach the scrutinizer on or before 22nd September 2004. The Company has appointed Mr. N.K. Bhansali, a Company Secretary in whole time practice as a scrutinizer for the poll, who will submit a report on the same on or before 27th September 2004 and the results will be announced during the Annual General Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT 1956 :**Item No.4**

Presently the Company's Securities are listed on The Stock Exchange, Mumbai, Madras and Jaipur Stock Exchange/s The Madras Stock Exchange Association Limited is considered as Regional Stock Exchange for the Company.

The Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, permits a Company to get its Securities delisted even from the Regional Stock Exchange provided the Securities continue to be listed on a Stock Exchange having nationwide trading terminals. The Securities of your Company are listed on The Stock Exchange, Mumbai having nationwide trading terminals and investors can easily access to online dealings in the Company's Securities across the country.

In the last few years, there was negligible trading in the Company's Securities at the Madras & Jaipur Stock Exchange/s. The listing fees paid to these Stock Exchange/s do not have any benefit. Also no particular benefit is available to the Security holders of the Company from continued listing on these Stock Exchanges. It is, therefore, proposed to delist voluntarily the Securities of the Company from The Madras & Jaipur Stock Exchanges. Pursuant to Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, a Special Resolution is required to be passed for voluntary delisting of Securities.

In view of the above said, the Board recommends the resolution for your approval.

None of the Directors of the Company are concerned or interested in the resolution except as security holder of the Company wherever applicable.

Item No.5

In the course of business, the company acquires movable and immovable properties through borrowings from banks and financial institutions and/or from its own funds. The assets so acquired by the company from the 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. Many of the state government /Union Territory/Indian Railways/many of the Soft Drinks manufacturers like Pepsi, Coca Cola, Some of the Ice Cream manufacturers / others have banned/consciously phasing out the usage of disposable plastics due to environmental issues and started using Paper Cups & Mud Pots, which makes the operations of the company difficult. This may force the company to sell off of its assets to reduce its day to day operational costs and due to its higher process costings. Our machinery are not suitable for manufacturing paper cups.

Though the company has passed necessary resolution in this regard as per section 293 (1) (a) on 24th September 2001 in earlier annual general meeting, however once again the company is taking the consent of the shareholders as the board is planning to dispose of whole or substantially the whole of the undertaking(s) of the Company and 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.

Date : 01/08/2004

Place: Chennai

for Gothi Plascon (India) Ltd.

Sd/- Sanjay Gothi
Managing Director

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2004

Dear Shareholders,

We have pleasure in presenting the 9th Annual Report and Audited Statements of Accounts of the Company for the year ended 31st March, 2004.

In the last annual report/s, we had informed you about a lot of constraints faced by the company which were prevailing in the market on account of banning of disposable plastic/s by various state governments and expressed our concern about the performance for the year 2003-04 as a result of which we are not able to report satisfactory performance for the current year.

FINANCIAL RESULTS

(Rs.in '000) (Rs.in '000)

	Year ended 31.03.2003 (Audited)	Year ended 31.03.2004 (Audited)
Income	56658	23619
Total Expenditure	71771	39553
Gross Loss	15113	15933
Net Loss	15113	15933

DIVIDEND

In view of the losses suffered, the Directors regret their inability to recommend dividend for the period under review.

COURSE OF BUSINESS AND OUTLOOK

As required under Corporate Governance, the Management's Discussion and Analysis Report which is forming a part of this report, is a reflection of the current state of business. It also deals with the opportunities and challenges faced by your Company and the outlook in future.

The present circumstances faced by the disposable plastic industries the future seems to be grim. Many of the state government /Union Territory/Indian Railways/many of the Soft Drinks manufacturers like Pepsi, Coca Cola, Ice Cream manufacturers / others have banned/consciously phasing out the usage of disposable plastics due to environmental issues, which makes the operations of the company difficult.

We would like to add that Though we have tried our level best to serve various industries like white goods industry but then the competition in that field is at its best and will continue to increase further. The margins are likely to remain under pressure.

STATUTORY DISCLOSURES:

The company had no employee covered by the provisions of section 217(2A) of the Companies Act, 1956. The company has consumed power Of Rs.31.13 lacs as compared to Rs.46.98. There was a 3.91 foreign exchange inflow towards exports and 1.57 lacs of outflow of foreign exchange towards import of consumables during the year.

CORPORATE GOVERNANCE :

Your Company believes in pursuing the best corporate practices and is consistently complying with the stipulations set-out by Securities and Exchange Board of India on Corporate Governance. The certificate of Statutory Auditors of the Company dated 25/06/2004 is the testimony of the compliance of the conditions stipulated under clause 49 of the Listing Agreement on Corporate Governance. This certificate is annexed hereto and forms a part of the Report.

DIRECTORS:

Mr.Parasmal Gothi retires by rotation and offers himself for 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2004 and of the profit or loss of the Company for the year ended 31st March, 2004;

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.

Auditors M/S. ACCHA ASSOCIATES, Chartered Accountants, Chennai, Company's Auditors, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. General Your Board of Directors is grateful to the Bankers, Suppliers, Customers and the shareholders for the support extended from time to time. Your Board of Directors also wish to place on record the whole hearted cooperation given by employees, at all levels, during the year.

Date: 01/08/2004

Place : Chennai

for Gothi Plascon (India) Ltd.
sd/- Parasmal Gothi Chairman

MANAGEMENT'S DISCUSSION AND ANALYSIS**1. OVERALL REVIEW :**

The operations of the Company were almost halved stopped for the whole of the year due to poor sales .This adversely affected the results of the company.

2. INDUSTRY OUTLOOK :

We do not foresee any major change in the year 2004-05 as the disposable plastic industry faced the same kind of pressure. A large number of industries have closed and there is no sign of revival of demand in near future .This trend is expected to continue.

3.OPPORTUNITIES :

The Company is planning for different business opportunities as per the objects of the company and negotiations are on with different players in the industry so that the operations of the company can be revived

4. CHALLENGES :

Banning of disposable plastics by various government, entering in to new area of business by diversifying its activities, margins under pressure and financial condition of the company to be improved , these are the few challenges before the company.

5. COMPANY OUTLOOK :

The Company is though financially weak but is well positioned in the industry due to sound business strategy and good acceptance of its products due to well maintained quality controls.

6.RISK AND CONCERNS :

Poor demand , fluctuation in prices of raw materials , legislative issues due to banning , other substitute products like paper cups etc are the risks faced by the company

7. INTERNAL CONTROL SYSTEMS AND ADEQUACY :

The Company have adequate internal control mechanism commensurations with the size of operations of the company. The management continuously reviews the internal control system sand procedures. Critical review is also done to reduce non value added paper work.

8. CAUTIONARY STATEMENT :

Certain statements in this report on "Management's Discussion and Analysis" are forward looking statements and which have been issued as required by applicable Securities Laws and Regulations. There are several factors which would be beyond the control of Management and as such, may affect the actual results which could be different from that envisaged.

CORPORATE GOVERNANCE REPORT

1. Board of Directors As on the date of this report, the Board of Directors of the Company consists of 5 members comprising of a fair number of independent, professionally competent and acclaimed non executive directors. Out of the 5 directors, the Company has 3 independent directors. There was no change in the board during the year .

The day to day management is conducted by the whole time director of the Company subject to superintendence, control and direction of the Board of Directors.

2. Number of Board Meetings and Attendance Record of Directors: Details of 5 Board Meetings held during the year on 4/04/2003 , 31/05/2003 , 25/07/2003 , 23 / 10 / 2003, and 31/01/2004.

The attendance at Board Meetings and last Annual General Meeting (AGM) and the number of other directorship and committee memberships / chairmanships of directors is given below :

Name of Executive/ TheNon Executive		Attendance In board Meeting	Attendance In Last AGM		Other Board Director/Committee Chairman / Committee	
Director	Executive	Held / Attended			Member /Independent	
Mr.Parasmal Gothi	Non		5	5	Present	NIL
Mr.Sanjay Gothi	M.Director		5	5	Present	NIL
Mr.Navratan Kothari	Non		5	1	Absent	NIL
Mr.Ajithsinghji Nahata	Non		5	2	Absent	NIL
Mr.Desikan	Whole Time		5	5	Present	NIL

"No. of directorships in other companies excludes alternate directorships, directorships held in private limited companies and in companies under section 25 of the companies Act, 1956.

** Only membership / chairmanship of audit committee, share / debenture investor's grievance committee, Remuneration committee have been included.

Changes in the composition of Board during the year 2003-04:

There were no changes in the composition of the board during 2003-2004.

3. Directors' Interest in the Company :

No director has been paid any remuneration as the Directors of the Company except Mr.Desikan who is being paid remuneration for acting as a whole time director of the company.

4. Audit Committee Besides the Committee other representatives of the firms of Statutory Auditors and Internal Auditors were also present at the meetings to answer the queries raised by the Committee members. Audit committee met three times during the year and discussed various issues. The attendance at the Audit Committee Meetings is given below:

Name of Director	No. of Meetings attended	
	Held	Attended
Mr.Ajit Singhji Nahata	3	3
Mr.Navaratan Kothari	3	0
Mr.Parasmal Gothi	3	3

5. Shareholders / Investors Grievance Committee A Shareholders / Investors Grievance Committee has been constituted by the Board to monitor the redressal of the shareholders/investors grievances. The Committee reviews the status of complaints received from shareholders / investors and redressal thereof. A status report of share holders complaints and redressal thereof is prepared and placed before the Shareholders / Investors Grievance Committee.

6. Share Transfer System A Share Transfer Committee of Directors has been constituted by the Board. The Board has also delegated the power of share and debenture transfer to officers of the Company. The delegated authorities attend to share and debenture transfer formalities once in a month. Transfer of shares / debentures are processed and registered within the stipulated time, provided all the documents are valid and complete in all respect. The Board of Directors has appointed its Managing Director as Compliance Officer of the Company to monitor the share/debenture transfer process. Share/debenture transfers approved by the delegated authorities are placed at the Board Meeting from time to time. As on 31.03.2004 no shares / debentures are pending for transfer for more than 15 days.

The Company's has appointed M/s CAMEO SHARE REGISTRY as its Share Transfer Agent for both physical and demat segment of equity shares and debentures.

7. General Body Meeting Details of the last three AGMs held are given below :

Date of Meeting	Time of Meeting	Venue of the Meeting
24/09/2001	10.00 a.m.	273 & 274 GST Road, Chromepet, Chennai-44
6th AGM		
30/09/2002	10.00 am.	273 & 274 GST Road, Chromepet, Chennai-44
7th Agm		
04/08/2003	10.00 a.m.	273 & 274 GST Road, Chromepet, Chennai-44
8th Agm		

All the resolutions including the special resolution setout in the respective notices were passed by the shareholders. No postal ballots were used for voting at these meetings. At the ensuing AGM there is a item on the agenda that is required to be passed by postal ballot.

7.DISCLOSURES

There were no materially significant Related Party transactions which had potential conflict with the interest of the company at large.

Transactions with the related parties are disclosed in note no. 25 of schedule R to the accounts in the Annual Report. During the last three years, there were no strictures or penalties imposed on the company by either Stock Exchanges or SEBI or any statutory authority for non-compliance on any matter related to capital markets.

8. COMPLIANCE WITH CORPORATE GOVERNANCE NORMS

The company has complied with all the mandatory requirements of corporate Governance norms as enumerated in clause 49 of the Listing Agreement with the Stock Exchange.

9. MEANS OF COMMUNICATION The quarterly / half yearly Unaudited financial results and the annual audited financial results are published in MAKKAL KURAL and TRINITY MIRROR. The results are not sent individually to the shareholders. No presentations were made to institutional investors or equity analysts.

10. Management's Discussion and Analysis forms a part of the Annual Report.

11. Shareholders Information

Annual General Meeting	: 27/09/2004
Financial Calendar	: April to March
Book Closure	: 26/09/2004 to 27/09/2004
Registered office	: New No.31 (Old No. 26), Wallers Road, Chennai-600 002

Registrar & Transfer Agents : CAMEO SHARE REGISTRY
1, Club House Road, Chennai-2
Phone: 28460390 / 28460394

Listing of Stock Exchanges : BSE / MSE / JAIPUR
Proposed to delist the
shares from MADRAS &
JAIPUR STOCK EXCHANGES.

Stock Code : 531111

ISIN allotted to Equity Shares : INE 538G01018 Stock Market Data : No transaction reported in any of the stock exchanges. Stock Performance Index : Not applicable as no transaction took place in any of the exchanges. Status of Shareholders'/Investors' Complaints pending for the year 01.04.2003 to 31.03.2004 : NIL