



## **GOTHI PLASCON (INDIA) LIMITED**

Regd. Office : New No. 31, (Old No. 26), Wallers Road, 1st Floor,  
Chennai - 600 002. Phone : 26618521 / 26618780

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**ANNUAL REPORT**  
**2004 -2005**

**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

**TENTH ANNUAL GENERAL MEETING**

Date : 4th July 2005  
Day : Monday  
Time : 10.00 a.m.  
Place : C.M. Palace,  
273 & 274, G.S.T. Road,  
Chrompet,  
Chennai - 600 044.

**Registrar & Share Transfer Agent**

Cameo Corporate Service Limited  
Subramaniyam Building  
1, Club House Road,  
Chennai - 600 002.

**Registered Office**

New No. 31, (Old No. 26), Wallers Road  
1st Floor  
Chennai - 600 002.  
PH : 26618521 / 26618780

**Factory**

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

**Bankers**

Bank of Baroda  
80, Ritherdon Road,  
Purasawalkkam  
PH : 25321900

**Auditors**

Achha Associates  
Chartered Accountants  
Chennai - 600 079.

Notice is hereby given that the 10th Annual General Meeting of the company will be held on 4th July 2005 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 31-3-2005 and the balance sheet as at 31-3-2005 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. ACHHA ASSOCIATES. Chartered Accountants, Chennai are eligible for re-appointment.

**SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION: "Resolved that pursuant to Section 309(2) of the Companies Act, 1956 read with Clause 49 of the 'Listing Agreement' with stock exchanges and Article 82A of the Articles of Association of the company, the board of directors is authorized to decide the payment of sitting fees to the directors other than the managing director, whole-time directors, of the company for attending the meeting of the board of directors or any committee thereof, up to a maximum of Rs.20,000 (Rupees twenty thousand) per meeting."

**NOTES:**

1. 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.
2. The Register of Members of the Company will remain closed from 1<sup>st</sup> July 2005 to 4<sup>th</sup> July 2005 (both the days inclusive).
3. 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.
4. 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.
5. Member holding shares in physical form are requested to notify any change of address, bank mandates, if any, to the Registrar & Transfer Agent or to their respective depository participants if the shares are held in electronic form.
6. Members are requested to affix their signature at the space provided on the attendance slip annexed to the proxy form and to hand over the slip at the entrance to the meeting.
7. Profile of Mr.Ajitsingh Nahata , the director retiring by rotation:

Mr. Ajit Singh Nahata who is associated with the company for last three years, holds a bachelors degree in commerce. And is aged about 63 years.

By Order of the Board

for Gothi Plascon (India ) Limited

sd/- Parasmal Gothi

Chairman

Date 16/05/2005

Chennai

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173 OF THE COMPANIES ACT, 1956

Item No. 4.

The revised Clause 49 of the 'Listing Agreement', applicable by 1 April 2005, states that all fees and compensation paid to non-executive directors, including independent directors, shall be fixed by the board of directors and shall require prior approval of shareholders at a general meeting.

Regarding sitting fees paid to non-whole-time directors, the maximum sitting fee that could be paid pursuant to Government notification GSR 580(E), dated 24 July 2003, is Rs20,000(Rupees twenty thousand) per meeting.

For the purpose of administrative convenience members are requested to authorise the board of directors to decide the quantum of sitting fees payable to non-whole-directors up to a limit of Rs.20,000 (Rupees twenty thousand) per meeting after taking into consideration the expertise and the knowledge they bring to the company and their contribution to the performance of the company.

The resolution set out in item 4 and the respective explanatory statement may be treated as a memorandum of understanding under Section 302 of the Companies Act, 1956.

None of the directors except Mr.Navratan Kothari, Mr.Parasmal Gothi, Mr.Ajith Singh Nahata is interested in this resolution.

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

sd/- Parasmal Gothi

Chairman

Date 16/05/2005

Chennai

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2005

Dear Shareholders,

We have pleasure in presenting the 10th Annual Report and Audited Statements of Accounts of the Company for the year ended 31st March, 2005.

**FINANCIAL RESULTS**

	(Rs. in '000)	(Rs. in '000)
	Year ended 31.03.2005 (Audited)	Year ended 31.03.2004 (Audited)
Income	21085	23619
Total Expenditure	33810	39553
Gross Loss	12725	15933
Net Loss	12725	15933

**COURSE OF BUSINESS AND OUTLOOK**

Another year has gone by. We have walked through the difficult and the tedious path the old year took us. During the year the company sold off some of its assets like machineries and land which were not in use for quite some time and hence been discarded. The company's sales dipped by around 20% as compared to previous year and mainly the company had concentrated on job work and had continued its operations.

There are great challenges ahead not only for your company but for the industry as a whole. With the continued confidence of all our associates, we will aggressively meet those challenges with renewed faith in our company and the future that we all share.

Members are requested to refer to the Management Discussion and Analysis Report annexed to this report for a more detailed review of operating performance.

**DIVIDEND**

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

**DIRECTORS:**

Mr. Ajithsingh Nahata 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, 2005 and of the profit or loss of the Company for the year ended 31st March, 2005;
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.

**EMPLOYEE RELATIONS**

Employee relations throughout the company were harmonious. The board wishes to place on record its sincere appreciation of the devoted efforts of all employees in advancing the company's vision and strategy to deliver another record performance.

**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. 20.73 lacs as compared to Rs. 31.13.

There was a no foreign exchange inflow or outflow during the year.

**CORPORATE GOVERNANCE:**

Pursuant to Clause 49 of the Listing Agreement with stock exchanges a separate section titled Report on Corporate Governance has been included in this annual report.

**DELISTING FROM THE MADRAS AND JAIPUR STOCK EXCHANGE.**

Your company has applied for delisting of its securities from the Madras Stock Exchange and Jaipur Stock Exchange consequent to the approval given by the members during the last annual general meeting. The approval for the same has been received. The company continues to be listed on the Bombay Stock Exchange.

**AUDITORS:**

The statutory auditor of the company, Achha Associates, chartered accountants, holds office until the conclusion of the forthcoming annual general meeting and is eligible for re-appointment. The company has received notification from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1-B) of the Companies Act, 1956.

Accordingly a resolution is being submitted to the members for the re-appointment of Achha Associates and to fix their remuneration for the current year.

**ACKNOWLEDGMENT**

Your directors would like to express their grateful appreciation for the support and co operation of all Gothi's stakeholders. In particular, the directors wish to place on record their deep sense of appreciation for the commitment and enthusiasm of all employees and the support of the company's customers and suppliers.

Date: 16/05/2005  
Chennai

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

**MANAGEMENT DISCUSSION AND ANALYSIS**

I. Though Our company has not performed well in the past but the directors say that the company's approach towards business was very ethical

**II. Performance Review**

During the year the company's principal markets was not good at all. The company could achieve a turnover of Rs 2.10 crores. During the year the company sold its machineries and land. The loss on account of sale of machinery alone was Rs. 82 lakhs

**III. Risks & Concerns**

The company is exposed to a range of industrial segments each with its own drivers of demand. The outlook for the various segments of the Disposable plastic industry has been extensively reported in the press due to banning of disposable plastics in various parts of the country.

**IV. Internal Control Systems**

The company has in place adequate internal control systems and procedures commensurate with the size and nature of its business. These procedures are designed to ensure the following:

- that all assets and resources are used efficiently and are adequately protected.
- that all internal policies and statutory guidelines are complied with.
- the accuracy and timing of financial reports and management information.

All internal audit reports and the progress in implementing any matters arising from them are reviewed by the Audit Committee of the Board. The role of the Audit Committee is discussed in more detail in the Corporate Governance Report.

**CORPORATE GOVERNANCE REPORT****I. COMPANY'S PHILOSOPHY**

GOTHI strives to adopt the highest standards of excellence in corporate governance, reflected in the following key areas of the company's approach to business and its stakeholders:

**I. Nature and Role of the Board of Directors**

The company's board comprises individuals with considerable experience and expertise across a range of disciplines including general management, business strategy, finance and accounting and law. All board members have a significant breadth of business experience.

**II. Company's Vision**

The company is facing a very bad industrial scenario. And in the given industrial circumstances the company has managed to continue its operations is commendable. The company is however in search of new products or any beneficial business line which will improve the companies bottom line.

**III. Business Strategy**

The company's business strategy is to improve its business performance:

**IV. Company Values**

All employees are committed to living the company's values:

- Customer Always First
- High Performance
- Employee Focus
- Responsiveness
- Team working
- Empowerment
- Lead by Example
- Deliver the Promise
- Continuous Improvement
- Safety, Health and the Environment

**V. Integrity of Financial Reporting**

The company ensures that adequate controls are in place to provide accurate and timely financial statements. The internal audit process is supervised by the audit committee of the board and is undertaken by qualified accountants.

**VI. Disclosure of Information to Investors**

GOTHI ensures the timely disclosure of all material information in compliance with applicable laws.

**VII. Investor Services**

Performance measures have been established in respect of all aspects of investor services. Results are monitored regularly and improvements made where required.

**viii Performance Management**

GOTHI places considerable importance on the management of performance, the purpose being to support all employees to perform to peak potential. The process includes the regular and transparent review of the performance of all employees against agreed objectives. Employee remuneration is strongly linked to individual and company performance.

**2. BOARD OF DIRECTORS****I. Composition and Category of Directors**

The board comprises 5 members – 2 executive director and 3 non-executive directors, of which 3 are independent. The chairman of the board is a non-executive director. There were no changes in the composition of the board during 2003-2004.

**II. Board Meetings & Attendance of Directors**