



GOTHI PLASCON (INDIA) LIMITED

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

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ANNUAL REPORT
2005 - 2006

BOARD OF DIRECTORS

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

ELEVENTH ANNUAL GENERAL MEETING

Date : 29th May 2006
Day : Monday
Time : 2-00 p.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,
First Floor
Chennai - 600 002.
Ph : 26618521 / 2661 8780

Bankers

Bank of Baroda
80, Ritherdon Road.
Puruswalkkam
Ph : 25321900

Factory

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

Auditors

Achha Associates
Chartered Accountants
Chennai - 600 079.

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 11th Annual General Meeting of the company will be held on 29th May 2006 at 2 p.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 31-3-2006 and the balance sheet as at 31-3-2006 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. 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 a Managing director of the Company for a period of five years from 01/08/2006 on following remuneration :

Salary Scale: Minimum of Rs50000/- per month 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.

By Order of the Board
for Gothi Plascon (India) Limited
sd/- Sanjay Gothi
Managing Director

Date 24/04/2006
Chennai

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 on 29/05/2006 .

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.Navratan Kothari , the director retiring by rotation:

Mr.Navratan Kothari is a commerce graduate and is having rich experience in business. He is with our company from past almost 11years .

8. Explanatory Statement as required under section 173(2) of the Companies Act, 1956 is annexed.

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

ITEM NO 4.

Mr.Sanjay Gothi is a Diploma Holder In Automobile Engineering and is having rich experience in various businesses in various capacities. He is well versed with the day to day affairs of the company . He is with our company since inception.Your Directors recommend appointing him as a 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.He has not drawn any remuneration for last term.His term expires on 31/07/2006 .The remuneration committee had recommended his appointment for five years from 01/08/2006.

None of the Directors except Mr.Sanjay Gothi and Mr.Parasmal Gothi may be deemed to be interested in this resolution.

By Order of the Board
for Gothi Plascon (India) Limited
sd/- Sanjay Gothi
Managing Director

Date 24/04/2006
Chennai

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2006

Dear Shareholders,

We have pleasure in presenting the 11th Annual Report and Audited Statements of Accounts of the Company for the year ended 31st March, 2006.

FINANCIAL RESULTS

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

	Year ended 31.03.2005 (Audited)	Year ended 31.03.2006 (Audited)
Income	21085	30255
Total Expenditure	33810	35125
Loss	12725	4870

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 competition in the business is at its best and will continue to increase further .The margins are likely to remain under pressure.

DIRECTORS

Mr.Navratan Kothari retires by rotation and being eligible, offers for reappointment.

FIXED DEPOSITS:

The company has not accepted any fixed deposits during the year.

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, 2006 and of the profit or loss of the Company for the year ended 31st March, 2006;

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.ACHHA ASSOCIATES , Chartered Accountants, Chennai, Company's Auditors, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

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.32.06 lacs as compared to Rs.20.73. The company had a foreign exchange inflow of Rs.2.22 lacs (P.Y.Nil) towards sale of machinery. There was a no foreign exchange outflow during the year.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, your Company has to mandatorily comply with the requirements of Corporate Governance. A report of compliance of Corporate Governance is annexed together with a Certificate from the auditors of the company on compliance.

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: 24/04/2006
Chennai

for Gothi Plascon (India) Ltd.
sd/-
Directors

MANAGEMENT DISCUSSION AND ANALYSIS

I. GOTHI's Approach to Business

Our company has performed better than well in the past as the company's approach towards business was very ethical. The company has a wide range of stakeholders including its shareholders, the investment community, customers, suppliers, employees and their families and the local community within which its operations are situated. GOTHI strives to run itself with such professionalism that all its stakeholders are proud of their relationship with the company.

II. Performance Review

The operations of the Company were increased by around 40% as compared to the last financial year and the loss has been restricted to Rs.48.70 lacs as compared to Rs.127.25 lacs in the previous year.

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. 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's vision is to create value for its stakeholder, employees and its associates.