



GOTHI PLASCON (INDIA) LIMITED

Regd. Office : 9, Mahaveer Colony, E.V.K. Sampath Road, Chennai - 600 007.
Ph : 5388533, 5386521 Fax : 91-44-5381752

**ANNUAL REPORT
2001-2002**

BOARD OF DIRECTORS

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

SEVENTH ANNUAL GENERAL MEETING

Date : 30th September 2002
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
 Subramanyam Building
 1, Club House Road,
 Chennai - 600 002.

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

Report Junction.com

Factory

17/5-B1-A, Vazhudavur Road,
 Kurmbapet
 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 Seventh Annual General Meeting of the company will be held on 30th September 2002 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 31-3-2002 and the balance sheet as at 31-3-2002 together with the director's report and auditor's report thereon.
2. To appoint director in the place of Mr.Amit Gothi, 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 modifications the following resolutions:

4. AS AN ORDINARY RESOLUTION :

"RESOLVED that Mr. Ajitsinghi Nahata be and is hereby appointed as a Director of the company, liable to retire by rotation."

5. AS AN ORDINARY RESOLUTION :

"RESOLVED that Mr. K. Desikan be and is hereby appointed as a Director of the company, liable to retire by rotation."

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.K. Desikan as whole time director of the Company for a period of five years from 01/08/2002 on following remuneration : 1. Salary : Rs 8,500/- 2. Perquisites : Perquisites shall be restricted to amount equal to the annual salary or Rs1,02,000/- per annum, whichever is less.

a. Contribution to provident fund, super annuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-tax Act., Gratuity payable will not exceed half a month's salary for each completed year of service.

b. Encasement of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

c. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Whole Time Director.

Notwithstanding anything contained herein, where, in any financial year during the currency of tenure of the Whole Time 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: 31/07/2002
Chennai

for Gothi Plascon (India) Ltd.
sd/- SANJAY GOTHI
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 2002 to 30th of September 2002 (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.

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

ITEM NO 4. A notice has been received from a member along with a deposit of rupees of five hundred as required by section 257 of the Companies Act, 1956, proposing Mr.Ajitsingh Nahata as a candidate for the office of Director liable to retire by rotation. Mr.Ajitsingh will bring to the Company the exceptional breadth of experience and maturity which is so essential in the present circumstances and his appointment will, therefore, be in the interest of the company. None of the Directors except Mr. Ajitsingh Nahata is interested in this resolution.

ITEM NO. 5 & 6 : Mr.K. Desikan whom the board inducted in the board on 31/07/2002 as an additional director, is working for the company from last 6 years and is having rich experience in the business of the company. Your Directors recommend to appoint him as the director & whole time Director of the Company for the term of five years from 01/08/2002 on the remuneration as specified in the resolution. None of the Directors except Mr.K. Desikan may be deemed to be interested in this resolution.

Date: 31/07/2002
Chennai

for Gothi Plascon (India) Ltd.
sd/- SANJAY GOTHI
Managing Director

DIRECTORS' REPORT :

Your Directors present the 7th Annual Report together with Audited Accounts for the year ended 31st March 2002. Financial Results:

	(Rs.in '000) Year ended 31.03.2002 (Audited)	(Rs.in '000) Year ended 31.03.2001 (Audited)
Income	53659	54816
Total Expenditure	73997	77164
Gross Loss	20337	22348
Net Loss	20337	22348

REVIEW OF OPERATIONS AND OUTLOOK

The company incurred a loss of Rs.203.37 lacs mainly due to the increased overheads and lower sales volumes. The performance of the company was affected mainly due to the present circumstances faced by the disposable plastic industries due to banning the usage of disposable plastic items. The ban on the disposable plastic segment had clearly cut out the task for this industry. The bans in essence have tried to bring the operations almost on halt. This new viewpoint was a radical variation from the then prevailing guidelines, as a result it called for a major change in the operating plans of the companies. This sudden reversal in role coupled with the economic slowdown, has taken its toll on the Disposable plastic Industry in the country. During the year under review, your Company faced difficult business conditions. The demand for the products was more or less stagnant. The overheads remained the same as the company could not do much to reduce its costs as the same was carried out last year. But the directors feel that the Company is well placed, and has strategies drawn up, to seize various emerging opportunities through increased levels of production, In the plastic sheets and other components which are used in home appliances etc., with the necessary modification in certain machineries and modified machineries available with the company.

DIVIDEND

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

FIXED DEPOSIT

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

DIRECTORS

Mr.Amit Gothi retires by rotation and do not offer himself for reappointment. The directors place there sincere gratitude to him for working for the company and would like to express their grateful appreciation for the assistance and co-operation received from him by being on the board. Mr.Ajitsingh Nahata who was coopted as additional director by the board of directors on 31/07/2002 during the year and his term of office expires at this annual general meeting. A notice has been received from a member along with a deposit of rupees of five hundred as required by section 257 of the Companies Act, 1956, proposing Mr. Ajit Singh Nahata as a candidate for the office of Director .Mr. Ajit Singh Nahata will bring to the Company the exceptional breadth of experience and maturity which is so essential in the present circumstances. Keeping in view the experience of Mr. Ajit Singh Nahata, and challenges ahead, your Directors recommend appointment of Mr. Ajitsingh Nahata as the Director.

Mr.K. Desikan whom the board inducted in the board on 31/07/2002 as an additional director , is working for the company from last 6 years and is having rich experience in the business of the company . A notice has been received from a member along with a deposit of rupees of five hundred as required by section 257 of the Companies Act, 1956, proposing Mr.K. Desikan as a candidate for the office of Director .Your Directors recommend to appoint him as the director & whole time Director of the Company for the term of five years from 01/08/2002 on the remuneration as specified in the resolution.

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, 2002 and of the profit or loss of the Company for the year ended 31st March, 2002;
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.

STATUTORY DISCLOSURES:

The company had no employee covered by the provisions of section 217(2A) of the Companies Act, 1956.

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.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, your Company has to mandatory complied 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: 31/07/2002
Chennai

for Gothi Plascon (India) Ltd.
sd/- **PARASMAL GOTH**
Chairman

REPORT ON CORPORATE GOVERNANCE (Pursuant to clause 49 of the Listing Agreement)

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

GOTHI PLASCON (INDIA) Limited is committed to the highest standards of corporate governance in all its activities and processes. It looks at corporate Governance as the cornerstone for sustained superior financial performance, for serving all its stakeholders and for instilling pride of association. The entire process begins with the functioning of the right kind of Board. Key elements in Corporate Governance are transparency, disclosure, supervision and internal controls, risk management, internal and external communications, and high standards of safety, health, accounting fidelity, and product and service quality. The board has empowered responsible persons to implement its board policies and guidelines and has setup adequate review processes. The following is a report on the status and progress on major aspects of corporate Governance.

2. BOARD OF DIRECTORS

(a) Composition The present strength of your company's board is four directors comprising three non-executive directors and one executive director. Mr.Sanjay Gothi is the Managing Director of the company and part of promoter group. Mr.Parasmal Gothi, Mr.Navaratan Kothari and Mr.Amit Gothi are non executive directors. During the financial year ended 31-03-2002 Eight Board Meetings were held on the following dates. 30th June 2001, 31st July, 2001, 25th August 2001 29th September 2001 31st October 2001 20th November 2001 10th Decemberv2001 31st January 2002 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	Executive The Non Executive Director Executive / Independents	Attendance In board Meeting Held / Attended	Attendance in Last AGM	Other Board Director / Committee Chairman/Committee Member	
Mr. Parasmal Gothi	Non Executive	8	8	Present	NIL
Mr. Sanjay Gothi	M. Director	8	8	Present	NIL
Mr. Amit Gothi	Non Executive	8	2	Present	NIL
Mr. Navarathanmal Kothari	Non Executive	8	2	Absent	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 2001-02:

There were no changes in the composition of the board during 2001-2002.

(b) DETAILS OF APPOINTMENT / REAPPOINTMENT OF DIRECTORS:

(i) Mr. Ajit Singh Nahata has been inducted in the board on 31/07/2002 and is being proposed to be appointed as a Director at the ensuing Annual General Meeting. He holds a Bachelors Degree in commerce and is aged about 60 years. He is having an experience of 4 decades in business activities.

(ii) Mr.K. Desikan has been inducted in the board on 31/07/2002 and is being proposed to be appointed as a Director at the ensuing Annual General Meeting. He holds a Graduate. He is working with the company from past 7 years as a Manager Production Mr.Amit Gothi is retiring by rotation.

3. AUDIT COMMITTEE

Your company has constituted an Audit Committee at the meeting of the Board of Directors held on 31st January, 2001 Your company has an Audit Committee comprising three non-executive directors, out of which one is an independent directors. Mr.Amit Gothi is the chairman of the Audit committee. Statutory Auditors, Internal Auditors and senior management personnel are invited to attend the meetings of the committee.

The terms of reference of the Audit Committee cover the matters specified under clause 49 of the Listing Agreement which interalia includes :

- (i) Overseeing the financial reporting process and disclosure of financial information
- (ii) Reviewing any change in accounting policy and practices.
- (iii) Compliance with Accounting Standard.
- (iv) Reviewing the adequacy of internal control system and also matters which may be referred to the committee by the Board of Directors from time to time. During the financial year ended 31-03-2002 the Audit Committee held three meetings on 30/04/2001, 01st October 2001 and 31st January 2002. The attendance at the Audit Committee Meetings is given below: Name of Director No. of Meetings attended Mr.Parasmal Gothi 3 Mr.Navaratan Kothari 0 Mr.Amit Gothi.

4. INVESTORS' GRIEVANCE COMMITTEE

The Board of Directors has reconstituted the existing committee of directors to Investors' Grievance Committee with effect from 31st January 2002. The Committee is headed by Mr.Navaratan kothari and includes Mr.Parasmal Gothi and