



GOTHI PLASCON (INDIA) LIMITED

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**ANNUAL REPORT
2002 -2003**

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

EIGHTH ANNUAL GENERAL MEETING

Date : 4th August 2003
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
Subramniam Building
1, Club House Road,
Chennai - 600 002.

Registered Office

9, Mahaveer Colony
EVK Sampath Road
Vepery
Chennai - 600 007.
Ph : 2538 8533, 2538 6521.

Bankers

Bank of Baroda
80, Ritherdon Road,
Purasawalkkam,
Chennai - 600 007.
Ph : 2532 1900

Factory

17/5, B1-A, Vazhudavur Road,
Kurmbapet,
Pondicherry - 605 009.
Ph : 2271151, 2271115

Auditors

Achha Associates
Chartered Accountants
Chennai - 600 079.

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Eighth Annual General Meeting of the company will be held on 4th August 2003 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 31-3-2003 and the balance sheet as at 31-3-2003 together with the director's report and auditor's report thereon.
2. To appoint director in the place of Mr. Navaratan Kothari 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.

Date: 30/06/2003

Chennai

for Gothi Plascon (India) Ltd.

sd/- **SANJAY GOTHI.**

Managing Director

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 1st of August 2003 to 4th of August 2003 (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.

DIRECTORS' REPORT

Your Directors present the 8th Annual Report together with Audited Accounts for the year ended 31st March 2003.

Financial Results:

	(Rs.in '000)	(Rs.in '000)
	Year ended	Year ended
	31.03.2002	31.03.2003
	(Audited)	(Audited)
Income	53659	56658
Total Expenditure	73997	71771
Gross Loss	20337	15113
Net Loss	20337	15113

REVIEW OF OPERATIONS AND OUTLOOK

In FY 2002-2003 GOTHI recorded a gross turnover of Rs.5.66 crore As compared to A turnover of Rs.5.36 crores during the previous year. The company incurred a loss of Rs.151.13 lacs compared of Rs.203.37 lacs. The company has restricted its loss by its cost cutting strategy. Though the company has incurred loss but the same was restricted. The business situation faced by the plastic industry remained grim for the whole of the year.

We do not visualise any immediate reversal in the our business sector, however, whenever it does happen we would be in a better position to take advantage of the opportunities that it would throw up. Until then we would be engaged in sharpening our skills in our line of business and restructuring our balance sheet.

DIVIDEND

The Directors regret their inability to recommend dividend for the period under review.

DIRECTORS

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

FIXED DEPOSITS:

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

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.46.98.lacs as against Rs.43.48 lacs in the corresponding previous year. There was a foreign exchange inflow of Rs.6.36 lacs towards the exports made by the company and there was no outflow of foreign exchange 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, 2003 and of the profit or loss of the Company for the year ended 31st March, 2003;

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.

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 would like to express their grateful appreciation and cooperation received from Banks, Suppliers, Government, the shareholders and all other associates for the support extended by them from time to time. Your Board of Directors also wish to place on record the wholehearted cooperation given by employees at all levels, during the year.

Date: 30/06/2003

Chennai

for Gothi Plascon (India) Ltd.

sd/-

Directors

REPORT ON CORPORATE GOVERNANCE

(Pursuant to clause 49 of the Listing Agreement)

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Gothi continues to review its corporate governance practices to ensure that they continue to reflect to conform to the best corporate governance practices. It takes feedback into account in its periodic reviews of the guidelines to ensure their continuing relevance, effectiveness and responsiveness to the needs of investors.

The following is a report on the status and progress on major aspects of corporate Governance.

Principles

The corporate governance practices focus on the following main principles:

a) Recognising the respective roles and responsibilities of Board and management

b) To establish an effective mechanism for overseeing the affairs.

c) Define the respective roles and responsibilities of senior executives and officers to ensure accountability; and

The board has the appropriate mix of executive and non-executive directors ensuring Directors' commitment and time to participate in the affairs fully.

Honesty, Integrity, Respect, Fairness, Purposefulness, Trust, Responsibility, are the values which never lose sight of by anyone at Gothi under any circumstances irrespective of the goals that are intended to be achieved. To us, the means are as important as the ends.

GOTHI is committed to an ethical treatment of all our stakeholders - our employees, our customers, our shareholders, our lenders and other investors, our suppliers and the Government.

2. BOARD OF DIRECTORS

2.1 The Board of Directors consists of 5 directors. The composition and category of Directors is as follows:

Three non-executive directors and Two executive director.

Mr. Sanjay Gothi is the Managing Director of the company and part of promoter group.

Mr. K. Desikan is the whole time director of the company.

Mr. Parasmas Gothi, Mr. Navaratan Kothari and Mr. Amit Gothi are non-executive directors.

2.2 Changes in the composition of Board during the year 2002-03 and details thereof:

There were changes in the composition of the board under review. Mr. Ajith Singhji Nahata and Mr. K. Desikan were appointed as board of directors during the year under review. Subsequently their appointment were confirmed in the Annual General meeting held on 30/09/2002

Mr. Navaratanmal Kothari is retiring by rotation. He is a Commerce Graduate and an industrial having business experience of 40 years.

3. BOARD MEETINGS:

The Company holds minimum of four Board Meetings in each year, which are pre-scheduled after the end of each financial quarter. Apart from the four pre-scheduled Board Meetings, giving appropriate notice at any time to address the specific needs of the Company will convene additional Board Meetings. The Board may also approve permitted urgent matters by passing resolutions by circulation. The meetings are usually held at the Company's Registered Office. During the financial year ended 31-03-2003 four Board Meetings were held on 31/05/2002, 31/07/2002, 31/10/2002 and on 31/01/2003.

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 the Director	Executive/ Non-Executive	No. of Board Held	Attendance Last at Meetings Attended Committees** Other Independent companies Board	Attendance No of membership AGM in directorship* on other	
Mr.Parasmal Gothi	Non	4	4	Yes	NIL
Mr.Sanjay Gothi	MD ,Exe.	4	4	Yes	NIL
Mr.Navratan Kothari	Non	4	1	No	NIL
Mr.Ajit Singhji Nahata (Cooped on 31/07/02)	Non	4	1	No	NIL
Mr.K.Desikan (Cooped on 31/07/02)	Exe	4	3	YES	NIL
Mr.Amit Gothi (Retired on 30/09/02)	Non	4	0	NO	NIL

4. BOARD COMMITTEES

(I) AUDIT COMMITTEE

Your company has reconstituted the audit Committee during the year and the same comprises of 3 non-executive directors; out of which one is an independent director. Mr.Ajit Singhji Nahata is the chairman of the Audit committee. Statutory Auditors and other senior management personnel generally attend the meetings.

The committee ensures the truthful and factual presentation of the Company's financial position, the Company has put in place a structure of review and authorisation apart from strong internal audit process.

Audit Committee of the Board oversees the internal control systems. This system is designed to identify, assess, monitor Fair review, active encouragement and management effectiveness and To ensure consistent effectiveness of the overall management.

The terms of reference stipulated by the Board of Directors to the Audit Committee are, as contained in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, as follows:

a. Review of the Company's financial reporting and consideration of the financial results of the company and the disclosure thereof.

b. Reviewing the internal audit & control processes.

c. General Discussion with statutory auditors and follow up there on.

During the year, the Committee has met 3 times on 30/04/2002, 30/09/2002 and 25/01/2003. The Statutory Auditor of the Company were also invited to attend the Audit Committee meetings. The attendance out of the 3 audit meetings is given below :The attendance at the Audit Committee Meetings is given below:

Name of Director	No. Of Meetings attended
Mr.Parasmal Gothi	3
Mr.Navaratn Kothari	0
Mr.Ajit Singhji Nahata (Cooped on 31/07/02)	2
Mr.Amit Gothi (Retired on 30/09/02)	1

(II) INVESTORS' GRIEVANCE COMMITTEE

The Committee is headed by Mr.Navaratn kothari and includes Mr.Parasmal Gothi and Mr.Sanjay Gothi as members. During the period the company has not received any complaints from the investors and hence As on date no complaint is pending with the company and thus committee didn't met any time.

iii) Remuneration Committee:

Remuneration of managing directors and whole time directors has been determined by the shareholders and though a Remuneration Committee is formed the same has not met during the year as there were no change in the remuneration paid to the wholetime director as approved by the shareholders. Further the managing director has not drawn any remuneration during the year. All the other Directors have waived their sitting fees.

Details of remuneration to Mr.Sanjay Gothi / Mr.K.Desikan ,Directors for the year ended 31/03/2003

Mr.Sanjay Gothi has waived his remuneration and Mr.Desikan has been paid Rs.122400/- inclusive of all towards remuneration

ANNUAL GENERAL MEETING (AGM)

Details of the last three AGMs held are given below:

Date of Meeting	Time	Venue
30/09/2002	10.00 a.m.	273 & 274 GST Road, 7th AGM Chromepet, Chennai-44
24/09/2001	10.00 a.m.	273 & 274 GST Road, 6th AGM Chromepet, Chennai-44
29/12/2000	10.00 a.m.	273 & 274 GST Road, 5th AGM Chromepet, Chennai-44

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 no item on the agenda that is required to be passed by postal ballot.