



GOTHI PLASCON (INDIA) LIMITED

**Regd Office : New No. 31, (Old No.26) Wallers Road, 1st Floor,
Chennai - 600 002. Phone : 32549611**

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**ANNUAL REPORT
2006-2007**

BOARD OF DIRECTORS

| | | |
|-------------------------|---|-------------------|
| Mr. Parasmal Gothi | - | Chairman |
| Mr. Sanjay Gothi | - | Managing Director |
| Mr. Prakash Chand Bohra | - | Director |
| Mr. Ajit Singh Nahata | - | Director |
| Mr. Desikan | - | Director |

TWELTH ANNUAL GENERAL MEETING

Date : 04TH June 2007
Day : Monday
Time : 10-00 a.m.
Place : C.M. Palace
273 & 274 G.S.T. Road
Chrompet
Chennai - 600 044.

Registrar & Transfer Agent

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

Registered Office :

New No.31 (Old No.26) Wallers Road,
First Floor,
Chennai - 600 022.
Ph : 32549611

Bankers

Bank of Baroda
80, Ritherdon Road,
Puruswakkam, ,
Ph : 23454294

Factory :

17/2, Vazhudavur Road,
Kurumbapet,
Puducherry - 605 009
Ph : 2271151

Auditors

Achha Associates
Chatered Accountants
Chennai - 600 079.

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 12th Annual General Meeting of the company will be held on 4th June 2007 at 10.00 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 31-3-2007 and the balance sheet as at 31-3-2007 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:

4. To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that Shri Prakash Bohra be and is hereby appointed as a Director of the company and is liable to retire by rotation."

Date 03/05/2007

Chennai

By Order of the Board
for Gothi Plascon (India) Limited
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 on 04/06/2007.
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. Ajithsinghji Nahata, the director retiring by rotation:
Mr. Ajithsinghji Nahata He holds a Bachelors. Degree in commerce. He is having an experience of 4 decades in business activities.
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)

The Board of directors appointed Shri. Prakash Chand Bohra age about 58 years as additional director with effect from 03.05.2007. He holds office as Additional Director up to the date of ensuing Annual General Meeting. The Company has received a Notice under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of the Director of the Company.

Keeping in view his vast experience and knowledge in business, the Directors recommend the Resolution for members' approval.

None of the directors of the Company is in any way, concerned or interested in this Resolution.

Date 03/05/2007

Chennai

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

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2007

Dear Shareholders,

We have pleasure in presenting the 12th Annual Report and Audited Statements of Accounts of the Company for the year ended 31st March, 2007.

Operations and Financial Results:

The Company did not undertake major business activity and the Board of directors have considered diversifying into other business activity in order to utilize the resources. The new business plans have not been finalized. Company is considering various options and proposes to bring the same to members in future as per the objects of the company. The financial results of the company were as follows :

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

| | Year ended 31.03.2007 (Audited) | Year ended 31.03.2006 (Audited) |
|-------------------|---------------------------------------|---------------------------------------|
| Income | 26042 | 30255 |
| Total Expenditure | 31053 | 35125 |
| Loss | 5010 | 4869 |

Dividend :

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

Directors:

Shri Ajit Singh ji Nahata retires by rotation and being eligible, offers himself for reappointment. During the period, Shri Prakash Chand Bohra have joined the Board as Additional Directors and who hold office, pursuant to Section 260 of the Companies Act, 1956, up to the date of ensuing Annual General Meeting and in respect of whom the Company has, pursuant to Section 257 of the Companies Act, 1956, received a notice in writing proposing their candidature for the office of Director. The Board recommends their appointment as Directors liable to retire by rotation.

Auditors:

The Auditors M/s ACHHA ASSOCIATES Chartered Accountants Chartered Accountants, who retire at the ensuing Annual General Meeting and your directors recommend to re-appoint them as Auditors of the Company. There are no such comments/observations by the Auditors on Accounts that require further clarification.

Fixed Deposits :

Your Company has not accepted any Fixed Deposits from the Public or its shareholders during the year under review.

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.22.14 lacs as compared to Rs.32.06. The company had no foreign exchange inflow or outflow during the year.

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.

Directors Responsibility Statement : In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors state:

- (i) That in the preparation of the Annual accounts, the applicable accounting standards have been followed.
- (ii) That your Directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit & loss of the Company for that period.
- (iii) That your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities.
- (iv) That your Directors have prepared the Annual Accounts on a going concern concept.

8. Acknowledgements:

The Board records its appreciation for the co-operation extended by various authorities, customers and employees associated with the Company.

Date: 03/05/2007
Chennai

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

MANAGEMENT DISCUSSION AND ANALYSIS

I. GOTHI's Approach to Business

Our company was able to survive in the dying industry 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 reduced by around 10% as compared to the last financial year. And the loss stood at Rs.50.10 lacs as compared to Rs.48.70 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 seems to be dark due to various ecological reasons / 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.

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.

III. Business Strategy

The company's business strategy is to improve its customer's business performance.

IV. Company Values

All employees are committed to values like customers satisfaction, quality production and cordial relationship with all associates.

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.

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.

II. Board Meetings & Attendance of Directors

A total of 5 board meetings were held during the year on the following dates:

05/04/2006, 17/07/2006, 29/10/2006, 05/01/2007 and 24/03/2007

| Name of Director | Number of meetings held during his tenure | Number of meetings attended | % of total meetings attended | AGM attendance |
|----------------------------|---|-----------------------------|------------------------------|----------------|
| Mr.Parasmal Gothi | 5 | 5 | 100 | Yes |
| Mr.Sanjay Gothi M.Director | 5 | 5 | 100 | Yes |
| Mr.Navratn Kothari | 5 | - | No | No. |
| Mr.Ajithsinghji Nahata | 5 | 2 | 40 | Yes |
| Mr.Desikan | 5 | 5 | 100 | Yes |

II. Board and Committee Memberships

None of the directors hold any directorships / members of any committee in other companies other than alternate directorships, directorships held in private limited companies and in companies under section 25 of the companies Act, 1956.

III. Code of Conduct

The board of directors has implemented a Code of Conduct to be applicable to all directors and employees.

IV. Directors Seeking Reappointment

The required information regarding the details of directors who are seeking appointment or reappointment is set out in the notes to the notice.