



GOTHI PLASCON (INDIA) LIMITED

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

ANNUAL REPORT
2007-2008

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

THIRTEENTH ANNUAL GENERAL MEETING

Date : 18th June 2008
Day : Wednesday
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 :

4/4 & 5/1 Vazhudavur Road,
Kurumbapet,
Puducherry - 605 009
Ph : 2271151

Auditors

Achha Associates
Chartered Accountants
Chennai - 600 079.

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 13th Annual General Meeting of the company will be held on 18th June 2008 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 31-3-2008 and the balance sheet as at 31-3-2008 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. 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 a whole time director of the Company for a period of five years from 01/10/2007 on following remuneration :

Salary Scale: Minimum of Rs.12000/- 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 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.

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

Date 19/05/2008
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 18/06/2008.

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. K. Desikan, the director retiring by rotation:

Details of Directors seeking appointment and re-appointment at the forthcoming Annual general meeting of the company.

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange.

Name of Director	Expertise in Specific Functional Areas	Director-Ship in Other Public Companies	Chairman/ Member of Committee
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Mr. K. Desikan	Production	Graduate	NIL	NIL
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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. K. Desikan is associated with the company for last 11 years and is well versed with the operations of the company. He is having rich experience in business operations of the company and is well versed with the day to day affairs of the company. Your Directors recommend appointing him as a Whole

time 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. The remuneration committee had recommended his appointment for five years from 01/10/2007. None of the Directors except Mr. K. Desikan 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 19/05/2008
Chennai

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2008

Dear Shareholders,

We have pleasure in presenting the 13th Annual Report and Audited Statements of Accounts of the Company for the year ended 31st March, 2008.

PERFORMANCE

The financial results for the year ended 31st March 2008 are as under:

	Rs. (In Lacs)	
	31.03.2008	31.03.2007
Income	150.34	260.43
Loss before depreciation	14.69	31.60
Depreciation	16.24	18.51
Loss before Tax	30.93	50.10
Provision for taxation	0.03	0.19
Loss After Tax	30.96	50.29

Business outlook & Prospects :

The company been trying to increase the sales & income but due to gradual ban on dispesable plastic cups by all most all the state government, and due to environments problem, 90% of market has switched over t paper cups from the plastic cups.

The company was aware of the market trend couple of years back and started disposing the machinerv. The existing machinery book value is appx Rs.1.60 crores and the same could not be sold even at 10% of book value after giving advertisement in papers. plastic magazine, exhibition's by brochure etc due to prevailing situation. Till then we will have to keep the machines in runnnng condition. Which only will fetch, some reasonable price, otherwise we have to sell as a scrap.

As far as the land having about 5 acre (2,18,000sq.ft) land and its book value of Rs.47 lakhs only. Since the land is situated in the industrial belt the company has already stared construction of industrial sheds for letting out. The Board of Directors have decided to sell land and sheds in future if geting good price.

This way the companies future looks optimistic only in present situation and will be able in absorb the existing loss and bring the company to profit.

Fixed Deposit:

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

DIVIDEND

The Directors do not recommend any dividend for the financial year ended 31st March 2008.

DIRECTORS

Mr. K. Desikan retires by rotation and being eligible, offer for re-appointment.

AUDITORS

The auditors of the Company M/s. ACHHA & ASSOCIATES, Chartered Accountants retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. Accordingly a resolution is being submitted to the members fo: their re-appointment and to fix their remuneration for the current 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.5.46 lacs as compared to Rs.22.14 lacs. The company had no foreign exchange inflow or outflow during the year.

DIRECTORS' RESPONSIBILITY STATEMENT:

Directors hereby declare

- That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 at the end of the financial year and of the profit or loss of the company for that period ;

iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities subject to the inherent limitations that should be recognized in weighing the assurance ;

iv) That the directors 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.

CORPORATE GOVERNANCE:

Pursuant to clause 49 of the Listing Agreement, a report of compliance of corporate governance as on 31/03/2008 duly certified by the auditors of the company is annexed.

ACKNOWLEDGEMENTS

Your directors would like to express their grateful appreciation for the support and co operation of all stakeholders. On behalf of all the company's stakeholders who benefit from the hard work of the employees, the Board would like to express its sincere appreciation and gratitude.

Date: 19/05/2008
Chennai

For and on behalf of the Board
for Gothi Plascon (India) Ltd.
sd/-
Directors

MANAGEMENT DISCUSSION AND ANALYSIS

Annexure - A to the Directors' Report

I GOTHI is in to plastic industry and has its name for its quality products.

II. Performance Review

The company had achieved a turnover of Rs. 150 lacs and incurred a loss of Rs.30.93 lacs as compared to a loss of Rs.50.10 lacs in the previous year.

III. Risks & Concerns

The main risk to which the company is exposed is competition from the various competitors, development in various bio degradable uses of products and the number of competitors. During the course of year the company has broad based its product base which restricted the loss of the company to Rs. 30 lacs. However the company is trying its best to be strengthening its operations.

IV. Internal Control Systems

The company is planning further to strengthen its internal control systems and procedures commensurate with the size and nature of its business.

CORPORATE GOVERNANCE REPORT

Corporate Governance refers to the manner, in which a company is directed, and laws and custom affecting that direction. It includes the manner in which company operates under various laws governing it, the bye laws established by itself for its operations and the distribution of rights and responsibilities primarily among directors and managers. The fundamental concern of corporate Governance is to ensure conditions whereby a company's directors and managers act in the interest of the company.

GOTHI is committed to highest standards of corporate Governance in all its activities.

I. Board of Directors

The present company's board strength is 5 comprising of 2 executive director and 3 non-executive directors, of which 2 are independent. There were no changes in the composition of the board during 2006-07.

II. Board Meetings & Attendance of Directors

During the year 2007-2008, 8 Board Meetings were held on the following dates:

(1) 03/05/2007 (2) 23/07/2007 (3) 10/08/2007 (4) 26/10/2007
(5) 15/11/2007 (6) 28/01/2008 (7) 10/02/2008 (8) 25/03/2008

III. COMPOSITION AND CATEGORY OF DIRECTORS:

I. Composition and Category of Directors

The board comprises 5 members – 2 executive director and 3 non-executive directors, of which 2 are independent. The chairman of the board is a non-executive director. The company is in the process of appointing another independent director as per the new amendment in the listing agreement.

Name of Director	Number of meetings held during his tenure	Number of meetings attended	AGM attendance
Mr.Parasmal Gothi	8	8	Yes
Mr.SanjayGothi	8	8	Yes
M.Director			
Mr.Prakash Bohra	8	3	Yes

Mr. Ajithsinghji Nahata	8	8	Yes
Mr. Desikan	8	8	Yes

IV. DIRECTORS SEEKING REAPPOINTMENT

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

V. DISCLOSURE OF DIRECTOR'S INTERESTS IN TRANSACTION WITH THE COMPANY

None of the non-executive directors had any pecuniary relationship or transaction with the company pursuant to the provisions of Clause 49 VII (D) of the Listing Agreement other than sitting fees.

No director has been paid any remuneration as the Director of the Company except Mr. K. Desikan who is being paid remuneration for acting as Whole Time Director of the Company.

VI. Code of Conduct

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

3. AUDIT COMMITTEE

I. Terms of Reference

The audit committee of the company has been mandated with the same terms of reference as specified in Clause 49 of the Listing Agreements with stock exchanges.

II. Composition

The audit committee comprises 3 non-executive directors who have considerable financial expertise and experience. The financial officer and the statutory auditor are permanent invitees to the committee.

III. Attendance

The committee met Five times during the year and attended by all the members.

IV. REMUNERATION COMMITTEE

Constitution

The Committee consists of 3 directors - all non executive

Terms of Reference:

The Remuneration Committee has been constituted to recommend and review the remuneration packages of the Managing, Whole Time Directors, and to formulate a broad policy for management remuneration.

Meetings & Attendance:

During the year 2007-2008, one meeting of the Remuneration Committee was held which was attended by all the members of the committee.

Remuneration Policy:

The Remuneration Policy as outlined by the Committee aims at

- Recognising and rewarding performance and achievements,
- While fixing the remuneration of Directors, their contribution by way of their professional services as directors, towards the growth of the Company.

This policy is in tune with current national and international practices.

V. SHAREHOLDER'S / INVESTOR'S GRIEVANCE COMMITTEE

A Shareholder's / Investor's Grievance Committee has been constituted by the Board to monitor the redressal of the shareholders / investors grievances. The Committee reviews the status of complaints received from shareholders/investors and redressal thereof. A status report of shareholders complaints and redressal thereof is prepared and placed before the Shareholders / Investors Grievance Committee.

As on 31-03-2008 no shares / debentures are pending for transfer for more than 15 days.

All complaints have been resolved to the satisfaction of shareholders within a reasonable time.

Pending share Transfers:

There are no pending share transfers. As required by the regulations of SEBI, the issued and listed capital of the Company is reconciled with the aggregate of the number of shares held by Investors in physical mode and in the demat mode. A certificate is being obtained on a half yearly basis to this effect from a Practicing Company Secretary and submitted to the Stock Exchanges where the Company's Shares are listed. As on 31st March 2008, there were no differences between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories.

VI. GENERAL BODY MEETINGS.

Meeting Details

I. Financial Year	Location	Date and Time
2004-2005	273&274 GST Road, Chromepet, Chennai-44	04/07/2006
2005-2006	—do—	29/05/2006
2006-2007	—do—	04/06/2007

II. Postal Ballot

During the financial year under review, no postal ballots were used for voting at meetings. At the ensuing AGM there is no item on the agenda that is required to be passed by postal ballot.

VII. DISCLOSURES

I. Related Party Transactions

There has been no materially significant related party transaction with the company's subsidiaries, promoters, directors, management or their relatives which may have a potential conflict with the interests of the company. Members may refer to the notes to the accounts for details of other related party transactions.

II. Compliance with Regulations

The company has complied fully with the requirements of the regulatory authorities on capital markets. There have been no instances of non-compliance by the company on any matters related to the capital markets, nor as any penalty or stricture been imposed on the Company by Stock Exchange, SEBI or any other Statutory authority.

III. Accounting Standards

The company has rigorously followed the accounting standards, laid down by the Institute of Chartered Accountants of India.

IV. Risk Management

The audit committee regularly reviews the risk management strategy of the company to ensure the effectiveness of risk management policies and procedures.

V. Remuneration to the Directors:

No directors had been paid remuneration except Mr.K. Desikan who has been paid a sum of Rs. 1,51,200/-

8. COMMUNICATION APPROACH

The company's financial results are published in the MAKKAL KURAL and TRINITY MIRROR

9. GENERAL SHAREHOLDER INFORMATION

I. 13th Annual General Meeting

The 13th annual general meeting will be held on 18th June 2008 at the 273 & 274 GST Road, Chromepet, Chennai-74 at 10.00 a.m.

II. Tentative Financial Reporting Calendar

Financial Reporting 2008	From	To	Date
1 st Quarter	April	June	31 st July
2 nd Quarter	July	September	31 st October
3 rd Quarter	October	December	31 st December
4 th Quarter	January	March	30 th April Unaudited / Audited on or before 31/05/2008
Annual General Meeting	April 2008	March 2009	On or before 18/09/2009

III. Book Closure

The date of closure is on 18/06/2008

IV. Stock Exchange Listing

Stock Exchange	Stock Code	Listing Fees Paid Upto	ISIN
Bombay Stock Exchange	531111	31/03/2008	INE 538G01018

VI. Share Price

The company's high and low prices recorded on the Bombay Stock Exchange and the National Stock Exchange during the year 2008 are:

Share Price	High (Rs.4.32)	Low (Rs.1.43)
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VII. Registrar & Transfer Agent

CAMEO CORPORATE SERVICE LIMITED

1, Club House Road, Chennai-2

Phone: 28460390 / 28460394

VIII. Share Transfer System.

The power to approve the transfer of securities has been delegated by the board to the share transfer agents. Share transfer requests are processed within an average of 15 days from the date of receipt. Shareholders are encouraged to opt for dematerialisation of the physical shares in which case electronic credit is made.

The Company has established connectivity with the depository, namely, National Securities Depository Limited, Mumbai. The transfers are approved by the Share Transfer Committee. Share Transfers are registered and despatched within a period of 30 days from the date of receipt if the documents are correct and valid in all respects. As on 31-03-2008 there were no valid requests pending for transfer of shares.

IX Distribution of shareholding

As on 31st March, 2008

Category	Number of Shares held	% of holding
1. Promoters		
Indian	5240000	51.37
- Foreign	- NIL -	- NIL -
2. Persons acting in concert	- NIL -	- NIL -

3.	Institutional Investors		
a.	Mutual Funds & UTI	- NIL -	- NIL -
b.	Banks, Financial Institutions, Insurance Companies		
	(Central/State Government. Inst./Non-Govt. Inst)	- NIL -	- NIL -
c.	FIs	- NIL -	- NIL -
4.	Others		
	- Private Bodies Corporate	266600	2.61
	- Indian Public	4655400	45.65
	- NRIs / OCBs	5300	0.05
	- Other than specified above Clearing Members	32700	0.32
	Sub Total	4960000	48.63
	Grand Total	10200000	100.00
	Paid-up Shares	10200000	100.00

Distribution Schedule as on 31-03-2008

SI. No.	Category of Shares	Holders		Shares	
		Nos.	%	Nos.	%
1	1 - 500	5872	76.23	1355250	13.5867
2	501 - 1000	1056	13.71	965850	9.4691
3	1001 - 2000	463	6.01	716600	7.0254
4	2001 - 3000	119	1.54	364600	2.9862
5	3001 - 4000	52	0.68	183600	.80
6	4001 - 5000	49	0.64	229000	2.245
7	5001 - 100000	55	0.71	411500	4.0343
8	100001 AND ABOVE	37	0.48	6033600	59.1529
	TOTAL	7703	100	10200000	100

Ix. Dematerialisation of shares

The equity shares of the company are required to be compulsorily traded and settled only in the dematerialised form.

X. Dematerialisation of Shares and Liquidity

Shares of the company can be held and traded in electronic form.

Approximately, 1436681 being 14.08% shares have already been dematerialized.

Place : Chennai
Date 19/05/2008

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

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

The Members of
GOTHI PLASCON (INDIA) LIMITED, Chennai

1. We have examined the compliance of the conditions of Corporate Governance by the company for the year ended 31st March, 2008 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchange in India.

2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

3. In our opinion and to the best of our information and explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

4. We state that in respect of investor grievances received during the year ended 31st March 2007, no investor grievances are pending against the company for a period exceeding one month as per records maintained by the company which are presented to the shareholders / Investors Grievance Committee.

5. We further state that such Compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place : Chennai
Date: 19.05.2008

For ACHHA ASSOCIATES.,
CHARTERED ACCOUNTANTS
T R ACHHA

AUDITORS REPORT

We have audited the attached Balance Sheet of Gothi Plascon (India) Limited as at 31st March 2008 and also the Profit and Loss account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of sub-section (4a) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.

Further to our comments in the Annexure referred to above, we report that:

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) In our opinion, the company has kept proper books of account as required by law so far as appears from our examination of the books of the Company
- iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account of the Company.
- iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3c) of section 211 of the Companies Act, 1956 to the extent applicable.
- v) On the basis of written representations received from the directors, as on 31st March, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008; and
 - b. In the case of the Profit and Loss Account, of the Loss for the year ended on that date.

Place: Chennai
Date: 19/05/08

For ACHHA ASSOCIATES
CHARTERED ACCOUNTANTS
-Sd-
(T.R. ACHHA)
PARTNER

GOTHI PLASCON (INDIA) LIMITED

Referred to in paragraph 3 of our report of even date.

- 1) (a) On the basis of examination of the records of the company, we report that the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) On the basis of examination of the records of the company, we report that all the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of the assets. No material discrepancies were noticed on such verification.
- c) During the year, the company has disposed of a major part of the plant and machinery. According to the information and explanations given to us, we are of the opinion that the sale of the said part of plant and machinery has not affected the going concern status of the company
- 2) a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion and according to the information and explanations given to us the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of business.
- c) On the basis of examination of the records of the inventory and according to information and explanations given to us, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

- 3) a) The company had taken loan from six other firms & individuals covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs 1,20,02,345/- and the year-end balance of loans taken from such parties was Rs. 1,11,50,000/-. The companies have not granted any loan to parties covered in register maintained u/s 301 of the Companies Act, 1956.
- b) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- c) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
- d) There is no overdue amount of loans taken from firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- 5) A) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- 6) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from Public. The Company Law Board has passed no order.
- 7) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- 8) The Industry in which Company's business is involved is not prescribed u/s 209(1) (d) for maintenance of cost records.
- 9) (a) As per the information and explanations given to us and records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, excise duty, cess and other material statutory dues applicable to it. No wealth tax and custom duty is payable by company.
- (b) According to the information and explanations given to us and records of the company, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31.03.2008 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- 10) In our opinion, the accumulated losses of the company is Rs.847.88 lakhs as on 31.03.2008, which is more than 50% of its net worth. The company has incurred cash losses of Rs. 14.68 lakhs during the financial year 2007-2008 and of Rs.29.45 lakhs during financial year 2006-2007.
- 11) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- 12) As per records of the company, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 14) In our opinion, the company is not dealing in or trading in shares, securities debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- 15) As per the records of the company, the company has not given guarantees for loans taken by other from banks or financial institutions.
- 16) As per records of the company, the company has not raised any term loan.
- 17) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- 18) According to the information and explanations given to us and as per records of the company, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- 19) According to the information and explanations given to us, during the period covered by our audit report, the company had not issued any debentures during the year.
- 20) During the course of our examination of books of accounts carried out in accordance with generally accepted practices in India, we have neither come across any incidence of fraud on or by the company nor have we been informed of any such case by the management.

Place : Chennai
Date: 19/05/2008

For ACHHA ASSOCIATES
CHARTERED ACCOUNTANTS
(T.R. ACHHA)
PARTNER
Membership No.25959

BALANCE SHEET FOR THE YEAR ENDED 31 ST MARCH 2008

		YEAR ENDED	YEAR ENDED
		31.03.2008	31.03.2007
		(Rs.)	(Rs.)
SOURCE OF FUNDS	SCHEDULE		
<u>Share Holder's Fund</u>			
Share Capital	A	102,000,000.00	102,000,000.00
Unsecured Loans	B	11,150,000.00	4,150,000.00
		113,150,000.00	106,150,000.00
<u>Annicillar Units</u>			
Fixed Assets	C	20,635,956.46	24,822,207.62
Construction Work in Progress		8,070,020.25	
<u>Investment</u>	D	1,900.00	1,900.00
<u>Current Assets Loans & Advances</u>			
Cash and Bank Balance	E	82,255.21	52,378.27
Inventories	F	-	-
Sundry Debtors	G	1,211,270.00	2,586,936.93
Loans, Advances & Deposits	H	1,132,379.73	1,237,042.73
		2,425,904.94	3,876,357.93
<u>LESS :Current Liabilities & Provisions</u>			
Sundry Trade Creditors	I	2,688,073.74	4,156,449.00
Sundry Creditors(Expenses)	J	65,956.00	67,953.00
		2,754,029.74	4,224,402.00
Net current Assets		(328,124.80)	(348,044.07)
Miscellaneous Expenditure	K	-	-
(To the extent not written off or adjusted)			
Balance in Profit & Loss a/c.		(84,770,248.09)	(81,673,936.45)
		113,150,000.00	106,150,000.00
Notes on Account	Q	-	-
As per our report of even date annexed			
For and on behalf of the Board			
for ACHHA ASSOCIATES			
Chartered Accountants		Parasmal Gothi	Sanjay Gothi
-Sd-		-Sd-	-Sd-
Partner		Chairman	Managing Director
Place: Chennai,			
Date : 19/05/08			

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 ST MARCH 2008

. INCOME	SCHEDULE	YEAR ENDED	YEAR ENDED
		31.03.2008 Rs.	31.03.2007 Rs.
a) Sales	L	14,981,794.00	25,986,620.00
b) Job Work Charges			
c) Other Income	M	53,044.00	56,341.00
		15,034,838.00	26,042,961.00
<u>I. EXPENDITURE</u>			
a) Raw Material Consumed	N	9,868,802.00	16,853,218.00
b) Manufacturing & Trading Expenses	O	3,011,871.60	7,231,466.55
c) Office & Administrative Expenses	P	3,622,607.11	4,903,284.14
d) Pre-operative & Deferred Revenue Expenses Written off		-	214,011.00
e) Depreciation	C	1,624,567.93	1,851,615.95
		18,127,848.64	31,053,595.64
Loss before and after Taxation		(3,093,010.64)	(5,010,634.64)
Transferred to Balance Sheet			
Ring-fence Benefit Tax		3,301.00	18,920.00
Profit/Loss of last year		(81,673,936.45)	(76,644,381.81)
Total Loss transfer to Balance Sheet		(84,770,248.09)	(81,673,936.45)

Significant accounting policies
and notes on accounts R
As per our report of even date annexed
For and on behalf of the Board
For ACHHA ASSOCIATES
Chartered Accountants

-Sd-
Partner
Place : Chennai,
Date : 19/05/08

Parasmal Gothi
-Sd-
Chairman

Sanjay Gothi
-Sd-
Managing Director

SCHEDULE - A
SHARE CAPITAL

	AMOUNT As on 31.03.2008	AMOUNT As on 31.03.2007
Authorised		
1,10,00,000 Equity Shares of Rs.10 Each	110,000,000.00	110,000,000.00
Issued Subscribed & Paidup		
1,02,00,000 Equity Shares of Rs.10 Each	102,000,000.00	102,000,000.00
	102,000,000.00	102,000,000.00

SCHEDULE - B
UNSECURED LOANS

	AMOUNT AS ON 31.03.2008	AMOUNT AS ON 31.03.2007
PARAMSAL GOTHY & SONS	1,700,000.00	-
SUMITRA GOTHY LOAN	9,450,000.00	4,150,000.00
	11,150,000.00	4,150,000.00

SCHEDULE - C
DETAILS OF FIXED ASSETS & DEPRECIATION

DESCRIPTION	PLANT & MACHINERY	LAND	BUILDING	TOTAL
Balance as on 01.04.2007	36,871,274.20	2,078,324.00	3,216,175.95	42,165,774.15
Additions	12,290.00	-	-	12,290.00
Deletions	4,888,308.23	-	-	4,888,308.23
Total	31,995,255.97	2,078,324.00	3,216,175.95	37,289,755.92
Depreciation upto 31.03.2007	16,783,186.45	-	560,380.08	17,343,566.53
For the year	1,517,147.65	-	107,420.28	1,624,567.93
Reversal	2,314,335.00	-	-	2,314,335.00
Total	15,985,999.10	-	667,800.36	16,653,799.46
Net Block as on 31.03.2007	20,088,087.75	2,078,324.00	2,655,795.87	24,822,207.62
Net Block as on 31.03.2008	16,009,256.87	2,078,324.00	2,548,375.59	20,635,956.46

SCHEDULE - D
INVESTMENT

	AMOUNT AS ON 31/3/2008	AMOUNT AS ON 31/3/2007
N.S.C.	1,900.00	1,900.00

SCHEDULE - E
CASH & BANK BALANCE

	AMOUNT AS ON AS ON 31.03.2008	AMOUNT AS ON AS ON 31.03.2007
In National Bank in Current Accounts		
Bank of Baroda - Pondy	52,658.25	29,247.25
Bank of Baroda - Chennai	12,315.61	15,526.32
Cash on Hand	17,281.35	7,604.70
	82,255.21	52,378.27

SCHEDULE - F**STOCK IN TRADE As on 31.3.2008**

<u>AMOUNT</u> <u>AS ON 31/3/2008</u>	<u>AMOUNT</u> <u>AS ON 31/3/2007</u>
NIL	NIL

SCHEDULE - G SUNDRY DEBTORS

LAST YEAR: Rs. 2586936.93

AMOUNT AS ON 31.03.2008

1,211,270.00

SCHEDULE - 'H' ADVANCES & DEPOSITS

LAST YEAR: Rs. 1237042.73

AMOUNT AS ON 31.03.2008

1,132,379.73

SCHEDULE - 'I' SUNDRY TRADE CREDITORS

LAST YEAR: Rs. 4156449.00

AMOUNT AS ON 31.03.2008

2,688,073.74

SCHEDULE 'J'**SUNDRY CREDITORS EXPENSES**

<u>AMOUNT AS ON</u> <u>31.3.2008</u>	<u>AMOUNT AS ON</u> <u>31.3.2007</u>
65,956.00	67,953.00

SCHEDULE 'K'**MISCELLANEOUS EXPENSES**

BALANCE AS ON 1.4.2006

<u>AS ON 31.3.2008</u>	<u>AS ON 31.3.2007</u>
-------------------------------	-------------------------------

LESS: WRITTEN OFF

214,011.00

214,011.00

SCHEDULE - 'L' SALES

SALES A/C

<u>AS ON 31.3.2008</u>	<u>AS ON 31.3.2007</u>
-------------------------------	-------------------------------

13,041,289.00

23,855,483.00

HIPS SHEET SALES

1,825,740.00

1,981,260.00

SCRAP SALES A/C

114,765.00

149,877.00

14,981,794.00

25,986,620.00

SCHEDULE - 'M' OTHER INCOME

INTEREST ON REFUND OF E.B. DEPOSIT

<u>AS ON 31.3.2008</u>	<u>AS ON 31.3.2007</u>
-------------------------------	-------------------------------

-

45,491.00

INCOME TAX REFUND INTEREST

-

10,850.00

INTEREST RECEIVED

53,044.00

-

53,044.00

56,341.00

SCHEDULE - 'N' "RAW MATERIALS CONSUMED

<u>AS ON 31.3.2008</u>	<u>AS ON 31.3.2007</u>
<u>AMOUNT</u>	<u>AMOUNT</u>

OPENING STOCK

-

ADD: PURCHASES

9,868,802.00

16,853,218.00

9,868,802.00

16,853,218.00

LESS: CLOSING STOCK

-

9,868,802.00

16,853,218.00

SCHEDULE - 'O' MANUFACTURING & TRADING EXPENSES

<u>AS ON 31.03.2008</u>	<u>AS ON 31.03.2007</u>
--------------------------------	--------------------------------

BORE WELL MAINTENANCE

15,620.00

-

BEARING

37,492.00

65,937.40

BLANKET

53,931.00

103,253.00

BOLT,NUT & WASHER

7,572.00

3,461.00

CARRIAGE INWARDS

6,868.00

4,693.00

CARTON BOXES

253,210.00

635,436.00

CHILLING PLANT MAINTENANCE

22,477.00

5,300.00

COMPRESSOR OIL

1,860.00

22,663.00

COMPRESSOR MAINTENANCE

29,624.00

99,759.35

DIESEL

88,226.00

148,303.60

DRILL BIT

-

730.60

DIE & MOULD MAINTENANCE

24,633.50

37,340.00

D.M.WATER

3,200.00

-

ELECTRICAL ITEMS & FITTINGS

11,048.50

47,245.50

ELECTRICITY CHARGES - POWER LOAD

546,105.00

2,213,848.00

EXCISE DUTY

-

359.00

FACTORY EXPENSES

5,127.00

-

FACTORY LOCK

-

2,831.00

G.I.MESH

4,120.00

-

GEAR OIL

2,080.00

-

GEAR

19,283.00

7,745.00

GENERATOR MAINTENANCE

9,104.00

16,072.00

GRINDER MAINTENANCE

9,346.00

10,664.00

HEATERS	8,469.00	53,631.00
MOTOR REWINDING CHARGES	24,630.00	12,685.00
MACHINE MAINTENANCE	8,106.00	3,823.50
MACHINE SHIFTING	19,013.00	142,714.00
MIXING MACHING MAINTENANCE	-	720.00
PACKING MATERIAL	1,168.00	-
OIL SEAL & M.SEAL	230.00	1,114.00
POLYTHENE BAGS	124,635.00	684,941.00
PRINTING CHARGES	-	641,765.00
PRINTING INK	246,916.00	416,715.00
PRINTING MACHINE MAINTENANCE	8,000.00	26,417.60
REPROCESSING CHARGES	-	82,915.00
SELF ADHESIVE TAPES	30,487.00	73,105.00
SHEET EXTRUDER MAINTENANCE	72,092.60	31,581.25
THERMOFORMING MACHINE MAINTENANCE	70,609.00	65,865.75
TRANSFORMER SERVICE	26,600.00	-
V-BELT	-	5,190.00
VEHICLE MAINTENANCE	221.00	-
WAGES & BONUS	1,216,834.00	1,562,372.00
WELDING ROD	2,184.00	270.00
WEIGHING MACHINE MAINTENANCE	750.00	-
TOTAL	3,011,871.60	7,231,466.55

SCHEDULE - 'P' "OFFICE & ADMISNISTRATIVE EXPENSES"

	AS ON 31.03.2008	AS ON 31.03.2007
ADVERTISEMENT & PUBLICITY	43,750.00	39,713.00
AGM EXPENSES	57,900.00	61,960.50
AUDIT FEE	56,180.00	50,562.00
BANK CHARGES & COMMISSION	14,609.99	19,277.34
BOOKS & PERIODICALS	-	640.00
CAR MAINTENANCE	20,943.00	69,722.75
CAR PARKING	90.00	1,097.00
CAR PETROL	33,505.40	106,862.90
CARRIAGE OUTWARDS	141,032.00	116,828.65
CELLULAR CHARGES	6,369.00	35,600.00
COMMISSION	-	678,100.00
COMPUTER MAINTENANCE	450.00	28,512.00
COMPUTER STATIONERY	-	3,905.00
CONSULTANCY CHARGES	34,513.00	44,628.00
CONVEYENCE	77,229.00	19,369.00
ELECTRICITY LIGHT LOAD	107,026.00	9,186.00
FIRE EQUIPMENT MAINTENANCE	6,109.00	-
E.S.I PENALTY	1,480.00	-
E.S.I.CONTRIBUTION	54,137.00	61,717.00
FACTORY BUILDING MAINTENANCE	40,650.00	134,068.90
FRINDGE BENEFIT TAX	18,500.00	-
INSURANCE	41,355.00	55,446.00
INTEREST PAID	649,227.00	677,694.00
INTERNET	-	7,496.00
JOB WORK CHARGES	485,000.00	590,000.00
LICENCE FEES RATES & TAXES	16,871.00	37,091.00
LISTING FEES	53,672.00	52,773.00
LOCAL CARTAGE EXPENSES	17,885.00	26,121.00
MEMBERSHIP & SUBSCRIPTION	10,122.00	5,122.00
NEWSPAPER & PERIODICALS	600.00	-
NATIONAL INSURANCE	-	2,081.00
OFFICE EXPENSES	14,086.00	21,122.00
POSTAGE & TELEGRAM	1,116.00	9,654.00
PRINTING & STATIONERY	12,657.50	29,332.20
PROFESSIONAL TAX	5,200.00	-
PROVIDENT FUND	100,160.00	126,885.00
PROPERTY TAX	1,144.00	-
PF PENALTY	712.00	-

REJECTION & SHORTAGE	27,566.25	55,885.00
RENT	141,000.00	471,000.00
SALES PROMOTION	17,167.00	13,625.00
SALES TAX (2004-2005)	-	102,498.00
SECURITY CHARGES	107,858.00	109,083.00
SHARE TRANSFER EXPENSES	66,409.74	57,658.00
STAFF SALARY & BONUS	200,570.00	188,677.00
STAFF MEDICAL EXPENSES	84,440.30	1,376.80
STAFF WELFARE EXPENSES	750.00	-
TEA & SNACKS EXPENSES	79,067.70	81,304.90
TELEPHONE & TRUNKCALL CHARGES	78,742.00	78,589.00
TELEPHONE MAINTENANCE	-	4,408.00
TIFFEN & MEALS EXPENSES IN FACTORY	124,922.00	159,378.60
TRANSIT INSURANCE	9,692.00	-
TRAVELLING EXPENSES	2,210.00	24,518.00
XEROX EXPENSES	2,971.00	842.50
LOSS ON SALE OF ASSETS	555,919.23	424,264.10
ROC FILLING FEES	5,150.00	1,500.00
	3,622,607.11	4,903,284.14

GOTHI PLASCON (INDIA) LIMITED

Significant Accounting Policies & Notes on Accounts:

1. BASIS OF ACCOUNTING

- The company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis. The accounts are prepared on historical cost and as a going concern.
- Accounting policies not referred to otherwise are consistent with generally accepted accounting policies.

2. FIXED ASSETS & DEPRECIATION

- Fixed Assets are stated at their historical cost of acquisition including taxes, duties freight and other incidental expenses related to acquisition and installation of the concerned assets.
- Depreciation of fixed assets of has been charged on single shift basis on a straight line basis at the rates specified in schedule XIV of the Companies Act 1956.

3. INVESTMENTS

Investments are stated at Cost.

4. VALUATION OF INVENTORIES

The stock of Raw Material and packing material are value at average Cost.

Work in progress is valued at cost (which include cost of Raw Material and Conversion Cost)

5. SALES

Sales are recorded and supply of goods takes place in accordance with the terms of sales. Sales do not include Excise Duties.

6. Payment against supplies from SSI and ancillary undertaking are generally made in accordance with agreed credit terms and there were no over dues in this regard.

7. ACCOUNTING STANDARD

The Profit and Loss A/C. and Balance Sheet Complied with the accounting standards referred in section 211 (3C) of companies Act 1986.

8. CHANGE IN ACCOUNTING POLICY

There is no change in policy of accounts

9. Expenditure in Foreign Currency – Nil

Earning in Foreign Currency - Nil

10. INFORMATION ON INSTALLED CAPACITY & ACTUAL PRODUCTION

	2007 – 2008	2006 – 2007
a. Installed Capacity	20,00,00,000	25,00,00,000
b. Actual Production	2,21,29,922 Cups	3,67,47,844 Cups
c. Actual Production of HIPS Sheets	33,810	36,690
d. Raw Material Consumed	1,28,444.000 Kgs	2,54,825.000 Kgs
e. Raw Material Sold	4,850.000 Kgs	NIL Kgs
f. Closing Stock of Raw Material	NIL Kgs	NIL Kgs
g. Closing Stock of Work in Progress	NIL Kgs	NIL Kgs
11. Previous Year figures have been rearranged and regrouped wherever necessary.		
12. Loss on Sale of Fixed Assets Accounted Rs. 5,55,919.23		
13. Sundry Debtors – unsecured – considered goods		

Outstanding for a period exceeding six months Rs. NIL

Others Rs. 12,06,017.00

The Company does not hold any security Rs. 12,06,017.00
(except the personal guarantee of debtors.)

14. Directors have not withdrawn managerial remuneration due to loss in company although they are entitled to, even in the case of loss except Sri. K. Desikan who has withdrawn Rs. 1,51,200/-

15. **AUDITOR'S REMUNERATION**

For Audit	Rs.	20,000.00
For taxation matter	Rs.	20,000.00
For expenses	Rs.	10,000.00
Service Tax	Rs.	6,180.00
	Rs.	56,180.00

16. **FOREIGN EXCHANGE TRANSACTIONS: - Nil**

17. **PROVIDENT FUND:**

Company's contribution to provident fund is accounted on accrual basis and is charges to revenue account.

18. In the opinion of the Board of Directors, Sundry debtors, Current assets, Loans and Advances have a value on realization, in the ordinary course of business, atleast equal to the amount at which they are stated.

19. The company is yet to receive confirmations from parties in respect of balances outstanding in sundry debtors and creditors.

20. **SEGMENT REPORTING:**

The Company's business consists of one primary reportable business segment of manufacturing and sale of Plastic items with manufacturing facility at single place and consists of major revenue on account of domestic sales, hence no separate disclosures pertaining to attributable revenues, profits, assets, liabilities and capital employed are given as required under Accounting Standard - 17.

21. **EARNINGS PER SHARE (EPS)**

The earnings considered in ascertaining the Company's Earnings per share comprise of net profit after tax. The number of shares used in computing Basic earnings per share is the weighted average number of shares outstanding during the year. The numerators and denominators used to calculate earnings per share.

Particulars	2007 - 2008	Amount in Rs. 2006 - 2007
Profit attributable to Equity Share Holders (A)	(30,93,009)	(50,27,337)
Basic/Weighted Averages Number of Equity Shares outstanding during the year (Nos.) (B)	1,02,00,000	1,02,00,000
Nominal Value of each Equity Share	10/-	10/-
Earning per share. (A)/(B)	(0.30)	(0.49)

22. Related party transaction pursuant to disclosure norms of Accounting Standard 18 is given below

<u>Sl.No.</u>	<u>Name of the Party</u>	<u>Nature of Transaction</u>	<u>Nature of Transaction</u>	<u>Amount of Transaction</u>
1.	Sumitra Gothi	Wife of Chairman	Rent	10,000
2.	Sumitra Gothi	Wife of Chairman	Interest	5,66,523
3.	Parasmal Gothi (HUF)	HUF of Chairman	Interest	81,565
4.	Sanjay Gothi	Managing Director	Rent	30,000
5.	Sanjay Gothi (HUF)	HUF of Managing Director	Rent	80,000
6.	K.Desikan	Director	Remuneration	1,51,200

23. As there is loss, no tax is deferred.

24. Business Loss and Unabsorbed description being carried over as per Income Tax Act up to 31/03/2008 is Rs.10,68,02,413/-, which will be adjusted against profits of company in subsequent year. Contingent Tax benefits out of such adjustment is not accounted for.

As per our report of even date annexed.

For ACHHA ASSOCIATES

-Sd-

For and on behalf of the board

-Sd-

Chartered Accountants

Chairman.

Managing Director

PARTNER

Place: Chennai

Date: 19/5/08

GOTHI PLASCON (INDIA) LIMITED BALANCE SHEET ABSTRACT

1. Registratic Details	28895	State Code No.18	
Registration No.	31-3-2008		
2. Caaital Raised During the year (Amount in Rs. Thousands)			
Public issue	Nil	Right issue	Nil
Bonus issue	Nil	Placement	Nil
3. Position of Mobilization & Deployment of Funds (Amount in Rs, Thousands)			
Total Liabilities	113150	Total Assets	113150
Source of funds			
Paid-up Capital	102000	Reserve & Surplus	Nil

Secured Loans	Nil	Unsecured Loans	11150
Application of Funds			
Net Fixed Assets	20636	Investments	2
Net Current Assets	(328)	Misc.Expenditure	Nil
Accumulated Losses	84770		
4 Performance of Company (Amount in Rs. Thousands)			
Turnover	15034	Total Expenditure	18128
Profit/Loss Before Tax	3093	Profit / Loss After Tax	3096
Earning per share in Rs.	Nil	Divident Rate %	Nil

GOTHI PLASCON (INDIA) LIMITED

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE PERIOD APRIL 2007 - MARCH 2008

	<u>F.Y.2007-2008</u>	<u>F.Y.2006-2007</u>
A CASH FLOW FROM OPERATING ACTIVITIES:	(3,114,811)	(5,010,635)
Net Profit Before Tax		
Adjustment for:		
Depreciation for current year	1,624,567	1,851,616
Loss on sale of assets	555,919	424,264
Interest income	(53,044)	(56,341)
Interest charges	649,227	677,694
Pre-incorporation expenses	-	214,011
	2,776,669	3,111,244
<u>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</u>	(338,142)	(1,899,391)
Adjustment for:		
Receivable & advances	1,480,330	1,961,315
Frindge Benefit Tax	3,301	(18,920)
Inventories	-	-
Sundry Creditors	(1,456,577)	2,395,973
Creditors for expenses	1,404	(257,003)
Interest Paid	(649,227)	(677,694)
Interest received	53,044	56,341
(A) Cash flow before extra ordinary	(905,867)	1,560,621
<u>CASH FLOW FROM INVESTING:</u>		
Acquisition of fixed assets	(8,082,310)	(225,804)
Net Sale of fixed assets	2,018,054	212,530
(B) Net Cash flow from investing act	(6,064,256)	(13,274)
<u>CASH FLOW FROM FINANCING ACTIVITIES:</u>		
Processing from short term borr	7,000,000	
Processing form long term borr	-	(2,350,000)
(C) Net cash flow from financing act.	7,000,000	(2,350,000)
Net increase in cash & cash equivalent (A+B+C)	29,877	(802,653)
Cash & Cash equivalents at the beginning of the year	52,378	855,031
Cash & Cash equivalents at the end of the year	82,255	52,378

for and on behalf of the board
-Sd-

Sanjay Gothi
Managing Director

Place : Chennai
Date : 19/05/08

AUDITOR'S CERTIFICATE

We have verified the above cash flow statement of Gothi Plascon (India) Limited derived from the audited annual accounts for the year ended March'2008 and found the same to be correct. This statement has been prepared by the company in accordance with the requirement of the listing agreement with stock exchanges.

Place : Chennai
Date : 19/05/08

For ACHHA ASSOCIATES
-Sd-
Chartered Accountants
Partner

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To

**The Board Of Directors,
GOTHI PLASCON (INDIA) LIMITED**

We the undersigned in our respective capacity as CEO AND CFO of the company to the best of our knowledge and belief certify that:

a) We have examined the financial statement and the cash flow statement for the year ended 31/03/2008 and based on our knowledge and belief we state that :

(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit committee

- (i) Significant changes in internal control over financial reporting during the year;
- (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial Statements and
- (ii) instances of significant fraud of which they have become aware and
- (iii) The involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting

Mr.Sanjay Gothi
Chennai
19/05/2008

Mr.K Desikan

GOTHI PLASCON (INDIA) LIMITED
PROXY FORM

Regd. Folio No. _____ No. of Shares held _____
_____ I/We _____ of _____ in _____

The district being member/members of GOTHI PLASCON (INDIA) LIMITED

Hereby appoint _____ in the district of _____
or failing him _____ of _____
_____ in the district of _____
_____ as my/our Proxy to attend and
vote for me/us to _____
18TH June 2008 _____
_____ 3rd Annual General meeting of the Company to be held on _____
_____ and at any adjournment thereof.

As Witness my _____ day of _____ 2008.

Signed by said _____ (Revenue Stamp) _____

Notes: a) The for Regd Office : New Cross the stamps as per specimen signatures registered
with the Compa _____ C

b) The Proxy form duly completed must be deposited at the registered office of the
Company not less 48 hours before the time fixed for holding the aforesaid meeting.

ATTENDANCE SLIP

Regd. Folio No. _____ No. of Shares held _____

I certify that I am a registered shareholder /proxy for the registered shareholder of the
company.

I hereby record my presence at the 13th annual general meeting of the company to be held
on 18TH June 2008 at 10.00 am at C.M.Palace , 273 & 274 GST
Road,Chromepet,Chennai-44 .

Member's /Proxy's Name _____

Signature: _____

NOTE: Please fill up this attendance slip and hand it over at the entrance of the meeting hall.

NO GIFT

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Certificate of Post**

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Cameo Corporate Service Limited
Unit Gothi Plascon (India) Limited
Subramaniam Building
1, Club House Road.
Chennai - 600 002.