



GOPALA POLYMER LTD.

25TH

ANNUAL REPORT

2008-09



BOARD OF DIRECTORS

Shri Mahendra Somani - Chairman
Shri Manoj Somani - Managing Director
Shri Manish Somani - Executive Director
Shri Jugal Kishore Khetawat
Shri Kashyap Mehta
Shri Malay Dalal
Shri Ramprakash Khatod

REGISTERED & ADMIN. OFFICE

485, Santej Vadsar Road, Santej,
Taluka Kalol, Dist. Gandhinagar-382721

**REGISTRAR &
TRANSFER AGENT**

MCS LIMITED
101, 1st Floor, Shatdal Complex,
Opp. Bata Show Room, Ashram Road,
Ahmedabad-380 052

WORKS

Unit-1 485, Santej Vadsar Road, Santej,
Taluka Kalol, Dist. Gandhinagar-382721
Unit-2 Siddhi Vinayak Filaments
(A unit of Gopala Polyplast Ltd.)
10-11-12, First Floor,
Madhuban Dam Road, Rakholi,
Silvassa, (D&NH)

AUDITORS

M/s. V. K. Moondra & Co.
Chartered Accountants

BANKERS

Industrial Development Bank of India Ltd.
Dena Bank

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25th Annual General Meeting
Day : Thursday
Date : 24th September, 2009
Time : 11 a.m.
Venue : 485, Santej Vadsar Road,
Santej, Taluka Kalol,
Dist. : Gandhinagar-382721.

**NOTICE**

Notice is hereby given that the 25th Annual General Meeting of GOPALA POLYPLAST LIMITED will be held at Plot No. 485, Santej Vadsar Road, Santej, Taluka Kalol, Dist. Gandhinagar - 382721, Gujarat on 24th September, 2009 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit & Loss Account of the Company for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Malay Dalal, who retires by rotation and being eligible, offers himself for reappointment
3. To appoint a Director in place of Mr. Kashyap Mehta, who retires by rotation and being eligible, offers himself for reappointment.
4. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution :

"RESOLVED THAT a written certificate pursuant to provision to sub-section (1) of section 224 of the Companies Act, 1956, having been received from M/s. V. K. Moondra & Co., Chartered Accountants, Ahmedabad, the said M/s. V. K. Moondra & Co., be and are hereby appointed as the Auditors of the Company for the financial year 2009-10 and to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on a remuneration as may be agreed upon between the Board of Directors or any committee thereof and the said M/s. V. K. Moondra & Co."

By Order of the Board

Manoj Somani
Managing DirectorPlace : Santej
Date : 26th August, 2009**NOTES:**

1. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd September, 2009 to 24th September, 2009 (Both days inclusive).
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the time fixed for the meeting.
3. Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting.
4. Shareholders seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

Details of the Directors seeking appointment in forthcoming Annual General Meeting
(in pursuance of clause 49 Of the Listing Agreement)

Name of Director	Mr. Malay Dalal	Mr. Kashyap Mehta
Date of Birth	26/06/1963	07/03/1960
Date of appointment	31/07/2007	31/07/2007
Expertise in specific functional areas	Finance and Accounts	Finance and Company Laws
Qualifications	B.Com., F.C.A., Grad C.W.A.	B.Com, LL.B., F.C.S., AICWA, ACIS (UK)
List of Companies in which Directorship held as on 31/03/2009	NIL	1. Gujarat Craft Industries Limited 2. Typhoon Financial Services Limited 3. Prism Finance Limited 4. Som Shiva (Impex) Limited
Chairman / Membership of the Committees of the Board of the Companies on which he is a Director	Gopala Polyplast Limited Audit Committee-Chairman Remuneration Committee - Member	Gopala Polyplast Limited Audit Committee - Member Remuneration Committee - Chairman Gujarat Craft Industries Limited Audit Committee - Member Remuneration Committee - Member Shareholders' Greivances Committe - Member Typhoon Financial Services Limited Audit Committee - Chairman Remuneration Committee - Chairman Shareholders' Greivances Committe - Chairman Prism Finance Limited Audit Committee - Member

**DIRECTORS' REPORT****Dear Shareholders,**

Your Directors have pleasure in presenting before you, the 25th Annual report and the Audited Accounts for the financial year ended 31st March, 2009.

FINANCIAL RESULTS

The Financial results of the Company are summarized below:

	<u>2008-09</u>	Rs. in Lacs <u>2007-08</u>
GROSS PROFIT (LOSS)(PBDIT)	(219.86)	283.77
Less:		
Interest & Financial Charges	406.30	388.17
Depreciation	261.09	309.67
PROFIT / (LOSS) BEFORE TAX	(887.25)	(414.07)
Less:		
Provision for Fringe Benefit Tax	4.09	5.80
Provision for Deferred Tax	(217.74)	(2.21)
Provision for Income-Tax of earlier year	0.48	—
PROFIT / (LOSS) AFTER TAX	(674.08)	(417.66)
Add: Balance brought forward	(295.71)	121.95
Profit / (Loss) available for Appropriation	(969.79)	(295.71)
APPROPRIATIONS	—	—
Balance carried forward to next year	(969.79)	(295.71)

EQUITY / PREFERENCE DIVIDEND

Due to losses, your directors do not recommend dividend on Equity Shares and Preference Shares for the year 2008-09

EXPANSION & MODERNISATION

In order to have a better control over operation and controlling transportation & other cost the company has shifted its finishing unit of woven sacks division from Silvassa to Santej. For this purpose a new building has been constructed at its Santej unit. Apart from this the Company has not undertaken any major expansion during the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS

As required by Clause 49 of the Listing Agreement with the Stock Exchange, a Management Discussion and Analysis Report is appended.

DIRECTORS

Mr. Mr. Malay Dalal and Mr. Kashyap Mehta, retire by rotation at the forthcoming Annual General Meeting, and being eligible offer themselves for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA) OF THE COMPANIES ACT, 1956.

The Directors hereby confirm, that they have :

- i. followed in the preparation of the annual accounts, the applicable accounting standards along with proper explanation relating to material departures;
- ii. selected such accounting policies and applied them consistently and made judgements 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 of the Company for that period;
- iii. 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;
- iv. prepared the annual accounts on a going concern basis.



DEPOSITS

The Company has not accepted any deposits to which the provisions of Section 58A of the Companies Act, 1956 are applicable.

DELISTING OF EQUITY SHARES

The Company has applied to the Calcutta Stock Exchanges for voluntary delisting and its outcome is still awaited. The equity shares of the Company are continued to be listed on the Bombay Stock Exchange Limited (BSE).

CONSUMPTION OF ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE EARNING AND OUTGO

The information required under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 is annexed hereto and forms part of this report.

The total earning in foreign exchange from Direct Exports is Rs. 112.73 lacs. (Previous year – Rs.168.09 lacs)

The total foreign exchange out flow during the year on account of import of Machinery, Spares and other expenses is Rs. 11.57 Lacs (Previous year – Rs. 83.26 Lacs).

PERSONNEL

The employee relation situation in your Company was satisfactory. Your Directors place on record their appreciation for the hard work and dedication of the employees in enhancing the productivity and effectiveness of the Organisation. There is no employee who is in receipt of remuneration exceeding the limits specified under sub-section 2A of Section 217 of the Companies Act, 1956.

CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement, a Report on Corporate Governance is appended along with Certificate of Compliance from the Auditors.

AUDITORS

M/S V. K. Moondra & Co., Statutory Auditors of the Company, retire at the forthcoming Annual General Meeting and are eligible for reappointment.

ACKNOWLEDGMENT

The Board of Directors places on record its warm appreciation for the devoted services of the staff at all levels of the Company who have contributed all these years to the growth of the Company. The Board of Directors gratefully acknowledge support extended by various Government Authorities, customers, investors, Banks and Financial Institutions to the Company from time to time.

For and on behalf of the Board of Directors

Santej
26th August, 2009

Mahendra Somani
Chairman

**ANNEXURE TO THE DIRECTORS' REPORT**

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

A. CONSERVATION OF ENERGY

Energy conservation measures taken by the Company involves mainly selection & installation of energy efficient equipment and energy saving devices. The impact of above measures on the cost of production is not precisely ascertainable.

B. TECHNOLOGY ABSORPTION

a. Research & Development The Company has not so far formally established a Research & Development wing. However it is getting its technology updated in consultation with the machinery manufacturers on a continuous basis.

b. Technology absorption, adaptation & innovation The Company has not imported any technology.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in Lacs)

	<u>2008-09</u>	<u>2007-08</u>
a. Foreign Exchange Earnings	112.73	168.09
b. Foreign Exchange Outgo	11.57	83.26

FORM - A**DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY****I. POWER AND FUEL CONSUMPTION:**

	<u>2008-09</u>	<u>2007-08</u>
Electricity		
1. Purchased from GEB Units (KWH)	3113842	2946120
Total Amount (Rs.)	19331622	17195960
Rate per unit (Rs.)	6.21	5.83
2. Own Generation (through D.G. sets)		
Total Units Generated (KWH)	26507	125968
Total Amount (Rs.)	877144	1874049
Units per Ltr. (KWH)	3.11	3.19
Cost per unit (Rs.)	14.88	14.88
3. Own Generation (CPP-Gas)		
Total Units Generated (KWH)	6753240	7107587
Total Amount (Rs.)	35556503	26141511
Units/SCM	3.74	3.61
Cost per unit (Rs.)	5.28	3.68

II. CONSUMPTION PER UNIT OF PRODUCTION

Product	PP Woven Sacks	
	<u>2008-09</u>	<u>2007-08</u>
Production (Tons)	11423	12287
Total No. of Units (KWH)	9036699	9469870
Units per Ton (KWH)	791	770

* The quantitative details of Label Division cannot be compiled hence the relevant details are not given.

REPORT ON CORPORATE GOVERNANCE

Report on Corporate Governance for the year 2008-09 as per clause 49 of the Listing Agreement is placed here below:

1. Board of Directors :

The Company is managed by Board of Directors comprising a non-executive Chairman, 2 executive directors and 4 non-executive directors. Of these directors, 3 are independent directors.

The composition of directors and their attendance at the board meetings during the year and at the last annual general meeting, as also the number of their other directorships/committee positions are given in the following tables :

Table 1 : Composition of Board of Directors and number of other directorships and committee positions held as on 31st March, 2009 :

Director	Executive / Non-executive Independent	Number of Directorships of other Public companies	Committee positions	
			As Chairman	As Member
Mahendra Somani	Non-executive, Chairman	1	-	1
Manoj Somani	Executive	2	1	1
Manish Somani	Executive	-	-	2
Jugalkishore Khetawat	Non-executive	5	-	-
Ramprakash Khatod	Non-executive, Independent	-	1	1
Malay Dalal	Non-executive, Independent	-	1	1
Kashyap Mehta	Non-executive, Independent	4	4	5

As mandated by the revised clause 49, the independent directors on the Company's Board

- Apart from receiving Directors remuneration, do not have any material, pecuniary relationship or transactions with the Company, its promoters, its Directors, its senior management or its associates which may affect the independence of the Director.
- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- Have not been executive of the Company in the immediately preceding three financial years.
- Are not partners or executives or were not partners or executive during the preceding three years of the
 - Statutory Audit firm or the internal audit firm that is associated with the Company.
 - Legal firm(s) and consulting firm(s) that have a material association with the Company.
- Are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect their independence.
- Are not substantial shareholders of the Company i.e. do not own two percent or more of the block of voting shares.

Table 2 : Attendance of Directors at Board Meetings and at the last AGM :

Director	Number of Board Meetings		Last AGM Attendance
	Held	Attended	
Mahendra Somani	6	6	Yes
Manoj Somani	6	6	Yes
Manish Somani	6	6	No
Jugalkishore Khetawat	6	—	No
Ramprakash Khatod	6	—	No
Malay Dalal	6	5	Yes
Kashyap Mehta	6	5	No

Table 3 : No. of Board Meetings held and dates of meetings.

No. of Board Meetings held during the year 2008-09	Dates of Meetings
6	31/05/2008, 28/06/2008, 30/07/2008, 31/10/2008, 31/01/2009 and 20/02/2009. The maximum time gap between any two consecutive meetings did not exceed four months.

Disclosure regarding directors considered for appointment / re- appointment :

At the annual General Meeting of the Company, Mr. Malay Dalal and Mr. Kashyap Mehta are retiring by rotation and being eligible for reappointment are proposed to be reappointed. Their brief particulars are annexed with the notice convening Annual General Meeting.

Information placed before the Board of Directors :

The Board of the Company was presented with all the relevant and necessary information at their meetings such as production, sales, capital expenditure, budgets, actual performance statistics, review of business, any legal proceedings by or against the Company, Share transfer compliance, quarterly financial results, minutes of the meetings of the Audit Committee, Share Transfer Committee and Shareholders/Investors Grievance Committee, Staff matters including senior appointments, significant labour and human relations matters and such other information

2. Audit Committee :

The Company had reconstituted a three-member Audit Committee on 31/07/2001 comprising of Mr. Prashant Somani, Mr. Manoj Somani and Mr. Shreeprakash Somani in compliance with the requirement of Section 292A of the Companies Act, 1956. The Committee was lastly reconstituted on 31/07/2007, comprising of non-executive directors of whom two are independent directors. The members of the Committee are Mr. Malay Dalal, Chairman, Mr. Kashyap Mehta and Mr. Mahendra Somani. Mr. Malay Dalal, Chartered Accountant and Mr. Kashyap Mehta, Company Secretary Whole-time in practice have good financial and accounting knowledge. The Chairman of the Audit Committee attended the Annual General Meeting of the Company held on 30/09/2008.

The Broad terms of reference of the Audit Committee are as follows :-

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to :
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism, as and when implemented by the Company.

13. To review the following information

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The committee met four times during the year ended 31st March, 2009 on 28/06/2008, 30/07/2008, 31/10/2008 and 31/01/2009.

Name of the member	Number of Meetings	
	Held	Attended
Director		
Malay Dalal	4	4
Kashyap Mehta	4	4
Mahendra Somani	4	4

3. Remuneration Committee :

Remuneration Committee comprising of Shri Sanjeev Taparia, Shri Ramprakash Khatod and Shri Lalit Tulsyan Independent Directors of the Company as members of the Committee under the Chairmanship of Shri Sanjeev Taparia was appointed on 26/06/2007 for the approval of the remuneration of the Managing Director / Executive Director / Whole-time Director / Manager of the Company. The Remuneration Committee was reconstituted on 31/07/2007 comprising Mr. Kashyap Mehta, Chairman, Mr. Malay Dalal and Mr. Ram Prakash Khatod

The committee did not meet once during the year ended 31st March, 2009

Name of the Member	Number of Meetings	
	Held	Attended
Director		
Kasyap Mehta	Nil	N.A.
Malay Dalal	Nil	N.A.
Ramprakash Khatod	Nil	N.A.

4. Director's Interests in the Company :

Table 4 gives (a) full details of remuneration paid to each director (b) their relationships with other directors (where applicable) and (c), their business interests with either the Company or its directors (where material).

Table 4 : Relationships of directors, their business interests and remuneration paid :

Director	Relationship with other directors *	Business relationship with the company if any	Remuneration paid/payable during 2008-09 (in Rs.)			
			Sitting Fees	Salary & Perks	Commission	Total
Mahendra Somani	Father of Manoj Somani and Manish Somani	None	Nil	Nil	Nil	Nil
Manoj Somani	Son of Mahendra Somani	None	Nil	940800	Nil	940800
Manish Somani	Son of Mahendra Somani	None	Nil	672000	Nil	672000
Jugal kishore Khetawat	None	None	Nil	Nil	Nil	Nil
Malay Dalal	None	None	Nil	Nil	Nil	Nil
Kasyap Mehta	None	None	Nil	Nil	Nil	Nil

* as defined under Section 6 of the Companies Act, 1956.

Table 5 : No. of shares held by non-executive directors as on 31st March, 2009 :

Director	No. of shares held
Mahendra Somani	60,600
Jugalkishore Khetawat	1,60,900
Malay Dalal	Nil
Kasyap Mehta	Nil
Ramprakash Khatod	Nil

* during the year 2008-09, the Company did not advance any loan to any of the directors.

5. Shareholders'/ Investors' Grievance Committee :

The Company has constituted a three-member Committee designated as 'Shareholders/Investors Grievance Committee' under the chairmanship of Mr. Ramprakash Khatod, Non-executive director and Mr. Manoj Somani, Managing Director and Mr. Manish Somani, Executive Director to specifically look into the redressing of shareholder and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

The committee met once during the year on 31st March, 2009, which was attended by Mr. Ramprakash Khatod, Mr. Manoj Somani and Manish Somani

The relevant data are as under :

Name of non-executive director heading the committee	:	Mr. Ramprakash Khatod
Name and designation of Compliance Officer	:	Mr. Yogesh Jain Dy. Gen. Manager (Finance)
Number of shareholders' complaints received during the year	:	2
Number of shareholders' complaints not solved to the satisfaction of shareholders	:	Nil
Number of share transfers pending for over 30 days as on 31-3-2009.	:	Nil

6. General Body Meetings :

Location and time, where last three AGMs held :

AGM Number	Date & Time	Venue
22nd	18/09/2006 at 11.00 a.m.	Kilachand Room, India Merchant Chamber, Church Gate, Mumbai – 400 020
23rd	24/09/2007 at 11.00 a.m.	Plot No. 485, Santej Vadsar road, Santej, Taluka Kalol, Dist. Gandhinagar-382721, Gujarat.
24th	30/09/2008 at 11.00 a.m.	Plot No. 485, Santej Vadsar road, Santej, Taluka Kalol, Dist. Gandhinagar-382721, Gujarat.

Any special resolution passed at these meetings through postal ballot last year	No
Person who conducted the postal ballot exercise	Not applicable
Any special Resolution proposed to be conducted through postal ballot	No
Procedure adopted for postal ballot	Not applicable

7. Disclosures :
a. Related party transaction

Disclosures on materially significant related party transactions i.e., transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interest of the Company at large :

Related party transactions of the Company during the year are as under : -

Sr. No.	Particulars	Transaction value (Rs. in lacs)	Outstanding Amount carried in Balance Sheet (Rs. In lacs)
1.	Remuneration to Mr. Manoj Somani, Managing Director	9.41	Nil
2.	Remuneration to Mr. Manish Somani, Executive Director	6.72	Nil
3.	Rent paid to Mr Manoj Somani, Managing Director	0.26	Nil
4.	Rent paid to Smt. Purnima Somani, Spouse of Mr. Manish Somani	0.27	Nil
5.	Rent paid to Smt. Ushadevi Somani mother of Mr. Manoj Somani, Managing Director and Mr. Manish Somani, Executive Director	2.38	Nil
6.	Amount received from Indian Bobbin Manuf. Company Pvt. Ltd.	64.97	25.00
7.	Amount received from New Life Marketing & Trading Pvt. Ltd.	50.00	50.00
8.	Amount paid to Indian Bobbin Manufacturing Company Pvt. Ltd.	39.97	25.00

b. Accounting treatment

There is no deviation in following the treatment prescribed in Accounting Standard in preparation of financial statements for the year 2008-09.

c. Certification from Managing Director

The requisite certification from the Managing Director to be given under clause 49 (v) has been placed before the Board of Directors of the Company.

d. Details of non-compliance with regard to capital market during the last three years

There were no penalties imposed nor strictures passed on the Company by Stock Exchanges, SEBI or any other statutory authority on any matter related to capital markets, during the last three years.

8. Means of Communication :

Half-yearly report sent to each household of shareholders	No. The report was published in prominent dailies. Intimations were sent to Stock Exchange and Press Releases were issued
Quarterly Results	The report of each quarterly results was published in prominent dailies, Intimations were sent to Stock Exchanges and Press Releases were issued well within the time-limit stipulated under the Listing Agreement.
Which newspapers normally published in	Western Times
Any website, where displayed	www.gopalapolyplast.com
Whether it also displays official news releases	No
The presentations made to institutional investors or to the analysts	Nil
Whether Management Discussion & Analysis Report is a part of annual report or not.	Yes

9. General Shareholder Information :

Annual General Meeting :	
Date	24th September, 2009
Time	11.00 a.m.
Venue	Plot No. 485, Santej Vadsar Road, Santej, Taluka Kalol, Dist. Gandhinagar-382721, Gujarat
Financial Calendar for 2009-10 (tentative)	
Result for the quarter ending 30/06/2009	Last week of July, 2009
Result for the quarter ending 30/09/2009	Last week of October, 2009
Result for the quarter ending 31/12/2009	Last week of January, 2010
Result for the quarter ending 31/03/2010	Last week of April, 2010
Annual General Meeting	September, 2010
Date of Book Closure for AGM	22nd Sep. 2009 to 24th Sep. 2008 (both day inclusive)
Date of Dividend Payment	Not applicable
Listing on Stock Exchanges	Bombay Stock Exchange Limited and The Calcutta Stock Exchange Association Ltd. The company has paid annual listing fees of the Bombay Stock Exchange Limited for the year 2009-10. The annual listing fees of The Calcutta Stock Exchange Association Limited for the years 2005-06 and onwards have not been paid as the Company has submitted application for delisting of its security from the said Stock Exchange on 07/03/2005.
Stock Code/ Symbol (Physical)	Mumbai Stock Exchange – 526717
Demat ISIN Number for NSDL & CDSL	INE136C01028
Market Price Date : High, Low during each month in the financial year 2008-09.	As per Table 6
Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc. during 2008-09	GPL Share – (-)17.51% (From Rs.3.44 to Rs.0.98) BSE Sensex – (-) 37.94% (From 15644.44 to 9708.50)
Registrar and Transfer Agents (Share transfers and communications regarding share certificates and change of address)	MCS Limited - 101, 1st Floor, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabd-09 Phone : +91-79-26582878, 26581296



Share Transfer System	All the shares related work is being undertaken by MCS Limited our R & T Agent. All the statements relating to Share Transfer, Transmission, Split-up, Consolidation are regularly placed before the Share Transfer Committee which meets at frequent intervals for their approval and thereafter placed before the meeting of the Board of Directors of the Company for noting. Presently, the share transfers, which are received in physical form are processed and share certificates returned within 30 days from the date of receipt, subject to the documents being valid and complete in all respect.
Distribution of Shareholding & Category-wise distribution of Equity Shareholders	As per Table 7
Dematerialisation of shares and liquidity	As per Table 8
Outstanding GDRs/ ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity.	NIL
Plant Location	<ul style="list-style-type: none"> ● Block No. 485, Santej – Vadsar Road, Santej, Taluka - Kalol, Dist.: Ghandhinagar - 382 721 ● 10-11-12, First Floor, Madhuban Dam Road, Rakholi, Silvassa. Union Territory of Dadra and Nagar Haveli.

Annexures to Report on Corporate Governance**Table 6 : Market Price Data :**

High, Low During Each Month in the Financial Year 2008-09

Month & Year	Mumbai Stock Exchange (Face Value Rs.5/ per share)	
	High	Low
April – 2008	5.45	3.30
May – 2008	4.75	4.08
June – 2008	4.60	3.62
July – 2008	3.70	3.00
August – 2008	3.80	3.00
September – 2008	4.15	2.58
October – 2008	2.84	1.34
November – 2008	1.68	1.31
December – 2008	1.65	1.30
January – 2009	1.72	1.01
February – 2009	1.39	0.94
March – 2009	1.05	.073

Note :

1. The above figures are monthly high and low of closing quotation of Equity Shares of the Company.
2. The Equity Shares each of Rs.10/- fully paid-up was sub-divided into 2 Equity Shares of Rs.5/- each, fully paid-up w.e.f. 10/11/2005.

**Table 7 : Distribution of Shareholdings as on 31/03/2009**

No. of Equity Shares held	No. of Shares held	% of Total shares	No. of Shareholders	% of Total Shareholders
1 to 500	934369	4.24	3756	62.96
501 to 1000	865918	3.93	949	15.90
1001 to 2000	905536	4.11	524	8.78
2001 to 3000	479776	2.18	182	3.05
3001 to 4000	352625	1.60	95	1.59
4001 to 5000	642527	2.92	133	2.23
5001 to 10000	1127286	5.12	147	2.46
10001 and above	16727963	75.90	181	3.03
TOTAL	22036000	100.00	5967	100.00

Category-wise Distribution of Shareholding as on 31/03/2009

Sr. No.	Category	No. of Shareholder	No. of Shares Held	% of Total Shares
1.	Promoters	32	8170865	37.08
2	Public Financial Institutions and Banks	2	1282753	5.82
3.	Mutual funds	1	1000	0.00
4.	Bodies Corporate (Other than promoter)	203	3679554	16.70
5.	Non- Resident individuals	15	177213	0.80
6.	Indian Public	5714	8724615	39.60
	Total	5967	22036000	100.00

Table 8 : Break-up of Shares in Physical & Electronic Mode as on 31/03/2009

Mode	No. of shareholders	% of Total shareholders	No. of shares	% to Total Shares
Physical	1582	26.51	9645220	43.77
Electronic	4385	73.49	12390780	56.23
Total	5967	100.00	22036000	100.00

10. Management Discussion and Analysis Report**a) Industry Structure and developments**

Gopala Polyplast Limited has been in the HDPE/PP woven sacks industry right from its inception. Today the Company is one of the largest manufacturer of PP Woven Sacks for Cement Industry in the Country. The Company has also diversified its activities by setting up facilities for manufacture of textile woven labels.

In India, Cement demand witnessed a compounded annual growth rate of more than 8% in the last 10 years and is likely to grow by the same pace on high correlation which the cement industry bears with the overall GDP growth. This in turn is expected to lead to healthy demand situation for woven sacks. However, fluctuation in the prices of crude oil and slow down in over all economy has resulted into inevitable rise in the input costs. Further, upward revision in the gas prices by Sabarmati Gas Ltd. coupled with the increase in VAT on fuel prices has jacked up the power cost by almost 25%. These factors have resulted into losses in the Woven sacks division which has led to net loss in the Company during the year under review. The Company has tried for upward revision in the conversion prices from its customers and also it has made arrangement with its machinery supplier for upgradation in plant & machinery, and results of the same is expected to come during the second quarter of the current financial year.

The growth of organized retailing through huge malls and increase in the demand of ready to wear garments because of changing fashion trends, have lead to growth in demand of labels. However due to the appreciation of Rupee against the US Dollar the garment exports from the country has plummeted thereby affecting the label business. The Company has made inroads in the domestic garments sector however the margins therein are lower and accordingly the performance of this division was adversely affected.

b) Opportunities and threats**Opportunities :**

With the beginning of organized retailing of agro products the packaging requirement with value added PP woven bags will emerge creating a new market for the company's product.

Organised retailing has also resulted in a jump in Ready to wear garments sector, promising growth for the label industry.

Threats :

The threats of competition out of new capacities, fluctuation in petrochemical prices, increasing interest rates may put pressure on the Company's performance.

c) Segment-wise or product-wise performance

The details have been furnished under para 13 under Schedule –17 on notes forming part of accounts of the Balance-sheet.

d) Outlook

Demand for the Company's products depends on the growth in demand for the products of its user industries, such as Cement, Sugar, Foodgrains in case of PP bags and Garment industry in case of Labels. Both the segment are buoyant due to overall growth of economy. Hence the outlook for the both the product is bright for the current year.

e) Risks and concerns

Some of user industries for the Company's products are restricted to use PP sacks as stipulated under Jute Packaging Materials (Compulsory Use in Packaging Commodities), Act, 1987, which affect the demand. Though the Company is not affected by the said restriction as its major sales is to Cement sector, it definitely impacts the growth plans. However SAC has recommended dilution of the said Act, which may open up Sugar & Food grain markets to Woven sacks industry.

f) Internal Control System and their adequacy

The company has strong internal control systems, which have been found adequate by the management of the company. The company has also constituted an audit committee to further strengthen the internal audit control systems in the Company.

g) Discussion on financial performance with respect to operational performance

The overall financial performance for the year under review has been lower as compared to previous year due to various factors as discussed in the directors report.

h) Human Resources Development and Industrial Relations

The company have a very good team of dedicated persons who are continuously and consistently putting their efforts to pull out the company from its current situation. The initiative and the eagerness in each one of us to keep trying is our most important asset. Through training programmes and value based teachings, we have tried to keep the motivational levels high amongst our people.

Industrial relations within the Company as well as public relations with all outside agencies have been most cordial. The Board wishes to place on record its appreciation for the sustained efforts of all employees towards attaining the present performance.

i) Material financial commercial transactions, where the management has personal interest which have a potential conflict with the interest of the Company at large.

The financial commercial transactions where the management has personal interest have been listed under Note 12 to the notes on accounts. None of the transactions have a conflict with the interest of the company at large.

11. Status of Compliance of Non-mandatory requirements :

(i) Remuneration Committee

The Company has Remuneration Committee comprising Mr. Kashayp Mehta, Chairman, Mr. Malay Dalal and Mr. Ram Prakash Khatod, Independent Directors of the Company as members of the Committee

(ii) Shareholders' Right

Half yearly financial results including summary of the significant events in the last six months are presently not being sent to shareholders of the Company.

(iii) Audit Qualifications

There are no qualifications in the Auditors' Report on the financial statements to the Shareholders of the Company.



(iv) Training of Board Members

There is no formal policy at present for training of the Board Members of the Company as the members of the Board comprises eminent, experienced and professional persons.

(v) Mechanism for evaluating non-executive Board Members.

There is no formal mechanism existing at present for performance evaluation of non-executive directors.

(vi) Whistle Blower Policy

The Company has not established any formal whistle blower policy.

DECLARATION

The Board of Directors of the Company at their meeting held on 28/10/2005 have adopted the Code of Conduct for the members of the Board of Directors and Senior Management of the Company and the same has been posted on the website of the Company. As stipulated under the provisions of the sub-clause 1(D) (ii) of Clause 49 of the Listing Agreement with the Stock Exchanges, all the Directors and the designated personnel in the Senior Management of the Company have affirmed compliance with their respective Codes for the financial year ended 31/03/2009.

For Gopala Polyplast Limited

Mahendra Somani
Chairman

Date : 26th August, 2009

Auditors' Certificate on Corporate Governance

To the Members of

GOPALA POLYPLAST LIMITED

We have examined the compliance of conditions of Corporate Governance by GOPALA POLYPLAST LIMITED for the year ended on 31st March, 2009 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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 the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We have to state that in respect of investor's grievances, no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the shareholder's/ Investor's Grievance Committee.

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.

For M/s. V. K. Moondra & Co.
Chartered Accountants

V. K. Moondra
Proprietor

Date : 26th August, 2009



AUDITORS' REPORT

To

The Shareholders

GOPALA POLYPLAST LIMITED

We have audited the attached Balance Sheet of GOPALA POLYPLAST LIMITED as on 31st March, 2009, the Profit & Loss account and the Cash Flow Statement 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 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 presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order 2003 (after incorporating the amendments made by the Companies (Auditor's Report) (Amendment) Order 2004, dated 25th November, 2004) 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 & 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above we state that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books.
 - c) The Balance sheet, the Profit & Loss account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act 1956.
 - e) On the basis of the written representations received from the director's as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in term of Clause (g) of Sub Section (1) to Section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to explanations given to us the said accounts, read with significant accounting policies and other 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;
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009, and;
 - ii) in the case of the Profit & Loss account, of the Loss of the Company for the year ended on that date.



iii) in the case of cash flow statement, of the cash flow for the year ended on that date.

For V. K. Moondra & Co.
Chartered Accountants

Place : Santej
26th August, 2009

V. K. Moondra
Proprietor

**Annexure referred to in paragraph 1 of report of even date of the Auditors'
to the members of GOPALA POLYPLAST LIMITED on the accounts
for the period ended on 31st March 2009**

- 1) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) The assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification. In our opinion the frequency of physical verification of Fixed Assets is reasonable.
c) As Per information and explanation given by management during the year the company has, not disposed major part of fixed assets having effect on going concern.
- 2) a) The Stock of finished goods, stores spares and raw material have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable having regard to the nature of business and particular circumstance.
b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
c) On the basis of our examination of the record of inventory we are of the opinion that the company is maintaining proper records of inventory. Discrepancies which were noticed on physical verification of inventory as compared to books records have been properly dealt with in the books of accounts.
- 3) a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly the provisions of clause (iii) (b), (c) and (d) of the order are not applicable to the company.
b) The company has taken unsecured loans from two parties covered in the register maintained under section 301 of the Companies Act, 1956 and the maximum amount involved during the year and the year end balance is Rs. 75.00 lakhs.
c) According to the information and explanation given to us, in our opinion, the rate of interest and other terms and conditions of above loans taken by the company, are not prima facie prejudicial to the interest of the company.
d) According to the information and explanation given to us, the parties covered under section 301 from whom loans and advance in the nature of loan taken are repayable on demand so there is no question of being regular in repayment of principal and interest.
- 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 purchases of inventory, fixed assets and with regard to the sale of goods and services, During the course of our audit, We have not observed any continuing failure to correct major weakness in internal controls.

- 5) In our opinion and according to the information and explanations given to us, transactions that are made in pursuance of contracts or arrangements that needed to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- 6) The Company has not accepted any deposit from the public within the meaning of section 58A and 58AA of the Companies Act 1956, and the rules framed there under.
- 7) In our opinion, the Company has an in-house internal audit system commensurate with the size and nature of its business.
- 8) The Central Government has not prescribed for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for any of the products of the Company.
- 9) a) According to the records of the Company, the company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, investor, education and protection fund, employee state insurance, Income tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues applicable to it.
- b) According to the information and explanation given to us, no undisputed amount payable in respect of provident fund, investor education & protection fund, employees' state insurance, income-tax, wealth-tax, service-tax, sales-tax, custom duty and other undisputed statutory dues were outstanding, at the year end 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 disputed amounts in respect of Income Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues applicable to it other than those given hereinbelow:

Nature of Dispute	Amount (Rs.)	Period to which Dispute Relates	Forum Where Dispute is pending
Denial of Modvat Credit	20,000/-	1997-98	Hon'ble Guj. High Court
Service Tax on Transporter	4,61,121/-	1997-98	CESTAT, Ahmedabad
Disallowance of Bad Debts	Nil	AY 2002 – 03	CIT (Appeal) VIII
Disallowance of Bad Debts	Nil	AY 2004 – 05	CIT (Appeal) VIII
Disallowance of Bad Debts	Nil	AY 2005 – 06	CIT (Appeal) VIII
Disallowance of Bad Debts	Nil	AY 2006 – 07	CIT (Appeal) VIII

- 10) The accumulated losses of the company at the end of the year doest not exceed 50% of its net worth. The company has incurred cash loss of Rs. 626.16 Lakhs during the current financial year and Rs. 104.40 lakh in the immediately preceding financial year.
- 11) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to the financial institutions or banks during the year under review except IDBI Bank Ltd., to which the company has defaulted in paying interest & principal. In absence of relevant evidences, the amount of default could not be reported.
- 12) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) This Clause of the order is not applicable to the company as the company is not chit fund company or Nidhi/Mutual Benefit Fund/ Societies.
- 14) According to Information & Explanation given to us, the company is not dealing or trading in shares, securities, Debentures & other Investment.



- 15) According to the information and explanation given to us, and the representation made by the management the Company has not given any guarantee for loans taken by others from any bank or financial Institution.
- 16) The term loans obtained by the company have been applied for the purpose for which they were raised. However no fresh term loan has been obtained during the year.
- 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 no funds raised on short- term basis have been used for long-term investment.
- 18) The Company has not made any preferential allotment to the parties covered in the Register maintained under section 301 of the Companies Act, 1956.
- 19) There are no debentures issued and outstanding during the year.
- 20) During the year under review the Company has not raised any money by public issue(s).
- 21) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of audit.

For V. K. Moondra & Co.
Chartered Accountants

Place : Santej
26th August, 2009

V. K. Moondra
Proprietor

**Balance Sheet as at 31st March 2009**

	Schedule	As at 31st March 2009 Rupees	As at 31st March 2008 Rupees
SOURCES OF FUNDS			
Shareholders' Funds:			
Share Capital	1	15,51,80,000	15,51,80,000
Reserves & Surplus	2	4,58,97,110	4,58,97,110
Loan Funds:			
Secured Loans	3	44,17,38,582	42,11,04,765
Unsecured Loans	4	2,00,00,000	—
Deferred Tax Liability		—	70,05,178
TOTAL		66,28,15,692	62,91,87,053
APPLICATION OF FUNDS			
Fixed Assets:			
Gross Block	5	63,06,93,061	61,24,54,826
Less : Depreciation		36,38,40,643	33,80,55,721
Net Block		26,68,52,418	27,43,99,105
Capital Work in Progress		—	77,49,886
Investments	6	3,75,001	3,75,001
Current Assets, Loans and Advances :			
Inventories	7	9,49,65,860	10,54,02,886
Sundry Debtors	8	19,02,30,654	19,01,14,872
Cash and Bank Balances	9	55,80,633	59,79,551
Loans and Advances	10	4,85,19,330	5,44,06,573
		33,92,96,476	35,59,03,882
Less: Current Liabilities and Provisions	11	5,54,56,040	3,88,11,800
Net Current Assets		28,38,40,436	31,70,92,082
Profit & Loss Account		9,69,78,988	2,95,70,979
Deferred Tax Assets		1,47,68,849	—
TOTAL		66,28,15,692	62,91,87,053
Notes on Accounts	18		

As per our attached report of even date

For **V. K. Moondra & Co.**
Chartered Accountants**V. K. Moondra**
ProprietorPlace : Santej
26th August 2009**Manoj Somani**
Managing DirectorFor and on Behalf of the Board
Anal Desai
Company Secretary
M. K. Somani
ChairmanPlace : Santej
26th August 2009

**Profit and Loss Account for the year ended 31st March 2009**

	Schedule	2008-2009 Rupees	2007-2008 Rupees
INCOME			
Sales (Net of Excise Duty)	12	1,24,84,81,824	1,31,92,62,846
Other Income	13	7,37,629	3,80,216
Increase/(Decrease) in stock		(74,58,577)	(58,50,875)
TOTAL		1,24,17,60,876	1,31,37,92,187
EXPENDITURE			
Cost of Materials	14	1,06,36,58,649	1,06,88,56,347
Manufacturing Expenses	15	14,66,63,750	15,33,67,592
Administrative and Selling Expenses	16	5,34,23,376	6,31,91,489
Interest and Financial Charges	17	4,06,30,682	3,88,17,031
TOTAL		1,30,43,76,457	1,32,42,32,459
Profit before Depreciation and Tax		(6,26,15,581)	(1,04,40,272)
Depreciation	5	2,61,09,082	3,09,66,736
Profit Before Tax		(8,87,24,663)	(4,14,07,008)
Provision for Tax			
Current Tax		—	—
Deferred Tax		(2,17,74,028)	(2,21,473)
Fringe Benefit Tax		4,09,000	5,80,000
Earlier Year Income Tax		48,373	—
		(2,13,16,655)	3,58,527
Profit (Loss) after Tax		(6,74,08,009)	(4,17,65,535)
APPROPRIATIONS			
Add : Balance Brought Forward		(2,95,70,979)	1,21,94,556
Balance Carried to Balance Sheet		(9,69,78,988)	(2,95,70,979)
Notes on Accounts	18		

As per our attached report of even date

For V. K. Moondra & Co.
Chartered Accountants

For and on Behalf of the Board

V. K. Moondra
Proprietor

Manoj Somani
Managing Director

Anal Desai
Company Secretary

M. K. Somani
Chairman

Place : Santej
26th August 2009

Place : Santej
26th August 2009

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**

(Rs. in Lacs)

Particulars	2008-2009	2007-2008
(A) CASHFLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	(887.25)	(414.07)
Adjustment for :		
Depreciation	261.09	309.67
Interest Paid	406.31	388.17
(Profit) / Loss on sale of fixed Assets	0.00	2.29
	<u>667.40</u>	<u>700.13</u>
Operating Profit before Working Capital Changes	(219.85)	286.06
Adjustment For :		
Trade and Other receivables	57.71	133.55
Inventories	104.37	47.84
Trade Payable	166.44	(95.88)
	<u>328.53</u>	<u>85.51</u>
Cash generated from operations	108.68	371.57
Interest	(406.31)	(388.17)
Tax Paid	(4.58)	(5.80)
Unpaid IDBI Interest	217.24	92.66
	<u>(193.65)</u>	<u>(301.31)</u>
Net.Cash From Operating Activities (A)	(84.97)	70.26
(B) CASHFLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(108.12)	(231.69)
Sale of fixed assets	0.00	2.10
	<u>(108.12)</u>	<u>(229.59)</u>
Net Cash used in Investing Activities (B)	(108.12)	(229.59)
(C) CASHFLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Capital	0.00	62.70
Proceeds from Long/Short term borrowing (Net of repayments)	189.10	65.69
	<u>189.10</u>	<u>128.39</u>
Net Cash Flow From Financing Activities (C)	189.10	128.39
Increase/(Decrease) in cash equivalents	(3.99)	(30.93)
Opening Balance of Cash and Cash equivalents	59.80	90.73
Closing Balance of Cash and Cash equivalents	55.81	59.80

Notes:

- 1 AS-3 Provision in respect of unrealised foreign exchange gain/loss has not been comply with. However, the said omission is insignificant.
- 2 Previous year figures have been restated, wherever necessary, to confirm to this year's classification.

For V. K. Moondra & Co.

Chartered Accountants

V. K. Moondra

Proprietor

Place : Santej

26th August 2009

**Schedules Forming Part of the Balance Sheet**

	As at 31st March 09 Rupees	As at 31st March 08 Rupees
SCHEDULE 1 : SHARE CAPITAL		
Authorised Share Capital :		
<u>Equity Share Capital</u>		
2,30,00,000 Equity Shares of Rs. 5/- each.	11,50,00,000	11,50,00,000
<u>Preference Share Capital</u>		
4,50,000 Preference Shares of Rs. 100/- each.	4,50,00,000	4,50,00,000
	<u>16,00,00,000</u>	<u>16,00,00,000</u>
Issued, Subscribed and Paid up Capital :		
<u>Equity Share Capital</u>		
2,20,36,000 (Previous year 2,20,36,000) Equity Shares of Rs. 5/- each.	11,01,80,000	11,01,80,000
<u>Preference Share Capital</u>		
1% Cumulative Redeemable Preference Shares 4,50,000 (Previous year - 4,50,000) of Rs. 100/- each	4,50,00,000	4,50,00,000
	<u>15,51,80,000</u>	<u>15,51,80,000</u>
SCHEDULE 2 : RESERVES & SURPLUS		
Capital Reserve	58,59,710	58,59,710
Share Premium	4,00,37,400	4,00,37,400
	<u>4,58,97,110</u>	<u>4,58,97,110</u>
SCHEDULE 3 : SECURED LOANS		
<u>Working Capital</u>		
From Bank	18,12,23,239	20,98,65,427
<u>Term Loan</u>		
From Bank	25,93,42,569	20,83,07,805
<u>Hire Purchase Loans</u>		
From Banks	10,13,363	25,51,742
From NBFCs	1,59,411	3,79,791
(Secured against Hypothecation of Vehicles financed by them)		
	<u>44,17,38,582</u>	<u>42,11,04,765</u>
SCHEDULE 4 : UNSECURED LOANS		
From Body Corporates	2,00,00,000	—
	<u>2,00,00,000</u>	<u>—</u>
SCHEDULE 5 : FIXED ASSETS (See page 23)		
SCHEDULE 6 : INVESTMENTS		
(Unquoted, at cost)		
Investment in fully paid-up shares	3,75,001	3,75,001
	<u>3,75,001</u>	<u>3,75,001</u>

Schedules Forming Part of the Balance Sheet

SCHEDULE 5 : FIXED ASSETS

Sr. No.	Dep (%)	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK (As on)	
			Opening	Addition	Deduction	Net	Opening	For Year	Sales	Closing	31-03-09	31-03-08
1		Land	26,24,938	-	-	26,24,938	-	-	-	-	26,24,938	26,24,938
2	3.34	Building	8,37,36,810	1,21,61,084	-	9,58,97,894	2,61,57,063	28,32,420	-	2,89,89,483	6,69,08,411	5,75,79,747
3	10.34	Plant & Machinery	42,80,69,486	62,19,347	-	43,42,88,833	28,15,87,437	1,82,53,724	-	29,98,41,161	13,44,47,672	14,64,82,049
4	4.75	Electric Instalation	2,09,96,734	-	3,24,160	2,06,72,574	93,87,128	12,61,125	3,24,160	1,03,24,094	1,03,48,480	1,16,09,605
5	4.75	D.G. Set	4,72,19,041	-	-	4,72,19,041	65,56,057	10,59,347	-	76,15,405	3,96,03,637	4,06,62,984
6	4.75	Office Equipment	26,13,137	64,498	-	26,77,635	10,25,757	1,26,587	-	11,52,354	15,25,290	15,87,379
7	6.33	Furniture	61,24,570	-	-	61,24,570	34,99,988	3,87,685	-	38,87,674	22,36,896	26,24,581
8	9.50	Vehicle	1,32,32,728	48,536	-	1,32,81,264	50,70,849	11,71,342	-	62,42,191	70,39,074	81,61,879
9	4.75	Air Conditioner	17,42,045	35,315	-	17,77,360	5,44,992	84,231	-	6,29,223	11,48,137	11,97,053
10	16.21	Computer	60,95,337	33,615	-	61,28,952	42,26,448	9,32,620	-	51,59,068	9,69,883	18,68,889
		Total	61,24,54,826	1,85,62,395	3,24,160	63,06,93,061	33,80,55,720	2,61,09,082	3,24,160	36,38,40,642	26,68,52,419	27,43,99,105
		Previous Year	59,76,66,155	1,54,18,622	6,29,951	61,24,54,826	30,72,79,894	3,09,66,735	1,90,908	33,80,55,720	27,43,99,105	29,03,86,262

**Schedules Forming Part of the Balance Sheet**

	As at 31st March 09 Rupees	As at 31st March 08 Rupees
SCHEDULE 7 : INVENTORIES		
(As certified by the management)		
Raw Materials	6,08,46,222	6,36,67,971
Stock in process	1,73,41,860	2,12,88,266
Finished Goods	1,04,85,888	1,39,98,059
Consumable Stores & Maintenance Spares	62,91,890	64,48,590
	<u>9,49,65,860</u>	<u>10,54,02,886</u>
SCHEDULE 8 : SUNDRY DEBTORS		
(Unsecured, Considered Good)		
More than six months	3,53,34,108	3,44,26,776
Others	15,48,96,546	15,56,88,096
	<u>19,02,30,654</u>	<u>19,01,14,872</u>
SCHEDULE 9 : CASH & BANK BALANCES		
Cash on hand	17,22,352	31,69,713
<u>Balances with Scheduled Banks:</u>		
In Current Accounts	27,46,065	17,85,201
In Fixed Deposit Accounts	11,12,216	10,24,637
	<u>55,80,633</u>	<u>59,79,551</u>
SCHEDULE 10 : LOANS & ADVANCES		
(Unsecured, Considered Good)		
Sundry Loans & Advances	18,64,702	13,74,700
Advances recoverable in cash or in kind or for value to be received	52,58,696	2,46,46,304
Deposits	84,50,135	92,10,551
<u>Dues with Revenue Authorities</u>		
Income Tax / TDS Receivable	53,83,935	40,38,978
VAT Receivable	1,51,69,296	91,12,912
Balances of Excise Duty & Service Tax	1,23,92,566	60,23,128
	<u>4,85,19,330</u>	<u>5,44,06,572</u>
SCHEDULE 11 : CURRENT LIABILITIES AND PROVISIONS		
Sundry Creditors	2,44,11,803	1,42,77,032
Advance received from Customers	7,46,223	12,31,565
Statutory Liabilities	8,72,863	15,66,321
Creditors for Capital Goods	57,69,666	20,38,977
Other Liabilities	2,09,08,451	1,76,40,040
Provision for Expenses	23,38,034	14,77,865
Provision for Tax	4,09,000	5,80,000
	<u>5,54,56,040</u>	<u>3,88,11,800</u>

**Schedules Forming Part of the Profit & Loss Account**

	2008-2009 Rupees	2007-2008 Rupees
SCHEDULE 12 : SALES		
Sales (Net of Return)	1,17,27,65,213	1,20,90,78,810
Less: Excise Duty	(99,05,761)	(2,21,96,057)
Job Work Receipts	47,02,989	12,90,079
Export Sales	1,12,73,405	1,68,08,505
Trading Sales	6,96,45,978	11,42,81,509
	<u>1,24,84,81,824</u>	<u>1,31,92,62,846</u>
SCHEDULE 13 : OTHER INCOME		
Miscellaneous Income	7,37,629	3,80,216
	<u>7,37,629</u>	<u>3,80,216</u>
SCHEDULE 14 : COST OF MATERIALS		
Raw Material Consumption	99,47,67,346	95,55,09,922
Cost of Re sale	6,88,91,303	11,33,46,425
	<u>1,06,36,58,649</u>	<u>1,06,88,56,347</u>
SCHEDULE 15 : MANUFACTURING EXPENSES		
Consumption of Stores and Spares	3,16,99,938	3,49,01,292
Freight and Octroi Expenses	1,32,76,085	2,10,08,204
Weaving, Cutting, Stitching Expenses	2,76,93,694	3,64,00,878
Wages and Salary	1,37,94,126	1,43,72,122
Power, Fuel and Water Charges	5,57,65,269	4,52,11,520
Factory Expenses	44,34,638	14,73,576
	<u>14,66,63,750</u>	<u>15,33,67,592</u>
SCHEDULE 16 : ADMINISTRATIVE & SELLING EXPENSES		
Administrative Salary	96,68,373	1,06,39,488
Rent, Rates and Taxes	14,00,995	18,60,876
Telephone, Telex and Fax	11,17,093	15,93,535
Travelling & Conveyance	54,85,873	49,01,575
Directors' Travelling	5,61,780	6,53,731
Directors' Foreign Travelling	—	9,58,707
Legal and Professional Charges	14,46,171	20,42,839
Insurance Expenses	9,63,424	13,42,509
Sales Expenses and Sales Tax	60,29,880	1,11,36,497
Freight and Octroi on Sales	1,61,00,566	1,75,59,019
Miscellaneous and other administrative expenses	69,32,517	62,63,693
Bad Debts	37,16,704	40,09,977
Loss on sale of Assets	—	2,29,043
	<u>5,34,23,376</u>	<u>6,31,91,489</u>
SCHEDULE 17 : INTEREST & FINANCIAL CHARGES		
On Term Loans	2,06,35,822	1,75,26,508
For Working Capital	1,71,36,057	1,82,31,166
Others (including Financial Charges)	28,58,803	30,59,357
	<u>4,06,30,682</u>	<u>3,88,17,031</u>

SCHEDULE - 18**NOTES FORMING PARTS OF ACCOUNTS AND ADDITIONAL INFORMATION**

1. Significant Accounting Policies

A. Basis for Preparation of Accounts:

The financial statements have been prepared under the historical cost convention, in accordance with Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956, as adopted consistently by the company. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

B. Revenue Recognition:

Sales are recognized when goods are supplied and recorded net of excise duty on goods manufactured but includes job work income.

C. Fixed Assets & Depreciation:

Fixed Assets are capitalised at cost inclusive of Inward Freight, Duties, Taxes, Installation expenses and allocable preoperative expenses. Depreciation has been provided on Straight Line Method, at the rates specified under schedule XIV to the Companies Act, 1956. No depreciation is provided on assets that have already been depreciated to the extent of 95% of their original value.

D. Investments:

Investments are stated at cost.

E. Inventories:

Raw material and consumables at Cost (net of Excise & VAT) including expenses incurred in bringing the inventories to its present location and condition.

The finished goods have been valued inclusive of Excise duty.

F. Retirement benefits:

(i) The Company's contribution to provident fund is charged to Profit and Loss Account.

(ii) Leave encashment is paid on annual basis every year and charged to Profit & Loss Account.

G. Foreign Currency Transactions:

Transactions in Foreign currency are recorded at the rate of exchange in force at the time transactions are effected and exchange difference, if any, on settlement of transaction is recognised in Profit & Loss Account.

H. Contingent Liability:

A disclosure for a contingent liability is made when there is a possible obligation as a result of past event, existence of which will be confirmed only by occurrence or non occurrence of a future event, which is not wholly within the control of the enterprise.

I. Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

J. Related Party Transactions:

Disclosure of transactions with Related Parties, as required by Accounting Standard 18 "Related Party Disclosures" has been set out in a separate statement annexed to this Schedule. Related Parties as defined under clause 3 of the Accounting Standard have been identified on the basis of representations made by key managerial personnel and information available with the Company.

2. Previous year figures have been regrouped and rearranged, wherever necessary, to make them comparable with the current year figures.

3. Additional information pursuant to the provisions of paragraph 3, 4C and 4D of Schedule VI of the Companies Act, 1956.

I. Quantitative information of Label Division is not possible to compile, hence, it is not given.

II. Quantitative details of Woven Sacks Division is as under:

A. Particulars in respect of Goods Manufactured:

Division	Units	Licensed Capacity		Installed Capacity		Actual Production	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Woven Sacks	Tons	N.A.	N. A.	12500	12500	11423*	12287*

* Excluding Production Outside on Jobwork basis 130 MT (Previous Year 547 MT)

B. Quantitative Information:

Particulars	Sacks (Pcs.)		Wastage (Kgs.)		Traded Goods (Mtrs.)	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Opening Stock	1734116	1169000	24853	26926	—	—
Purchases	23789820	294000	—	—	737229	1397015
Production	131857491	155705194	1326791	1023095	—	—
Consumption	—	—	113684	2500	—	—
Sales net of Return*	156620904	155434078	1196212	1022668	737229	1397015
Closing Stock / Shortage	760523	1734116	41748	24853	—	—

CIF Value of Imports: (including purchases on High Seas Basis)

Year	2008-09		2007-08	
	Quantity (Kgs)	Value (Rs.)	Quantity (Kgs)	Value (Rs.)
Raw Materials	49,500	30,61,819	15,000	19,11,512
Stores & Spares	—	11,56,877	—	13,95,370
Capital Assets	—	—	—	64,82,496

C. Value of imported and indigenous Raw materials, Spare parts and Components consumed and percentage thereof to the total consumption:

Year	2008-09		2007-08	
	Percentage	Value Rs.	Percentage	Value Rs.
1. Raw Materials				
Imported	0.29%	30,61,819	0.18%	19,11,512
Indigenous	99.71%	1,06,05,96,830	99.82%	1,06,69,44,835
2. Consumable Stores				
Imported	3.65%	11,56,877	4.00%	13,95,370
Indigenous	96.35%	3,05,43,061	96.00%	3,35,05,922

D. Expenditure in Foreign Currency (on actual payment basis- Amount in Rs.)

Particulars	2008-09	2007-08
Spares	11,56,877	13,95,370
Capital Assets	—	64,82,496
Foreign Traveling	—	4,48,500

E. Earnings in Foreign Currency:

Export Sales (Direct Exports only)	1,12,73,405	1,68,08,505
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F. Payment to Auditors:

Audit Fees (including Tax Audit Fees)	1,75,000	1,75,000
Total	1,75,000	1,75,000

G. Payment to Directors:

Directors Remuneration (including P.F.)	16,12,800	16,12,800
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4. I. Outstanding Term Loan & Working Capital Demand Loan (WC DL) from IDBI Ltd. for the Santej Unit, is secured by:
- Mortgage of Land & Building and Hypothecation of Plant & Machinery at Santej Unit;
 - Second charge over the current assets of the Company, which are under Dena Bank's first charge.
 - WC DL of IDBI is further secured by escrow of receivables of Gujarat Ambuja Cement Ltd.
- II. Dena Bank
- Term Loan from Dena Bank is secured by First charge over the assets acquired from the said term loan.
 - The Working capital limits from Dena Bank comprising of WC DL/FCDL, Cash Credit, Letter of Credit and Bank guarantee are secured by Hypothecation of stocks of raw materials, work in process, finished goods, stores & spares and receivables of the Company.
- Both the above credit facilities are further secured by:
- Second Charge on the Fixed Assets financed by IDBI Ltd.
 - First charge over the Fixed Assets of Kadi Unit of the Company.
 - Corporate Guarantee of Kabra Investment Pvt. Ltd.
- III. All the above Loans are further secured by:
- Personal Guarantees, wherever stipulated, of the Directors of the Company viz. Shri Manoj Somani, Shri Manish Somani and Shri Mahendra Somani.
- IV. Term Loan from The Mehsana Urban Co-operative Bank Ltd, is secured by specific charge over the assets financed by them and personal guarantee of Shri Manoj Somani and Shri Manish Somani
5. Estimated amounts of contracts remaining to be executed on Capital Account (Net of Advance) and not provided for Rs. Nil (Previous year – Rs. 40 Lakhs)
6. The Income Tax Assessments of the Company has been completed upto A. Y. 2006-07.
7. Contingent Liability not provided for in respect of:
- | | | |
|--------------------------------------|--------------------------|--------------------------|
| | <u>31.03.2009</u> | <u>31.03.2008</u> |
| Guarantee given by Company's bankers | 50.50 | 55.75 |
- (Guarantees have been given by the Company's bankers in the normal course of business and are not expected to result in any liability on the Company)
8. Modvat credit in respect of Excise Duty paid on inputs & capital goods has been credited in Profit & Loss account as per the practice regularly followed by the Company. Based on legal opinion, the company has availed Cenvat credit in respect of Excise Duty, various Education & Secondary education cess in its excise records, on purchases from EOU. However, taking conservative approach in mind, this has not been taken into books of accounts and provision of Rs. 1,94,56,173/- has been made for the same.
9. On the basis of the information available with the company, there is no amount remaining unpaid as on 31st March, 2009 to any supplier who is a small scale or ancillary industrial undertaking beyond the agreed credit period.
10. Sundry Debtors outstanding for more than six months include a sum of Rs.150.39 Lacs pertaining to amount receivable from the parties against goods sold to them in earlier years. The parties had raised disputes regarding delay in supply, poor quality of goods supplied etc. which the Company has contested and refused to accept. However the payment is not forthcoming.
11. Prior Period Items:
Earlier year expenses debited to Profit & Loss A/c Rs. Nil. (P Y Rs. 31,131/-)



14. Deferred Tax Asset has been calculated as below:

Calculation of DTA / DTL	2008-09
DTL	
WDV as on 31/03/2009 as per the Co. Act	266,852,418
WDV as on 31/03/2009 as per the I.T. Act	162,604,901
Amount Eligible for DTL as on 31/03/2009	104,247,517
DTL required as on 31/03/2009	32,212,483
DTA	
Add: Unabsorbed Depreciation upto 31/03/08	63,318,483
Current Year Losses/(Profit)	67,000,934
Disallowances u/s 43(b)	21,723,729
Amount Eligible for DTA as on 31/03/2009	152,043,146
DTA required as on 31/03/2009	46,981,332
Net (DTA)/DTL Required as on 31/03/2009	(14,768,850)
Opening DTL/(DTA) as on 01/04/2008	7,005,178
DTL /(DTA) to be Provided	(21,774,028)

15. Balances of some of the Sundry Debtors, Loans & Advances, Creditors and other parties including inoperative Bank a/c are subject to confirmation and reconciliation.

Signed for Schedules '1' to '18'

Referred to in our report of even date

For V. K. Moondra & Co.
Chartered Accountants

V. K. Moondra
Proprietor

Place : Santej
26th August 2009

For and on Behalf of the Board

Manoj Somani
Managing Director

Anal Desai
Company Secretary

M. K. Somani
Chairman

Place : Santej
26th August 2009



Additional information as required under Part IV of Schedule VI to the Companies Act, 1956
Balance Sheet Abstract and Company's General Business Profiles

I. REGISTRATION DETAILS

Registration No. L 2 5 2 0 0 G J I 9 8 4 P L C 0 5 0 5 6 0

State Code 0 4

Balance Sheet Date 3 1 - 0 3 - 2 0 0 9

II. CAPITAL RAISED DURING THE YEAR (AMOUNT RS. IN THOUSAND)

Public Issue
N I L

Right Issue
N I L

Bonus Issue
N I L

Private Placement
N I L

Share Application Money
N I L

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT RS. IN THOUSAND)

Total Liabilities
6 6 2 8 1 6

Total Assets
6 6 2 8 1 6

SOURCES OF FUNDS
Paid-up Capital
1 5 5 1 8 0

APPLICATION OF FUNDS
Net Fixed Assets
2 6 6 8 5 2

Share Application Money
N I L

Investments
3 7 5

Reserves and Surpluses
4 5 8 9 7

Net Current Assets
2 8 3 8 4 1

Secured Loans
4 4 1 7 3 9

Profit and Loss Account
9 6 9 7 9

Unsecured Loans
2 0 0 0 0

Deffered Tax Assets
1 4 7 6 9

IV. PERFORMANCE OF COMPANY (AMOUNT RS. IN THOUSANDS)

Net Turnover
1 2 4 1 7 6 1

Total Expenditure
1 3 3 0 4 8 6

Profit / (-) Loss before Tax
(-) 8 8 7 2 5

Profit / (-) Loss After Tax
(-) 6 7 4 0 8

Earning Per Share Rs.
Basic / Diluted
N A

Dividend Rate
N A

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

Item Code No.
3 9 2 3 2 1 0 0

Product Description
P P
W O V E N
S A C K S

Item Code No.
5 8 0 7 1 0 0 9

Product Description
W O V E N
L A B E L S



GOPALA POLYPLAST LTD.

Registered Office :
485, Santej Vadsar Road, Santej, Taluka Kalol, Dist. Gandhinagar-382721

ATTENDANCE SLIP

25th ANNUAL GENERAL MEETING ON 24th SEPTEMBER, 2009, At 11.00 A.M.

Reg. Folio No. _____ Client ID and DP ID No. _____

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.
I hereby record my presence at the 25th ANNUAL GENERAL MEETING of the Company at Plot
No. 485, Santej Vadsar Road, Santej, Taluka Kalol, Dist. Gandhinagar-382721

Member's/Proxy's name in BLOCK letters

Member's/Proxy's Signature

Note : Please fill this attendance slip and hand it over at the ENTRANCE.

------(TEAR HERE)-----



GOPALA POLYPLAST LTD.

Registered Office :
485, Santej Vadsar Road, Santej, Taluka Kalol, Dist. Gandhinagar-382721

FORM OF PROXY

I/We _____ of _____

in the district of _____ being a member/members of the above-named company hereby appoint

_____ of _____

in the district of _____ or failing him _____

of _____ in the district of as my/our proxy to vote for me/our

behalf at the 25th ANNUAL GENERAL MEETING of the Company to be held on 24th September, 2009
or at any adjournment thereof.

Signed this _____ day _____ 2009

Signature _____

Affix a
Re. 1/-
Revenue
Stamp

Reg. Folio No. _____ Client ID and DP ID No. _____

Note : This form in order to be effective should be duly stamped, completed and signed and must
be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

(TEAR HERE)

Book-Post
Printed Matter

If not delivered return to :



GOPALA POLYPLAST LTD.

485, Santej – Vadsar Road, Santej - 382 721

Phone : 02764 286305, 286654, 286514

Fax : 02764 - 286660

E-mail: gopala@icenet.net