

29TH ANNUAL REPORT 2012-13



GOPALA POLYPLAST LTD.

"And Reduced"

**BOARD OF DIRECTORS**

Shri Mahendra Somani	- Chairman & Wholetime Director
Shri Manoj Somani	- Managing Director
Shri Manish Somani	- Executive Director
Shri Jugal Kishore Khetawat	
Shri Malay Dalal	
Shri Balkrishna Mittle	
Shri Rajkumar Poddar	
Ms. Anal Desai	- Company Secretary

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.)
Survey No 207/P, Plot No. 6,
Nr. Dadra Check Post, Village Dadra,
Union Territory of Dadra and Nagar Haveli.

AUDITORS

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

BANKERS

Dena Bank

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29th Annual General Meeting

Day : Monday

Date : 30th September, 2013

Time : 11 a.m.

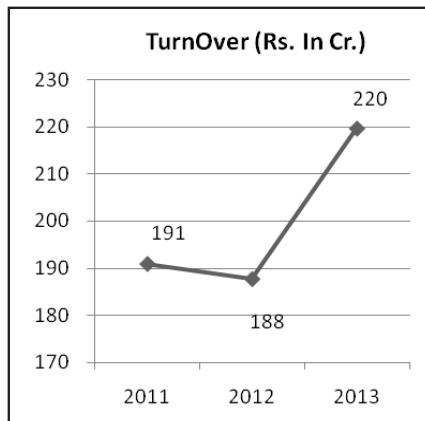
Venue : 485, Santej Vadsar Road,
Santej, Taluka Kalol,
Dist. : Gandhinagar-382721.



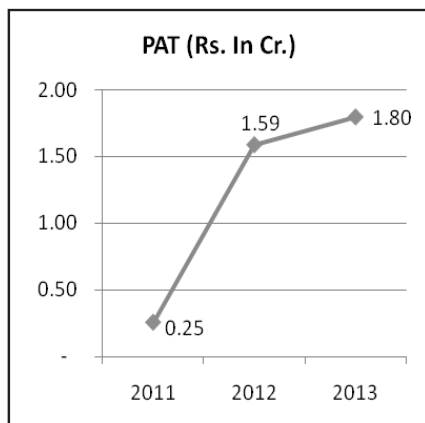
Letter to Shareholders

Dear Fellow Shareowners,

A warm hello! We are optimistic about the future prospects of Gopala Polyplast Ltd. This past year we moved back to growth, increased the bottom line and finished the year stronger than we started it. Our manufacturing team and distribution network continues to strengthen, and our HDPE/PP Woven Sacks and Synthetic Woven Fabric segment continues to deliver stellar performance in a competitive market. We are prepared to face future challenges and continue to grow the company and deliver value to our customers, employees and shareholders.



At present, the company's woven sacks division (HDPE Division) is supplying mainly to Cement Industry. During last four years, the company has developed its capabilities for Sugar Industry and Food grain Industry. We are among the few companies that have successfully completed all government orders for food grain supply. After being well established in these industries, the company plans on expanding its existing block of plant and machinery. Without increasing too much capacity in this expansion project, the company is moving to higher levels of automation in bag making. This will substantially decrease our dependency on labour and increase our product quality. Through its diversification and modernization programme, the company is trying to enter a niche market with premium, higher margin products along with its existing product line. One of the product identify is BOPP laminated bags.



"BOPP laminated bags" are widely used today in retail packaging of 5-25 kg packs of rice, chakkiatta, maida, besan, sugar, seed, fertilizers, cement putty and other premium products. Retail sector is exploding and the BOPP bag market is rapidly growing because of the importance of branding and need of aesthetically appealing packaging. The company would like to exploit this opportunity in this time of growth.

Woven Fabric has traditionally been an accessory for the main garment and are the creators of brand value of the garment. Thus it constitutes an important role in garment manufacturing and is used by both the garment exporters as well domestic garment manufacturers. We are one of the approved suppliers of woven fabric to renowned garment exporters and international department stores.

During the coming year, we look forward to sharing with you our new milestones and accomplishments as we lead the company through its next stage of growth. On behalf of the Board of Directors and the entire management team, we would like to thank our customers, suppliers, distributors, employees and shareholders for their continued support.

Sincerely,

Manoj Somani
Managing Director



NOTICE

Notice is hereby given that the 29th 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 Monday, 30th September, 2013 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, 2013 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. Manoj Somani, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Balkrishna Mittle, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors, to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company do hereby accord its approval to the reappointment of Mr. Manoj Somani as Managing Director of the Company for a period of five years with effect from 1st January, 2013 to 31st December, 2017 on the terms and conditions (as approved by the 'Remuneration Committee') set out in the draft agreement of appointment submitted to this meeting duly initialled by the Chairman for identification with a liberty to the Directors to alter and vary the terms and conditions of the said appointment without referring the same to the General Meeting in such manner as may be agreed to between the Directors and Mr. Manoj Somani.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company do hereby accord its approval to the reappointment of Mr. Manish Somani as Executive Director of the Company for a period of five years with effect from 1st January, 2013 to 31st December, 2017 on the terms and conditions (as approved by the 'Remuneration Committee') set out in the draft agreement of appointment submitted to this meeting duly initialled by the Chairman for identification with a liberty to the Directors to alter and vary the terms and conditions of the said appointment without referring the same to the General Meeting in such manner as may be agreed to between the Directors and Mr. Manish Somani.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

By Order of the Board

Place : Santej
Date : 29th July, 2013

Manoj Somani
Managing Director

NOTES :

1. The relevant Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of the special business above are annexed thereto.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 27th September, 2013 to 30th September, 2013 (Both days inclusive).



3. 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.
4. Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting.
5. 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.

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

ITEM NO. 5

Shareholders may recall that in the 24th Annual General Meeting held on 30th September, 2008, Mr. Manoj Somani was appointed as Managing Directors of the Company for a period of five years from 1st January, 2008 to 31st December, 2012.

The Board of Directors, in their meeting held on 31st December, 2012, has reappointed Mr. Manoj Somani as Managing Director for a further period of five years i.e. from 1st January, 2013 to 31st December, 2017 on such remuneration as recommended on by Remuneration Committee.

The main terms and conditions of his reappointment are as under:

I. PERIOD:

The term of the Managing Director shall be for a period of five years from 1st January, 2013 to 31st December, 2017.

II. REMUNERATION:

- A. SALARY : Rs. 1,45,000/- per month
- B. COMMISSION : Nil
- C. PERQUISITES : In addition to salary, the Following perquisites not exceeding the overall ceiling prescribed under schedule XIII of the Companies Act, 1956 will be provided to the Managing Director.
 - i. HOUSING : Nil
 - ii. MEDICAL REIMBURSEMENT :
Reimbursement of medical expenses for self and family as per Rules of the Company.
 - iii. CLUB FEES :
Fees of clubs, subject to a maximum of two clubs. This will not include admission and Life Membership fees.
 - iv. PERSONAL ACCIDENT INSURANCE :
Personal Accident Insurance Cover as applicable will be provided to him by the Company, Premium payable shall not exceed Rs. 4000/-
 - v. PROVIDENT FUNDS / SUPERANNUATION FUND :
Contribution to provident fund and superannuation fund in accordance with the rules of the company.
 - vi. GRATUITY :
Gratuity at a rate not exceeding one half month's salary for each completed year of service.
 - vii. COMPANY CAR / PHONE :
One car with the services of driver, to be maintained by the company for official use and phone to be used for official purpose.
- D. Earned / Privilege leave may be allowed as per the Rules of the Company. Leave accumulated and not availed of during his tenure as Managing Director may be allowed to be encashed at the time of end of his tenure as per Rules of the Company.

III. REIMBURSEMENT OF ACTUAL EXPENSES :

Reimbursement of entertainment, traveling and all other expenses actually and properly incurred in the course of legitimate business of the Company.

- IV. So long as Mr. Manoj Somani functions as Managing Director, he shall not be paid any sitting fees for attending the meeting of the Board or any Committee thereof.



- V. The Managing Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.

VI. DUTIES:

Subject to the superintendence, direction and control of the Board of Directors of the Company, the Managing Director shall be entrusted with substantial powers of management and also such other duties and responsibilities as may be entrusted to him by the Board of Directors from time to time except those which are specifically required by the Companies Act, 1956 to be exercised only at a Meeting of the Board subject to any limitation or condition which may be prescribed by the Act or Board or by the Company in General Meeting. The head quarter of the Managing Director shall be at Ahmedabad or at such place as the Board of Directors may decide from time to time.

VII. TERMINATION:

The Managing Director may be removed from his office for gross negligence, breach of duty or trust if the Company in its General Meeting to that effect passes a special Resolution. The Managing Director may resign from his office by giving 90 days' notice to the Company.

VIII. COMPENSATION:

In the event of termination of office of Managing Director takes place before the expiration of tenure thereof, Managing Director shall be entitled to receive compensation from the Company for loss of office to the extent and subject to limitation as provided under section 318 of the Companies Act, 1956."

As per the provisions of Sections 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956 consent of the Company accorded by an Ordinary Resolution is necessary for holding office as Managing Director of the Company on remuneration.

The terms and conditions mentioned in the above explanatory statement may be treated as abstract of the terms of proposed contract under Section 302 of the Companies Act, 1956.

Resolution of the Board of Directors reappointing Mr. Manoj Somani as Managing Director and Draft agreements of reappointment are open for inspection at the Registered Office of the Company between 11.00 A.M. to 1.00 P.M. on any working day prior to the date of the meeting.

Mr. Manoj Somai is concerned or interested in the business since it relates to his appointment as a Managing Director of the Company. Mr. Mahendra Somani and Mr. Manish Somani, Directors may also deemed to be concerned or interested in the resolution since Mr. Manoj Somai is their relative. No other Director of the Company is deemed to be concerned or interested in the resolution.

ITEM NO. 6

Shareholders may recall that in the 24th Annual General Meeting held on 30th September, 2008, Mr. Manish Somani was appointed as Executive Directors of the Company for a period of five years from 1st January, 2008 to 31st December, 2012.

The Board of Directors, in their meeting held on 31st December, 2012 has reappointed Mr. Manish Somani as an Executive Director for a further period of five years i.e. from 1st January, 2013 to 31st December, 2017 on such remuneration as recommended on by Remuneration Committee.

The main terms and conditions of his reappointment are as under:

I. PERIOD:

The term of the Executive Director shall be for a period of five years from 1st January, 2013 to 31st December, 2017.

II. REMUNERATION:

A. SALARY : Rs. 1,25,000/- per month

B. COMMISSION : Nil

C. PERQUISITES : In addition to salary, the Following perquisites not exceeding the overall ceiling prescribed under schedule XIII of the Companies Act, 1956 will be provided to the Executive Director.

i. HOUSING : Nil

ii. MEDICAL REIMBURSEMENT :

Reimbursement of medical expenses for self and family as per Rules of the Company.



iii. CLUB FEES :

Fees of clubs, subject to a maximum of two clubs. This will not include admission and Life Membership fees.

iv. PERSONAL ACCIDENT INSURANCE :

Personal Accident Insurance Cover as applicable will be provided to him by the Company, Premium payable shall not exceed Rs. 2500/-.

v. PROVIDENT FUNDS / SUPERANNUATION FUND :

Contribution to provident fund and superannuation fund in accordance with the rules of the company.

vi. GRATUITY :

Gratuity at a rate not exceeding one half month's salary for each completed year of service.

vii. COMPANY CAR / PHONE :

One car with the services of driver, to be maintained by the company for official use and phone to be used for official purpose.

- D.** Earned / Privilege leave may be allowed as per the Rules of the Company. Leave accumulated and not availed of during his tenure as Executive Director may be allowed to be encashed at the time of end of his tenure as per Rules of the Company.

III. REIMBURSEMENT OF ACTUAL EXPENSES :

Reimbursement of entertainment, traveling and all other expenses actually and properly incurred in the course of legitimate business of the Company.

- IV.** So long as Mr. Manish Somani functions as Executive Director, he shall not be paid any sitting fees for attending the meeting of the Board or any Committee thereof.

- V.** The Executive Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.

VI. DUTIES:

Subject to the superintendence, direction and control of the Board of Directors of the Company, the Executive Director shall manage the business and affairs of the company and exercise all the powers vested in Directors except those which are specifically required by the Companies Act, 1956 to be exercised only at a Meeting of the Board subject to any limitation or condition which may be prescribed by the Act or Board or by the Company in General Meeting. The head quarter of the Executive Director shall be at Ahmedabad or at such place as the Board of Directors may decide from time to time.

VII. TERMINATION:

The Executive Director may be removed from his office for gross negligence, breach of duty or trust if the Company in its General Meeting to that effect passes a special Resolution. The Executive Director may resign from his office by giving 90 days' notice to the Company.

VIII. COMPENSATION:

In the event of termination of office of Executive Director takes place before the expiration of tenure thereof, Executive Director shall be entitled to receive compensation from the Company for loss of office to the extent and subject to limitation as provided under section 318 of the Companies Act, 1956.

As per the provisions of Sections 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956 consent of the Company accorded by an Ordinary Resolution is necessary for holding office as Executive Director of the Company on remuneration.

The terms and conditions mentioned in the above explanatory statement may be treated as abstract of the terms of proposed contract under Section 302 of the Companies Act, 1956.

Resolution of the Board of Directors reappointing Mr. Manish Somani as Executive Director and Draft agreements of reappointment are open for inspection at the Registered Office of the Company between 11.00 A.M. to 1.00 P.M. on any working day prior to the date of the meeting.



Mr. Manish Somai is concerned or interested in the business since it relates to his appointment as an Executive Director of the Company. Mr. Mahendra Somani and Mr. Manoj Somani, Directors may also deemed to be concerned or interested in the resolution since Mr. Manish Somai is their relative. No other Director of the Company is deemed to be concerned or interested in the resolution.

Place : Santej
Date : 29th July, 2013

By Order of the Board
Manoj Somani
Managing Director

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

Name of Director	Mr. Manoj Somani	Mr. Balkrishna Mittle
Date of Birth	05/07/1967	01/05/1945
Date of appointment	04/07/1988	10/07/2010
Expertise in specific functional areas	Industrialist and rich experience of woven sack industry	Advertising and Marketing
Qualifications	B.E. (Production)	B.Com.
List of other Public Companies in which Directorship held as on 31/03/2013	YPO (Gujarat)	NIL
Chairman / Membership of the Committees of the Board of the Companies on which he is a Director	Gopala Polyplast Limited Share Transfer Committee - Chairman Shareholders Grievances Committee - Member	Gopala Polyplast Limited Audit Committee - Member Remuneration Committee - Member

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

Your Directors have pleasure in presenting before you, the 29th Annual report and the Audited Accounts for the financial year ended 31st March, 2013.

FINANCIAL RESULTS

The Financial results of the Company are summarized below:

	2012-13	Rs. in Lacs 2011-12
GROSS PROFIT (LOSS)(PBDIT)	1002.43	649.43
Less:		
Interest & Financial Charges	472.61	247.94
Depreciation	304.55	257.91
PROFIT / (LOSS) BEFORE TAX & EXTRA ORDINARY ITEM	225.27	71.04
Add:		
Extra Ordinary Item (Profit) / Loss	27.94	(8.67)
PROFIT / (LOSS) BEFORE TAX	197.33	79.71
Less:		
Provision for Deferred Tax	17.80	(78.99)
PROFIT / (LOSS) AFTER TAX	179.53	158.70
Add: Balance brought forward	(1250.52)	(1409.22)
APPROPRIATIONS	—	—
Transfer from Capital Restructure Account	1250.50	—
Balance carried forward to next year	179.51	(1250.52)

EQUITY / PREFERENCE DIVIDEND

With a view to conserving resources for future expansion cum modernization facilities, your directors do not recommend dividend on Equity Shares for the year 2012-13

EXPANSION & MODERNISATION

The company is regularly upgrading its plant and machinery and has spent Rs. 715.30 lakhs on addition to factory shed and plant and machinery during the year under review.

CAPITAL RESTRUCTURING

For ensuring that the financial statements of the Company reflect the real picture and the Capital, reserves and surplus which are lost are not continued to be shown on the face of balance sheet the Company carried out reduction of capital of the Company. Further, conversion of the preference share capital into Equity Share Capital was carried out for creating a stable capital structure for future. The Hon'ble High Court of Gujarat at Ahmedabad vide its Order dated 7th day of May, 2013 sanctioned the Scheme of Arrangement involving Financial Restructuring of the Company and its Shareholders under Sections 391 to 394 read with 80, 100 to 104, 106 of the Companies Act, 1956. Pursuant to the said Composite Scheme of Arrangement, the Company has 1. Reduced its Equity Share Capital from Rs. 10,91,55,000/- divided into 2,18,31,000 Equity Shares of Rs.5/- each to Rs. 4,36,63,920/- divided into 43,66,392 Equity Shares of Rs.10/- each. 2. Face value of Equity Shares has been consolidated from Rs. 5/- per share to Rs.10/- per share. 3. 4,50,000 1% Cumulative Redeemable Preference shares of Rs.100/- each has been converted into 45,00,000 Equity shares of Rs.10/- each. The effects of order are given in the annual accounts for the year ended 31/03/2013 in compliance with Accounting Standard AS4.

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. Manoj Somani and Mr. Balkrishna Mittle, 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. 236.54 lacs. (Previous year - Rs. 237.22 lacs)

The total foreign exchange out flow during the year is Rs.12.00 Lacs (Previous year - Rs. 18.37 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.

COST AUDITORS

Pursuant to Direction of the Ministry of Corporate Affairs, the company appointed M/s. A. G. Tulsian & Co., Cost Accountants (Firm No.19812) for submitting Compliance Report on cost accounts maintained by the Company for processing of plastic for the year ending on 31/03/2012. The Cost accounts submitted their Compliance Report on 22/09/2012 as against due date of 28/01/2013. Your directors have now appointed M/s. A. G. Tulsian & Co., Cost Accountants to carry out audit of cost accounts maintained by the Company for processing of plastic for the year ending on 31/03/2013. The due date for filing Cost Audit Report is 27/09/2013.

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 directors express their sincere thanks to all customers, vendors, investors, bankers, insurance companies, consultants, advisors, stock exchange and government authorities for their continued support and co-operation throughout the year.

For and on behalf of the Board of Directors

Santej
29th July, 2013

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)

	2012-13	2011-12
a. Foreign Exchange Earnings	236.54	237.32
b. Foreign Exchange Outgo	12.00	18.36

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

	2012-13	2011-12
Electricity		
1. Purchased from GEB Units (KWH)	98,29,311	79,78,998
Total Amount (Rs.)	6,55,81,438	4,91,02,896
Rate per unit (Rs.)	6.67	6.15
2. Own Generation (through D.G. sets)		
Total Units Generated (KWH)	16,338	14,328
Total Amount (Rs.)	2,43,898	1,56,351
Cost per unit (Rs.)	14.93	10.91
3. Own Generation (CPP-Gas)		
Total Units Generated (KWH)	77,666	6,32,853
Total Amount (Rs.)	24,39,727	65,77,674
Cost per unit (Rs.)	31.41	10.39

II. CONSUMPTION PER UNIT OF PRODUCTION

Product	PP Woven Sacks	
	2012-13	2011-12
Production (Tons)	12,536	11,779
Total No. of Units (KWH)	99,23,315	86,26,179
Units per Ton (KWH)	792	732

* Quantitative details of Woven Fabric Division cannot be compiled hence the relevant details are not given.

**REPORT ON CORPORATE GOVERNANCE**

Report on Corporate Governance for the year 2012-13 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 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, 2012 :

Director	Executive / Non-executive Independent	Number of Directorships of other Public companies	Committee positions	
			As Chairman	As Member
Mahendra Somani	Executive, Chairman	1	-	-
Manoj Somani	Executive	1	1	1
Manish Somani	Executive	-	-	2
Jugalkishore Khetawat	Non-executive	9	-	-
Malay Dalal	Non-executive, Independent	-	3	-
Balkrishna Mittle	Non-executive, Independent	-	-	2
Rajkumar Poddar	Non-executive, Independent	-	-	2

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	9	9	No
Manoj Somani	9	9	No
Manish Somani	9	9	Yes
Jugalkishore Khetawat	9	0	No
Malay Dalal	9	9	Yes
Balkrishna Mittle	9	6	No
Rajkumar Poddar	9	6	No

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

No. of Board Meetings held during the year 2012-13	Dates of Meetings
9	30/05/2012, 31/07/2012, 13/08/2012, 28/09/2012, 25/10/2012, 07/11/2012, 31/12/2012, 29/01/2013 and 30/03/2013 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. Manoj Somani and Mr. Balkishna Mittle 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 constituted a three member Audit Committee originally on 31/07/2001 in compliance with the requirement of Section 292A of the Companies Act, 1956. The Committee was lastly reconstituted on 01/10/2011, comprising of three non-executive directors and all of them are independent directors. The members of the Committee are Mr. Malay Dalal, Chairman, Mr. Balkrishna Mittle and Mr. Rajkumar Poddar. Mr. Malay Dalal, Chartered Accountant has good financial and accounting knowledge. The Chairman of the Audit Committee attended the Annual General Meeting of the Company held on 22/09/2012.

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
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - c. Management letters / letters of internal control weaknesses issued by the statutory auditors.
 - d. Internal audit reports relating to internal control weaknesses; and
 - e. 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, 2013 on 30/05/2012, 31/07/2012, 25/10/2012 and 29/01/2013.

Name of the member	Number of Meetings	
	Held	Attended
Malay Dalal	4	4
Balkrishna Mittle	4	4
Rajkumar Poddar	4	4

3. Remuneration Committee :

Remuneration Committee comprised of Mr. Malay Dalal, Mr. Balkrishna Mittle and Mr. Rajkumar Poddar. The committee met once during the year ended 31st March, 2013.

Name of the Member	Number of Meetings	
	Held	Attended
Malay Dalal	1	1
Balkrishna Mittle	1	1
Rajkumar Poddar	1	1

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 2012-13 (in Rs.)			
			Sitting Fees	Salary & Perks	Comm-ission	Total
Mahendra Somani	Father of Manoj Somani and Manish Somani	None	Nil	4.80	Nil	4.80
Manoj Somani	Son of Mahendra Somani	None	Nil	17.45	Nil	17.45
Manish Somani	Son of Mahendra Somani	None	Nil	14.25	Nil	14.25
Jugal Kishore Khetawat	None	None	Nil	Nil	Nil	Nil
Malay Dalal	None	None	Nil	Nil	Nil	Nil
Balkrishna Mittle	None	None	Nil	Nil	Nil	Nil
Rajkumar Poddar	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, 2013 :

Director	No. of shares held
Jugalkishore Khetawat	1,60,900
Malay Dalal	Nil
Balkrishna Mittle	Nil
Rajkumar Poddar	Nil

* During the year 2012-13, the company did not advance any loan to any of the Directors.

5. Shareholders' / Investors' Grievance Committee :

The Company constituted a three-member Committee designated as 'Shareholders/Investors Grievance Committee' under the chairmanship of Mr. Malay Dalal, Non-executive director and Mr. Manoj Somani, Managing Director and Mr. Manish Somani, Executive Directors 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 ended on 30th March, 2013, which was attended by Mr. Malay Dalal, Mr. Manoj Somani and Manish Somani.



The relevant data are as under :

Name of non-executive director heading the committee	:	Mr. Malay Dalal
Name and designation of Compliance Officer	:	Mr. Chirag Parikh Asth. Manager (Accounts)
Number of shareholders' complaints received during the year	:	Nil
Number of shareholders' complaints not solved to the satisfaction of shareholders	:	Nil
Number of share transfers pending for over 30 days as on 31-3-2013.	:	Nil

6. General Body Meetings :

Location and time, where last three AGMs held :

AGM Number	Date & Time	Venue
26th	30/09/2010 at 11.00 a.m.	Plot No. 485, Santej Vadsar road, Santej, Taluka Kalol, Dist. Gandhinagar-382721, Gujarat.
27th	30/09/2011 at 11.00 a.m.	Plot No. 485, Santej Vadsar road, Santej, Taluka Kalol, Dist. Gandhinagar-382721, Gujarat.
28th	22/09/2012 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 during the year ended on 31st March, 2013 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	17.45	1.45
2.	Remuneration to Mr. Manish Somani, Executive Director	14.25	1.25
3.	Remuneration to Mr. Mahendra Somani, Whole-time Director	4.80	1.00
4.	Rent paid to Mr. Manoj Somani, Managing Director	0.26	—
5.	Rent paid to Smt. Purnima Somani, Spouse of Mr. Manish Somani	0.27	—
6.	Rent paid to Smt. Ushadevi Somani mother of Mr. Manoj Somani, Managing Director and Mr. Manish Somani, Executive Director	2.38	—
7.	Loan taken from Mr. Manoj Somani, Managing Director	74.00	74.00
8.	Loan taken from Mr. Manish Somani, Executive Director	74.00	74.00
9.	Loan taken from Mr. Mahendra Somani, Whole-time Director	71.50	76.50
10.	Loan taken from Status Credit and Capital Pvt. Ltd.	36.26	102.00
11.	Loan repaid to Status Credit and Capital Pvt. Ltd.	8.00	
12.	Interest paid to Status Credit and Capital Pvt. Ltd.	10.16	
13.	Loan taken from Navjeevan Synthetics Ltd.	10.00	—
14.	Loan repaid to Navjeevan Synthetics Ltd.	10.00	
15.	Interest paid to Navjeevan Synthetics Ltd.	1.16	
16.	Loan taken from Indian Bobbin Manufacturing Company Pvt. Ltd.	75.00	255.00
17.	Loan taken from New Life Marketing and Trading Pvt. Ltd.	125.00	250.00
18.	Loan repaid to New Life Marketing and Trading Pvt. Ltd.	50.00	
19.	Loan repaid to Gopala Mercantile Ltd.	11.76	—
	Total	596.25	835.20

**b. Accounting treatment**

There is no deviation in following the treatment prescribed in Accounting Standard in preparation of financial statements for the year 2012-13.

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 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 Exchanges 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	Economic Times, 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	30th September, 2013
Time	11.00 a.m.
Venue	Plot No. 485, Santej Vadsar Road, Santej, Taluka Kalol, Dist. Gandhinagar-382721, Gujarat
Financial Calendar for 2012-13 (tentative) Result for the quarter ending 30/06/2013 Result for the quarter ending 30/09/2013 Result for the quarter ending 31/12/2013 Result for the quarter ending 31/03/2014 Annual General Meeting	Last week of July, 2013 Last week of October, 2013 Last week of January, 2014 Last week of April, 2014 September, 2013
Date of Book Closure for AGM	27th Sep. 2013 to 30th Sep. 2013 (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 2013-14. 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	Upto 03/07/2013 - INE136C01036 From 04/07/2013 - INE136C01036
Market Price Date : High, Low during each month in the financial year 2012-13.	As per Table 6
Performance in comparison to broad-based indices i.e. BSE Sensex during 2012-13	GPL Share - (-)1.73% (From Rs.1.73 to Rs.1.70) BSE Sensex - (+) 8.22% (From 17404.20 to 18835.77)



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 to 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 15 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 Survey No 207/P, Plot No. 6, Nr. Dadra Check Post Village Dadra, 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 2012-13

Month & Year	Mumbai Stock Exchange (Face Value Rs.5/ per share)	
	High	Low
April – 2012	2.10	1.43
May - 2012	3.44	1.59
June - 2012	4.81	2.37
July - 2012	4.34	3.39
August - 2012	4.10	2.94
September - 2012	3.27	2.19
October - 2012	3.53	2.55
November- 2012	2.85	2.45
December - 2012	2.85	2.29
January - 2013	3.48	2.40
February - 2013	3.30	2.31
March - 2013	3.05	1.70

**Table 7 : Distribution of Shareholdings as on 31/03/2013**

No. of Equity Shares held	No. of Shares held	% of Total shares	No. of Shareholders	% of Total Shareholders
1 to 500	896842	4.11	3681	62.50
501 to 1000	859842	3.94	938	15.92
1001 to 2000	880843	4.03	508	8.62
2001 to 3000	486028	2.23	183	3.11
3001 to 4000	347308	1.59	94	1.60
4001 to 5000	676262	3.10	139	2.36
5001 to 10000	1194001	5.47	158	2.68
10001 and above	16489874	75.53	189	3.21
TOTAL	(*)21831000	100.00	5890	100.00

Category-wise Distribution of Shareholding as on 31/03/2013

Sr. No.	Category	No. of Shareholder	No. of Shares Shares Held	% of Total Shares
1.	Promoters	30	7965865	36.49
2	Public Financial Institutions and Banks	0	0.00	0.00
3.	Mutual Funds	1	1000	0.01
4.	Bodies Corporate (Other than promoter)	182	3766744	17.25
5.	Non- Resident individuals	74	163273	0.75
6.	Indian Public	5603	9934118	45.50
	Total	5890	(*)21831000	100.00

Table 8 : Break-up of Shares in Physical & Electronic Mode as on 31/03/2013

Mode	No. of shareholders	% of Total shareholders	No. of shares	% to Total Shares
Physical	1524	25.87	7900500	36.19
Electronic	4366	74.13	13930500	63.81
Total	5890	100.00	(*)21831000	100.00

(*) The total no. of equity shares as per Balance-sheet as on 31/03/2013 is 88,36,392 as the effect of the Scheme of Arrangement involving financial restructuring of company with its shareholders approved by the Honorable High Court of Gujarat vide order dated 07/05/2013 has been given as on 31/03/2013 as per the Accounting Standard 4 issued by ICAI. However, the Board of Directors of the Company allotted shares as per the approved scheme at its meeting held on 30/05/2013. Listing approval was received by the Company from BSE on 04/07/2013 and the corporate actions were completed by NSDL and CDSL on 09/07/2013. The said 88,36,392 equity shares were finally admitted for trading by BSE on 23/07/2013.

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 manufacturers 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 fabrics.

In India, Cement demand witnessed a compounded annual growth rate of more than 8% in the last 10 years and is likely to grow annually by about 10% basis on the 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, rising crude oil and inflation has resulted into inevitable rise in the input costs. The Company is pressing hard for upward revision in the conversion prices from its customers, which is expected to go through 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 led to growth in demand of woven fabrics. The Company has made inroads in the domestic garments sector. Due to the depreciation of Rupee against the US Dollar the garment exports from the country has created tremendous opportunity for the woven fabrics business.



b) Opportunities and threats

Opportunities :

1. All major players in cement industries are doing their expansion so demand of bags will increase in near future.
2. With the beginning of organised retailing of agro & food products, the packaging requirement with value added pp bags will emerge creating a new market for the company's product.
3. Ready to wear garment in domestic market is increasing due to changing fashion trend will create a new demand for woven fabrics product for the company.
4. Export, retail packing of sugar and food grain shifting to PP sacks segment.

Threats :

1. The threats of competition out of new capacities, fluctuation in petrochemical prices may put pressure on the Company's performance. However, raw material price increase is normally passed on to the customers. Also the situation can be tide over by making strategic purchases
2. The process of making bags from fabric is labour oriented and labours are now short supply.

c) Segment-wise or product-wise performance

The details have been furnished under Sl. No. 13 of the notes to the financial statement 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, Food grains in case of PP bags and Garment industry in case of Woven Fabrics. However, the outlook for the both the products are bright for the current year.

e) Risks and concerns

Some grain products are restricted to use PP sacks as stipulated under Jute Packaging Materials (Compulsory Use in Packaging Commodities), Act, 1987, which affects 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.

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 Improved as compared to previous year due to various factors. At present, the company's woven sacks division (HDPE Division) is supplying mainly to Cement Industry. During last four years, the company has developed its capabilities for Sugar Industry and Food grain Industry. We are among the few companies that have successfully completed all government orders for food grain supply.

h) Human Resources Development and Industrial Relations

The company has 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 Sl. No. 12 of the notes to the financial statement. 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 Remuneration Committee comprised of Mr. Malay Dalal, Mr. Balkrishna Mittle and Mr. Rajkumar Poddar, Independent Directors of the Company as member 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 I(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 31/03/2013.

For Gopala Polyplast Limited

Manoj Somani
Managing Director

Date : 29th July, 2013

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, 2013 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 : 29th July, 2013



AUDITORS' REPORT

To,
The Members of
GOPALA POLYPLAST LIMITED ("And Reduced")

We have audited the accompanying financial statements of **Gopala Polyplast Ltd. ("And Reduced")** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 March 31, 2013;
 - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
 2. As required by section 227(3) of the Act, we report 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 those books.
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (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, 2013 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in term of Clause (g) of Sub Section (1) to Section 274 of the Companies Act, 1956.



- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For V. K. Moondra & Co.
Chartered Accountants
FRN No. 106563W

Place : Santej
Date : 30th May, 2013

V. K. Moondra
Proprietor
M. No.: 70431

**The Annexure referred to in paragraph 1 of our report of even date
to the members of GOPALA POLYPLAST LIMITED ("And Reduced") on the accounts
of the company for the year ended on 31st March, 2013.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- 1) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
c) In our opinion and according to the information and explanations given to us, fixed asset have been disposed during the year but does not affect the going concern assumption.
- 2) a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
b) In our opinion and according to the information and explanations 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 its business.
c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- 3) a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, Clause no 3b,3c & 3d are not applicable.
b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has taken loans from 8 companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs 853.27 Lacs. The year end balance was Rs 831.50 lacs.
c) The rate of interest and other terms and conditions of the loans taken by the company are not prima facie prejudicial to the interest of the company.
d) Payment of principal amount and interest are regular.
- 4) In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
- 5) Based on the audit procedures applied by us and according to the information and explanations provided by the management, there are no such contracts or arrangements referred to in section 301, hence this clause is not applicable.



- 6) The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
- 7) As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
- 8) As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- 9) a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on date of balance sheet for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes other than those given here in below.:

Nature of statute	Nature of Dispute	Amount (Rs.)	Period to which Dispute Relates	Forum Where Dispute is pending
Income Tax	Disallowance of Bad Debts	Nil	AY 2002 – 03	CIT (Appeal) VIII
Income Tax	Disallowance of Bad Debts	Nil	AY 2004 – 05	CIT (Appeal) VIII
Income Tax	Disallowance of Bad Debts	Nil	AY 2005 – 06	CIT (Appeal) VIII
Income Tax	Disallowance of Bad Debts	Nil	AY 2006 – 07	CIT (Appeal) VIII
Income Tax	Various addition u/s 143(3) of I.T.Act.	Nil	AY 2009 – 10	CIT (Appeal) VIII
Income Tax	Various addition u/s 143(3) of I.T.Act.	Nil	AY-2010 - 11	CIT (Appeal) VIII

- 10) The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and 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 a financial institution, bank or debenture holders. The IDBI Bank Ltd had restructured account in 2010-11 by granting a One Time Settlement (OTS) to the company. The company has made the Full & Final payment to the IDBI Bank Ltd. IDBI Bank Ltd. has issued a No Due Certificate in favor of the company against the same.
- 12) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
- 14) According to information and explanations given to us, the Company is investing in Shares, Mutual funds & other Investments. Proper records & timely entries have been maintained in this regard & further investments specified are held in their own name.
- 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) Based on our audit procedures and on the information given by the management, we report that the company has raised term loans during the year & fully utilized for the purpose for which they were raised.
- 17) Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at the above date, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
- 18) Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
- 19) The Company has no outstanding debentures during the period under audit.
- 20) The Company has not raised any money by public issue during the year.
- 21) Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For V. K. Moondra & Co.

FRN No. 106563W

Chartered Accountants

Place : Santej

Date : 30th May 2013

V. K. Moondra

Proprietor

M. No. 70431

**Balance Sheet as on 31st March 2013**

Particulars	Note No.	As at 31st March,13 Rupees	As at 31st March,12 Rupees
I. EQUITY AND LIABILITIES			
Shareholders' Funds:			
Share Capital	1	8,86,63,920	15,41,55,000
Reserves & Surplus	2	11,76,14,892	3,41,70,491
Money received against share warrants		-	-
Share Application money pending allotment		-	-
Non-Current Liabilities			
Long-Term Borrowings	3	18,78,48,693	13,43,21,936
Deferred Tax Liabilities (Net)		-	-
Other Long Term Liabilities		-	-
Long Term Provisions	4	43,02,693	35,91,960
Current Liabilities			
Short-Term Borrowings	5	25,78,68,099	24,41,23,806
Trade Payables	6	12,09,65,167	4,03,54,418
Other Current Liabilities	7	2,81,21,825	3,43,26,931
Short-Term Provisions	8	49,41,901	32,61,416
TOTAL		81,03,27,190	64,83,05,958
II. ASSETS			
Non Current Assets			
Fixed Assets:	9		
Tangible Assets (Net Block)		25,93,30,427	21,90,94,221
In Tangible Assets (Net Block)		2,30,066	2,77,642
Capital work in Progress		3,92,362	-
InTangibale Asset under development		-	-
Net Fixed Assets		25,99,52,855	21,93,71,863
Non-Current Investments	10	2,44,040	-
Deferred Tax Assets (Net)		2,97,60,446	3,15,40,410
Long Term Loans and Advances	11	1,67,63,464	1,45,86,064
Other Non-Current Assets	12	2,50,000	2,50,000
Current Assets			
Current Investments	13	-	24,69,127
Inventories	14	16,14,99,664	14,06,59,376
Trade Receivables	15	31,55,72,302	21,38,60,396
Cash and Cash Equivalents	16	1,15,03,081	67,94,491
Short-Term Loans and Advances	17	1,13,30,728	99,89,810
Other Current Assets	18	34,50,610	87,84,421
TOTAL		81,03,27,190	64,83,05,958

See Accompanying Note to the Financial Statements

As per our attached report of even date

For V. K. Moondra & Co.

FRN No. 106563W

Chartered Accountants

V. K. Moondra

Proprietor

M. No. 70431

Place : Santej

Date : 30th May 2013

For and on Behalf of the Board**Anal Desai**
Company Secretary**Manoj Somani**
Managing Director**M. K. Somani**
ChairmanPlace : Santej
Date : 30th May 2013

**Statement of Profit and Loss for the year ended 31st Mar 2013**

Particulars	Note No.	2012-13 Rupees	2011-12 Rupees
REVENUE			
Revenue from Operation	19	2,19,70,00,504	1,87,72,97,370
Other Income	20	19,07,350	7,38,129
TOTAL REVENUE		2,19,89,07,854	1,87,80,35,499
EXPENDITURE			
Cost of Materials Consumed	21	1,62,41,42,617	1,45,86,16,399
Purchase of Stock in Trade	22	25,37,96,115	14,66,29,656
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	(3,71,35,063)	(1,86,93,950)
Employees Benefits Expenses	24	3,46,71,041	3,08,82,629
Finance Cost	25	4,72,61,189	3,30,44,590
Depreciation & amortisation Expenses		3,04,55,311	2,47,94,062
Other Expenses	26	22,31,89,371	19,56,58,057
TOTAL EXPENDITURE		2,17,63,80,581	1,87,09,31,443
Profit Before Exceptional & Extra Ordinary Items & Tax		2,25,27,273	71,04,056
Extra Ordinary Items :			
Loss/(Profit) on Sales of Fixed Assets		22,07,431	(8,66,572)
Loss on Sale of Investments		5,86,557	-
Add : Other Extra Ordinary Items		-	-
Profit Before Tax		1,97,33,285	79,70,628
Tax Expenses :			
Income Tax for Earlier Year	-		
Provision For Income Tax	-		
Provision for Deferred Tax	17,79,964		
		17,79,964	(78,99,360)
Net Profit/(Loss) for the Year		1,79,53,321	1,58,69,988
EPS Basic (Refer Note no 17)		0.82	0.73
EPS Diluted (Refer Note no 17)		0.82	0.73
Face Value Per Share		10/-	5/-

See Accompanying Note to the Financial Statements

As per our attached report of even date

For V. K. Moondra & Co.
FRN No. 106563W
Chartered Accountants

For and on Behalf of the Board

V. K. Moondra
Proprietor
M. No. 70431

Anal Desai
Company Secretary

Manoj Somani
Managing Director

M. K. Somani
Chairman

Place : Santej
Date : 30th May 2013

Place : Santej
Date : 30th May 2013

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

(Rs. in Lacs)

Particulars	2012-2013	2011-2012
(A) CASHFLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	197.33	79.71
Adjustment for :		
Depreciation	304.55	247.94
Interest Expenses	472.61	330.45
Interest & Other Income	(6.06)	(7.38)
(Profit) / Loss on sale of Investment	5.87	-
(Profit) / Loss on sale of fixed Assets	22.07	(8.67)
	799.05	562.34
Operating Profit before Working Capital Changes	996.38	642.05
Adjustment For :		
Trade receivables & Other Current Assets	(998.96)	(46.00)
Inventories	(208.40)	(243.74)
Trade Payable & Other Current Liabilities	767.97	(464.75)
	(439.41)	(754.49)
Cash generated from operations	556.98	(112.45)
Tax Paid	-	-
	0.00	0.00
Net Cash From Operating Activities (A)	556.98	(112.45)
(B) CASHFLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(768.07)	(129.38)
Sales of fixed assets	35.63	35.30
Interest & Other Income	6.06	7.38
Sale of Investment	16.39	(22.69)
	(709.99)	(109.39)
Net Cash used in Investing Activities (B)	(709.99)	(109.39)
(C) CASHFLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Capital	0.00	(0.00)
Proceeds from Long/Short term borrowing	672.71	559.85
(Net of repayments)		
Interest	(472.61)	(330.45)
Unpaid Interest Written Back		
Proposed Dividend & Dividend Tax	0.00	0.00
	200.10	229.40
Net Cash Flow From Financing Activities (C)	200.10	229.40
Increase/(Decrease) in cash equivalents	47.09	7.58
Opening Balance of Cash and Cash equivalents	67.94	60.36
Closing Balance of Cash and Cash equivalents	115.03	67.94

Notes: 1 Previous year figures have been restated, wherever necessary, to confirm to this year's classification.

The Cash Flow Statement has been prepared under the indirect method as set out in AS-3 on Cash Flow Statemnt prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consulatin with the National Advisory Committee on Accounting Standards.

2 Cash and cash equivalents consists of cash on hand INR 23.24 L (25.40L), Bank Balance INR 16.02L(3.51 L) and deposit account INR 75.76L (39.02 L). Refer Note 16

For V. K. Moondra & Co.

FRN No. 106563W
Chartered Accountants

V. K. Moondra
Proprietor
M. No. 70431

Place : Santej
Date : 30th May 2013

For and on Behalf of the Board

Anal Desai
Company Secretary

Manoj Somani
Managing Director

M. K. Somani
Chairman

Place : Santej
Date : 30th May 2013

**Note Forming Part of the Balance Sheet**

	As at 31st March,13 Rupees	As at 31st March,12 Rupees
NOTE 1 : SHARE CAPITAL		
Authorised Share Capital :		
Equity Share Capital 2,30,00,000 Equity Shares of Rs. 10/- each (Previous Year '2,30,00,000 Equity Shares of Rs. 5/- each)	11,50,00,000	11,50,00,000
Preference Share Capital 4,50,000 1% Cumulative Redeemable Preference Shares of Rs. 100/- each. (Previous Year 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 and Subscribed Capital:		
Equity Share Capital 2,18,31,000 (Previous year - 2,18,31,000) Equity Shares of Rs. 5/- each (Previous year 5/- each)	10,91,55,000	10,91,55,000
Preference Share Capital 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>15,41,55,000</u>	<u>15,41,55,000</u>
Paid up Capital:		
Equity Share Capital 88,66,392 (Previous year - 2,18,31,000) Equity Shares of Rs. 10/- each (Previous year 5/- each) Refer Note No. 18	8,86,63,920	10,91,55,000
Preference Share Capital 1% Cumulative Redeemable Preference Shares "NIL" (Previous year - 4,50,000 of Rs.100/- each) Refer Note no 18	-	4,50,00,000
	<u>8,86,63,920</u>	<u>15,41,55,000</u>
NOTE 2 : RESERVES & SURPLUS		
A) Capital Reserve	5,99,31,672	11,94,92,960
Balance brought forward	11,94,92,960	11,94,92,960
Less: T/f to Capital Restructured A/C	(5,95,59,368)	-
B) Securities Premium reserve	3,97,29,900	3,97,29,900
C) Surplus (Profit & Loss Account)	1,79,53,321	(12,50,52,369)
Balance brought forward	(12,50,52,369)	(14,09,22,358)
Add : Current Year Profit / (Loss)	1,79,53,321	1,58,69,989
Less : T/f to Capital Restructured A/C	12,50,52,369	-
	<u>11,76,14,892</u>	<u>3,41,70,491</u>
NOTE 3 : LONG TERM BORROWINGS		
(A) Term Loans From Bank		
Secured Loans		
From Bank	4,31,93,558	2,97,00,667
Hire Purchase Loans		
From Banks	14,97,138	5,69,483
From NBFCs	2,18,943	10,69,555
(Secured against Hypothecation of Vehicles financed by them)		
(B) Term Loans From Others	-	-
(C) Loans & Advances from Related Parties		
From Body Corporates	6,07,00,950	6,06,36,432
From Others	2,24,50,000	5,00,000
(D) Other Loans & Advances & Deposites		
From Body Corporates	5,97,88,104	4,18,45,799
	<u>18,78,48,693</u>	<u>13,43,21,936</u>
NOTE 4 : LONG TERM PROVISION		
Gratuity Payable	43,02,693	35,91,960
	<u>43,02,693</u>	<u>35,91,960</u>

**Note Forming Part of the Balance Sheet**

	As at 31st March,13 Rupees	As at 31st March,12 Rupees
NOTE 5 : SHORT TERM BORRWINGS		
(A) Loans Payable on Demand From Bank		
I.) Secured Loans		
Bank Over Drafts	24,73,68,099	23,86,23,806
II.) Unsecured Loans	-	-
(B) Loans payable on Demand From Others		
I.) Secured Loans	-	-
II.) Unsecured Loans	1,05,00,000	55,00,000
(C) Loans & Advances From Related Parties	-	-
(D) Others Loans, Advances & Deposites	-	-
	<u>25,78,68,099</u>	<u>24,41,23,806</u>
NOTE 6 : TRADE PAYABLES		
Sundry Creditors For Goods	12,09,65,167	4,03,54,418
	<u>12,09,65,167</u>	<u>4,03,54,418</u>
NOTE 7 : OTHER CURRENT LIABILITIES		
Installment of Term Loans From Bank & Others payable within 12 months		
Term Loans From Bank repayable within 12months	50,00,000	1,50,00,000
Hire Purchase Loans		
From Banks repayable within 12 months	2,82,205	2,52,943
From NBFCs repayable within 12 months	17,85,553	15,21,901
Advance received from Customers	13,01,330	20,48,252
Creditors for Capital Goods	45,16,214	-
Creditors For Expenses	1,52,36,523	1,55,03,835
	<u>2,81,21,825</u>	<u>3,43,26,931</u>
NOTE 8 : SHORT TERM PROVISION		
Statutory Liabilities	23,08,812	13,46,963
Provision for Expenses	26,33,089	19,14,453
	<u>49,41,901</u>	<u>32,61,416</u>
NOTE 9 : FIXED ASSETS (See page 28)		
NOTE 10 : NON CURRENT INVESTMENTS		
Investments	2,44,040	-
	<u>2,44,040</u>	<u>-</u>
NOTE 11 : LONG TERM LOANS & ADVANCES		
(A) Loans & Advances to Related Parties	-	-
(B) Loans & Advances to Others		
Advances to Staff	4,25,000	6,70,851
Statutory Receivables	74,37,911	37,64,484
Advances to Contractor	2,17,389	2,50,000
(C) Capital Advances	-	-
(D) Security Deposit	86,83,164	99,00,729
	<u>1,67,63,464</u>	<u>1,45,86,064</u>
NOTE 12 : OTHER NON CURRENT ASSETS		
(Unsecured - Considered Goods)		
(A) Long Term Trade Receivable	-	-
(B) Others	2,50,000	2,50,000
	<u>2,50,000</u>	<u>2,50,000</u>
NOTE 13 : CURRENT INVESTMENTS		
Investments	-	24,69,127
	<u>-</u>	<u>24,69,127</u>

**Note Forming Part of the Profit and Loss Account**

	As at 31st March,13 Rupees	As at 31st March,12 Rupees
NOTE 14 : INVENTORIES		
(As taken, valued & certified by the management)		
Raw Materials	5,12,96,667	6,60,03,912
Stock Work in process	8,01,17,512	2,95,38,954
Finished Goods	2,21,00,935	3,55,44,430
Consumable Stores & Maintenance Spares	79,84,550	95,72,080
	<u>16,14,99,664</u>	<u>14,06,59,376</u>
NOTE 15 : TRADE RECEIVABLE		
(Unsecured, Considered Good)		
Outstanding for more than six months	3,34,97,460	2,13,64,157
Others	28,20,74,842	19,24,96,239
	<u>31,55,72,302</u>	<u>21,38,60,396</u>
NOTE 16 : CASH & CASH EQUIVALENTS		
A) Cash in hand	23,24,063	25,40,945
B) Bank Balances	16,02,610	3,51,223
C) Bank Deposite with Morethan 12 months Maturity	-	-
D) Bank Balances Held as Margin Money & Other Balances	75,76,408	39,02,323
	<u>1,15,03,081</u>	<u>67,94,491</u>
NOTE 17 : SHORT TERM LOANS & ADVANCES		
a) Loans & Advancs to Related Parties		
b) Loans & Advances to Others		
Staff & Other Advances	33,69,346	16,75,558
Advances recoverable in cash or in kind	79,61,382	83,14,252
	<u>1,13,30,728</u>	<u>99,89,810</u>
NOTE 18 : OTHER CURRENT ASSETS		
(Unsecured, Considered Good) or for value to be received		
Dues with Revenue Authorities		
Income Tax/TDS Receivable	1,47,713	1,27,726
VAT Receivable	21,64,791	54,15,520
Balances of Excise Duty & Service Tax	11,38,106	32,41,175
	<u>34,50,610</u>	<u>87,84,421</u>
NOTE 19 : REVENUE FROM OPERATIONS		
Sales (Net of Sales Return)	1,79,71,10,089	1,57,33,01,423
Less: Excise Duty	(2,31,10,942)	(1,54,36,597)
Job Work Receipts	-	4,54,878
Export Sales	2,36,53,974	2,37,22,188
Trading Sales	25,19,60,715	14,52,27,990
Sale of Raw Material	14,73,86,668	15,00,27,488
	<u>2,19,70,00,504</u>	<u>1,87,72,97,370</u>
NOTE 20 : OTHER INCOME		
Other Non Operating Income	1,02,813	69,127
Other Operating Income	13,00,937	-
Interest Income	5,03,600	6,69,003
	<u>19,07,350</u>	<u>7,38,130</u>
NOTE 21 : COST OF MATERIALS CONSUMED		
Raw Material Consumption	1,62,41,42,617	1,45,86,16,399
	<u>1,62,41,42,617</u>	<u>1,45,86,16,399</u>

**Note Forming Part of the Profit and Loss Account**

	As at 31st March,13 Rupees	As at 31st March,12 Rupees
NOTE 22 : PURCHASE OF STOCK IN TRADE		
Cost of Re Sale	25,37,96,115	14,66,29,656
	<u>25,37,96,115</u>	<u>14,66,29,656</u>
NOTE 23 : Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		
Closing stock - Finished Goods	2,21,00,935	3,55,44,430
Opening Stock - Finished Goods	(3,55,44,430)	(2,11,92,080)
Closing stock - Work In Progress	8,01,17,512	2,95,38,954
Opening Stock - Work In Progress	(2,95,38,954)	(2,51,97,354)
	<u>3,71,35,063</u>	<u>1,86,93,950</u>
NOTE 24 : EMPLOYEE BENEFITS EXPENSE		
Wages and Salary	2,79,29,123	2,55,14,862
P F Contribution	21,66,683	18,58,006
Bonus	10,77,580	10,13,752
Staff Welfare Expense	1,82,655	3,06,009
Director's Remuneration	33,15,000	21,90,000
	<u>3,46,71,041</u>	<u>3,08,82,629</u>
NOTE 25 : FINANCE COST		
Interest paid		
On Term Loans	1,35,36,784	62,58,657
For Working Capital	2,84,98,753	2,01,82,476
Others Borrowing Cost	52,25,652	66,03,457
	<u>4,72,61,189</u>	<u>3,30,44,590</u>
NOTE 26 : OTHER EXPENSES		
MANUFACTURING EXPENSES		
Consumption of Stores and Spares	3,19,68,850	2,52,37,082
Freight and Octroi Expenses	2,33,05,692	2,13,60,632
Labour Charges	4,18,07,805	5,02,24,279
Power, Fuel & Water Charges	6,87,92,761	5,61,66,080
Factory Expenses	19,30,494	13,18,375
ADMINISTRATIVE AND SELLING EXPENSES		
Rent, Rates and Taxes	18,44,433	19,43,079
Postage & Telephone	8,36,859	7,43,021
Travelling & Conveyance	53,20,637	43,98,446
Directors Travelling	7,99,365	3,74,676
Directors Foreign Travelling	5,93,639	6,56,480
Legal & Professional Charges	49,89,597	25,49,547
Insurance Expenses	8,68,040	8,81,525
Sales Expenses	71,75,635	67,85,372
Freight & Octroi on Sales	2,23,78,680	1,69,12,461
Administrative expenses	91,50,970	62,14,280
(Profit)/Loss On Foreign Exchange	2,10,489	(4,10,264)
Bad Debts	8,64,205	-
Membership Fees In Foreign Currency	3,51,220	3,02,987
	<u>22,31,89,371</u>	<u>19,56,58,057</u>



ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

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 market value as on date of Balance Sheet.

E. Inventories:

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

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.
- (iii) Provision for Accrued Gratuity has been made on the basis of in house estimate only and not on the basis of professional actuarial valuation report.

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. Monetary transaction balance as on date of Balance Sheet have been reported at exchange rate on Balance Sheet date.

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.

K. Taxes on Income:

Tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in

future, however when there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets.

Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonable / virtually certain (as the case may be) to be realized.

In view of the brought forward losses, no provision for income tax has been made.

L. Provisions:

A provision is recognized when company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate has been made of the amount of the obligation.

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 Fabric 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	
		2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Woven Sacks	MT	N.A.	N. A.	13100	13100	12535*	11779**

* Excluding Production Outside on Job work basis 255 MT (Previous Year 129 MT)

** Including Production Outside on Job work basis 129 MT (Previous Year 299 MT)

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

Year	2012-13		2011-12	
Particulars	Quantity (Kgs)	Value (Rs.)	Quantity (Kgs)	Value (Rs.)
Raw Materials	7,81,500	7,80,39,347	1,95,000	1,81,97,653
Stores & Spares	—	8,49,242	—	15,34,355
Capital Goods	—	—	—	—

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

Year	2012-13		2011-12	
Particulars	Percentage	Value Rs.	Percentage	Value Rs.
1. Raw Materials				
Imported	4.15%	780,39,347	1.13%	1,81,97,653
Indigenous	95.85%	180,02,89,658	98.87%	158,70,48,402
2. Consumable Stores				
Imported	2.66%	8,49,242	6.08%	15,34,355
Indigenous	97.34%	311,28,117	93.92%	2,37,02,727

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

Particulars	2012-13	2011-12
Spares	8,49,242	15,34,355
Membership fees	3,51,220	3,02,987

D. Earnings in Foreign Currency:

Export Sales (Direct Exports only)	2,36,53,974	2,37,22,188
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**E. Payment to Auditors:**

Particulars	2012-13	2011-12
Audit Fees (including Tax Audit Fees)	2,20,000	2,00,000

F. Payment to Directors:

Directors Remuneration (including P.F.)	36,49,800	24,52,800
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4. Broad Categories of Major Material & Services. :**A. Raw Material Consumed. :**

- a. Polypropylene / LLDPE / HDPE
- b. White & Colour Master Batch
- c. Ink & Reducer
- d. Yarn

B. Finished Goods Manufactured :

- a. Tape
- b. Fabric
- c. Woven Sacks
- d. Woven Fabrics

C. Finished Goods Traded:

- a. Fabric

D. Services Provided : NIL**E. Work In Progress :**

- a. Tape
- b. Fabric
- c. Woven Sacks Cut-Pcs.

5. Shareholders with holding over 5% on date of Balance sheet :

As scheme of arrangement involving financial restructuring of company with its shareholders has been approved by honorable high court of Gujarat on 7th May, 2013 the effect of order has been given in 31.03.2013 by virtue of the above shareholder holding 5% on sign of Balance Sheet date are as under.

No.	Name of Shareholder	No of Shares	% of Holding
1.	Arunodaya Credit & Holding Invt. P. Ltd.	8,32,000	9.38%
2.	Mahendra Kumar Somani	12,08,520	13.63%
3.	Manish Somani	12,56,600	14.17%
4.	Manoj Somani	12,36,440	13.95%
5.	Vinayaka Credit & Holding Invt. P. Ltd.	7,20,000	8.12%

6. Details of Shares Issued : For the year 2011-12

Particulars	Number of Shares	Amount in Rs.
Equity Shares outstanding at the beginning of the year	2,18,31,000	10,91,55,000
Equity Shares issued during the year	Nil	Nil
Equity Shares bought back during the year	Nil	Nil
Equity Shares outstanding at the end of the year	2,18,31,000	10,91,55,000
Preference Shares outstanding at the beginning of the year	4,50,000	4,50,00,000
Preference Shares issued during the year	Nil	Nil
Preference Shares bought back during the year	Nil	Nil
Preference Shares outstanding at the end of the year	4,50,000	4,50,00,000

**For the year 2012-13**

Particulars	Number of Shares*	Amount in Rs.*
Equity Shares outstanding at the beginning of the year	2,18,31,000	10,91,55,000
Equity Shares reduced during the year	1,30,98,216	6,54,91,080
Equity Shares issued by conversion of Preference Shares during the year	90,00,000	4,50,00,000
Equity Shares outstanding at the end of the year before consolidation but after reduction of capital	1,77,32,784	8,86,63,920
Equity Shares outstanding at the end of the year after consolidation and after reduction of capital	88,66,392	8,86,63,920
Preference Shares outstanding at the beginning of the year	4,50,000	4,50,00,000
Preference Shares issued during the year	Nil	Nil
Preference Shares converted into equity shares during the year	4,50,000*	4,50,00,000*
Preference Shares outstanding at the end of the year	Nil *	Nil *

* As per the Scheme of Arrangement involving financial restructuring of Company with its shareholders approved by the Honorable High Court of Gujarat vide Order dated 07.05.2013. Effect has been given as on 31.03.2013 as per Accounting Standard 4 issued by ICAI.

7. Details on Secured & Unsecured Term Loans & Credit Facilities :

No.	Account Name	No of Installments o/s and Amt of Each Installment	Rate of Interest (%)	Primary & Collateral Security & Names of directors who have guaranteed the loan.
01	Dena Bank Working Capital Facility (24.20 Cr.)	—	Base Rate + 6.55% - 3.25%	Stocks of raw materials, work in process, finished goods, stores & spares and receivables.* Personal Guarantee of following Director: Mr. Mahendra Somani, Mr. Manoj Somani & Mr. Manish Somani.
02	Dena Bank Term Loan (4.85 Cr.)	Rs. 50 Lakh. in 2013-14 Rs. 4.32 Cr till 2017-18	Base Rate + 6.55% - 3.25% +TP	Hypothecation of Plant & Machinery at Santej Unit
03	Dena Bank Non Fund Based Limit (Bank Guarantee + Forward Cover) (0.85 L)	-	2% Commission	100% counter guarantee on Prime and Collateral Security.
04	HDFC Bank Ltd	24 Installments of Rs. 27,574/- each	10.37%	Secured against Hypothecation of Vehicles.
05	Religare Finvest Limited	2 Installments of Rs. 23,315/- each	13.01%	Secured against Hypothecation of Vehicles.
06	Religare Finvest Limited	2 Installments of Rs. 27,100/- each	11.73%	Secured against Hypothecation of Vehicles.



07	Religare Finvest Limited	12 Installments of Rs. 37,650/- each	11.42%	Secured against Hypothecation of Vehicles.
08	Kotak Mahindra Prime Limited	11 Installments of Rs. 54,920/- each	10.69%	Secured against Hypothecation of Vehicles.
09	HDFC Bank Ltd	26 Installments of Rs. 15,737/- each	10.81%	Secured against Hypothecation of Vehicles.
10	Kotak Mahindra Prime Limited	35 Installments of Rs. 57,670/- each	9.08%	Secured against Hypothecation of Vehicles.

* Credit facilities from Dena Bank are further secured by:

- 1st Charge by way of Equitable Mortgage of Land & Building and Hypothecation of Plant and Machinery of HDPE & Woven Fabric Division at Santej.
- 1st Charge by way of Equitable Mortgage of Land at Plot No 107, Bangurnagar, Goregaon (W), Mumbai, approximate 865.50 sq yards owned by Shri Mahendra Somani.
- 1st Charge over Gas based power plant along with heat recovering equipments and two Woven Fabric weaving looms at Santej.
- 1st Charge by way of Equitable Mortgage of Flat no I/2 Aakanksha Appt., near Sola Railway Crossing, Ahmedabad owned jointly by Shri Manish Somani & Smt Purnima Somani.
- 1st Charge by way of Equitable Mortgage of Flat No B/1001, Gala Swing, South Bopal, Ahmedabad owned by Shri Mahendra Somani.
- Lien of TDR NO - 8594207 of Rs. 15L dated - 01.03.2011.

8. Details of Investments in Securities as on date of Balance Sheet :

No.	Details of Securities	Subsidiary / Others	No. of Shares / Units	Quoted / Unquoted	Market Value Amount [Rs.]
1	PG Electroplast Ltd.	Others	2000.00	Quoted	1,66,200
2	Syncom Healthcare Ltd.	Others	8000.00	Quoted	77,840
	Total				2,44,040

9. Estimated amounts of contracts remaining to be executed on Capital Account (Net of Advance) and not provided for Rs. - Nil (Previous year - Nil)

10. Contingent Liability not provided for in respect of:

31.03.2013

Rs. in lacs

31.03.2012

Rs. in lacs

Guarantee given by Company's bankers

55.00

47.00

(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)

Export commitments to be fulfilled for Import of Raw Material against advance license

33.50

45.00

11. On the basis of the information available with the company, there is no amount remaining unpaid as on 31st March, 2013 to any supplier who is a small scale or ancillary industrial undertaking beyond the agreed credit period.

12. Related Parties Disclosure:

List of Related Parties

(a) Key Management Personnel

Mr. Mahendra Somani

Chairman

Mr. Manoj Somani

Managing Director

Mr. Manish Somani

Executive Director



(b) Relatives of Key Management Personnel where transactions have taken places:

Mrs. Purnima Somani Wife of Shri Manish Somani
Mrs. Ushadevi Somani Mother of Shri Manoj & Manish Somani

(c) Related Concerns:

Arunodaya Credit & Holding Investment (P) Ltd.
Gopala Mercantile Ltd.
Gopala Trims Pvt. Ltd.
Gopala Kraft pack (P) Ltd.
Indian Bobbin Manufacturing Co. (P) Ltd.
Kabra Investment Pvt. Ltd.
Kagaj Marketing & Trading Pvt. Ltd.
Kaustubh Trade Pvt. Ltd.
Navjeevan Synthetics (P) Ltd.
New Life Marketing & Trading (P) Ltd.
Parag Velvets (P) Ltd.
Status Credit & Capital Pvt Ltd
Vinayaka Credit & Holding Investment (P) Ltd.

(d) Transaction with Related Parties (Amt. in Rs. Lacs)

Particulars	Key Managerial Personnel	Relative of Key Managerial Personnel	Related Concerns
Rent Paid	0.264 (0.264)	2.646 (2.646)	-
Directors Remuneration	36.498 (24.528)	-	-
Loans Taken	219.50 (5.00)	-	246.26 (164.93)
Loans Paid	-	-	79.76 (11.03)
Interest Paid	-	-	11.32 (7.78)

Note : 1. Directors Remuneration is inclusive of Contribution to Provident Fund by Company.
2. Previous Year figures are given in brackets.

13. Segment Reporting

Primary segment reporting – Business segment

(Rs. In Lacs)

No.	Particulars	2012-13			2011-12		
		Woven Sacks	Woven Fabric	Total	Woven Sacks	Woven Fabric	Total
1	Segment Revenue						
	External Sales & Other Income	18,122.51	3,865.54	21,988.05	16,243.66	2,544.51	18,788.17
	Total	18,122.51	3,865.54	21,988.05	16,243.66	2,544.51	18,788.17
2	Segment Results before Interest & Taxation	330.07	339.88	669.95	142.93	267.22	410.15
	Less: Unallocable Expenditure						
	Interest			472.61			330.45
	Extra Ordinary Items			0.00			0.00
	Net Profit/(Loss) Before Tax			197.34			79.70



(Rs. In Lacs)

No.	Particulars	2012-13			2011-12		
		Woven Sacks	Woven Fabric	Total	Woven Sacks	Woven Fabric	Total
3	Other Information						
	Segment Assets	6348.91	1754.37	8103.27	5107.20	1371.18	6478.39
	Segment Liabilities	6348.91	1754.37	8103.27	5107.20	1371.18	6478.39
	Capital Expenditure	742.87	25.20	768.07	83.14	46.25	129.38
	Depreciation			2537.96			247.94

Notes: a. The company has identified business segments as primary segments. The reportable business segments are Woven Sacks and Woven Fabric.

b. Secondary Segment Information - Geographical Segments

The sales of company are mainly in India. Therefore no reportable Geographical Segments.

14. Deferred Tax Asset has been calculated as below:

Calculation of DTA / DTL	2012-13
Deferred Tax Liability (DTL)	
WDV as on 31.03.13 as per the Co. Act	25,99,52,855
WDV as on 31.03.13 as per the I.T. Act	17,83,27,393
Amount Eligible for DTL as on 31.03.13	8,16,25,462
DTL required as on 31.03.13	2,52,22,268
Deferred Tax Assets (DTA)	
Brought Forward Losses/Unabsorbed Dep. Upto 31.03.12	17,79,37,584
Amount Eligible for DTA as on 31.03.13	17,79,37,584
DTA required as on 31.03.13	5,49,82,713
Net (DTA)/DTL Required as on 31.03.13	(2,97,60,446)
Opening (DTA)/DTL as on 01.04.12	(3,15,40,410)
DTL/(DTA) Provided in 12-13	17,79,964

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.

16. The Company has assessed most of its fixed assets for probable impairment loss as on date of Balance Sheet as per the requirement of AS 28 issued by ICAI, and concluded that no impairment loss needs to be booked.

17. Earnings Per Share

Particulars	2012-13	2011-12
Profit / (Loss) for the year After tax, prior period adjustments and exceptional item as per Profit and Loss Account (A)	1,79,53,321	1,58,69,989
Calculation of weighted average number of shares		
Number of equity shares at the beginning of the year	218,31,000	218,31,000
Number of equity shares at the end of the year*	218,31,000	218,31,000
Weighted average number of equity shares outstanding during the year (B)	218,31,000	218,31,000
Basic and diluted earnings per share (INR) - after Exceptional item (A/B)	0.82	0.73

* Number of Equity shares at the end of the year is 88,66,392 after giving effect of Approved Scheme of Arrangement involving financial restructuring of Company with its shareholders and according to Gujarat high court order as on 07.05.2013. Effect has been given in books of account as on 31.03.2013 however the effect of such Scheme is not considered while calculating E.P.S.



18. Scheme of Arrangement involving financial restructuring of Company with its shareholders:

The salient features relevant to financial restructuring of Company with its shareholders as per the Scheme of Arrangement approved by the Honourable High Court of Gujarat vide Order dated 07.05.2013 are as under

1. On the sanction of this Scheme the existing Equity capital of the Company shall be written down by 60% of the existing paid up Equity Capital by canceling 1,30,98,600 Equity shares of Rs.5/- each aggregating to Rs. 6,54,93,000/-. The existing paid-up Capital of the Company shall be reduced from Rs. 10,91,55,000/- divided into 2,18,31,000 Equity Shares of Rs. 5/- each fully paid up to Rs. 4,36,62,000/- divided into 87,32,400 Equity Shares of Rs. 5/- each fully paid up.
2. An Equity share holder holding 10 Equity shares of Rs.5/- each, then post reduction, he will get 4 new Equity shares of Rs.5/- each. The face value of Equity share will remain at Rs.5/- only.
3. In the second stage and after reduction of Equity share Capital as per clause (1) above, the issued, subscribed and paid up Equity Shares of the face value of Rs. 5/- each shall be consolidated into Equity Shares of Rs.10/- each and accordingly the existing (2) Equity shares of Rs.5/- each shall be consolidated into (1) Equity shares of Rs.10/- each.
4. In the third stage and after reduction and consolidation in the share capital as per clause (1) and (2) above respectively the Company shall convert 4,50,000 1 % Cumulative Redeemable Preference shares of Rs.100/- each into Equity shares and allot 45,00,000 Equity shares of Rs.10/- each.
5. Fraction shares generated if any will be rounded off to the nearest integer.

Pursuant to the Scheme at Arrangement the treatment in the books of accounts of the Company has been given as follows:

1. A sum of Rs. 6,54,91,080/- from existing Equity Capital of Rs. 10,91,55,000/- divided into 2,18,31,000 Equity Shares of Rs.5/- (Rupees Five) each fully paid up to Rs. 4,36,62,000/- divided into 87,32,400 Equity Shares of Rs.5/-(Rupees Five) each is transferred to "Capital Restructuring Account".
2. Capital Reserve Balance of Rs. 5,95,61,288.33 as at 31st March, 2012 is transferred to " Capital Restructuring Account ".
3. Balance of Accumulated Losses of Rs. 12,50,52,369/- as at 31st March, 2012, is transferred to "Capital Restructuring Account".
4. To the extent of the amount transferred to the Capital Restructuring Account under this Para 1, 2 & 3 above, there is reduction of share capital of the Company, which is effected as an integral part of the Scheme in accordance with the provisions of Sections 100 to 104 read along with Section 80 of the Act, without involving either diminution of liability in respect of the unpaid share capital or payment to any shareholder of paid up share capital.
5. As per Accounting standard -4 (Para 5.3) issued by ICAI, the effect of the above scheme has been taken in the Balance Sheet by way of adjustments to assets and liabilities, as the order was passed by honorable High Court of Gujarat on 7th May, 2013 approving the above scheme but the conditions were already existing on date of Balance sheet.

Referred to in our report of even date

For V. K. Moondra & Co.

FRN No. 106563W

Chartered Accountants

V. K. Moondra

Proprietor

M. No. 70431

Place : Santej

Date : 30th May 2013

For and on Behalf of the Board

Anal Desai
Company Secretary

Manoj Somani
Managing Director

M. K. Somani
Chairman

Place : Santej
Date : 30th May 2013



GOPALA POLYPLAST LTD.

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

ATTENDANCE SLIP

29th ANNUAL GENERAL MEETING ON 30th SEPTEMBER, 2013, 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 29th 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 29th ANNUAL GENERAL MEETING of the Company to be held on 30th September, 2013 or at any adjournment thereof.

Signed this _____ day _____ 2013

Signature _____

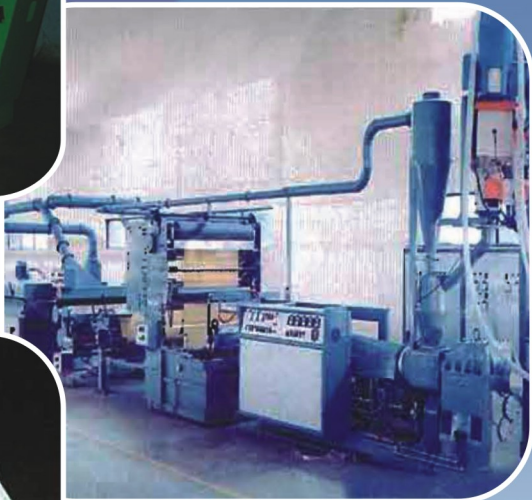
Affix a
Re. 1/-
Revenue
Stamp

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 :



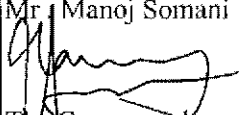


GOPALA POLYPLAST LTD.
"And Reduced"

485, Santej – Vadsar Road, Santej - 382 721
Tel.: 02764 286305, 286654, 286514. Fax : 02764-286660
E-mail: hdpeaccounts@gopalapolyplast.com



FORM A
(Pursuant to Clause 31(a) of Listing Agreement)

No.	Particulars	Details
1.	Name of the Company	GOPALA POLYPLAST LIMITED
2.	Annual standalone financial statements for the year ended	31st March, 2013
3.	Type of Audit observation	<p>UNQUALIFIED</p> <p>Note No. 18 accompanying financial statements</p> <p>The salient features relevant to financial restructuring of Company with its shareholders as per the Scheme of Arrangement approved by the Honourable High Court of Gujarat vide Order dated 07.05.2013 are as under</p> <p>1. On the sanction of this Scheme the existing Equity capital of the Company shall be written down by 60% of the existing paid up Equity Capital by canceling 1,30,98,600 Equity shares of Rs.5/- each aggregating to Rs. 6,54,93,000/-. The existing paid-up Capital of the Company shall be reduced from Rs. 10,91,55,000/- divided into 2,18,31,000 Equity Shares of Rs. 5/- each fully paid up to Rs. 4,36,62,000/- divided into 87,32,400 Equity Shares of Rs. 5/- each fully paid up.</p> <p>2. An Equity share holder holding 10 Equity shares of Rs.5/- each , then post reduction, he will get 4 new Equity shares of Rs.5/- each. The face value of Equity share will remain at Rs.5/- only.</p> <p>3. In the second stage and after reduction of Equity share Capital as per clause (1) above, the issued, subscribed and paid up Equity Shares of the face value of Rs. 5/- each shall be consolidated into Equity Shares of Rs.10/- each and accordingly the existing (2) Equity shares of Rs.5/- each shall be consolidated into (1) Equity shares of Rs.10/- each.</p> <p>4. In the third stage and after reduction and consolidation in the share capital as per clause (1) and (2) above respectively the Company shall convert 4,50,000 1 % Cumulative Redeemable Preference shares of Rs.100/- each into Equity shares and allot 45,00,000 Equity shares of Rs.10/- each.</p> <p>5. Fraction shares generated if any will be rounded off to the nearest integer.</p> <p>Pursuant to the Scheme at Arrangement the treatment in the books of accounts of the Company has been given as follows:</p> <p>1. A sum of Rs. 6,54,91,080/- from existing Equity Capital of Rs.10,91,55,000/- divided in to 2,18,31,000 Equity Shares of Rs.5/- (Rupees Five) each fully paid up to Rs. 4,36,62,000/- divided into 87,32,400 Equity Shares of Rs.5/-(Rupees Five) each is transferred to "Capital Restructuring Account".</p>

		<p>2. Capital Reserve Balance of Rs. 5,95,59,368/- as at 31st March, 2012 is transferred to " Capital Restructuring Account ".</p> <p>3. Balance of Accumulated Losses of Rs. 12,50,52,369/- as at 31st March, 2012, is transferred to "Capital Restructuring Account".</p> <p>4. To the extent of the amount transferred to the Capital Restructuring Account under this Para 1, 2 & 3 above, there is reduction of share capital of the Company, which is effected as an integral part of the Scheme in accordance with the provisions of Sections 100 to 104 read along with Section 80 of the Act, without involving either diminution of liability in respect of the unpaid share capital or payment to any shareholder of paid up share capital.</p> <p>5. As per Accounting standard -4 (Para 5.3) issued by ICAI, the effect of the above scheme has been taken in the Balance Sheet by way of adjustments to assets and liabilities, as the order was passed by honorable High Court of Gujarat on 7th May, 2013 approving the above scheme but the conditions were already existing on date of Balance sheet.</p>
4.	Frequency of Observation	First Year
5.	<p>To be signed by :</p> <p>* Managing Director</p> <p>* CFO</p> <p>* Audit Committee Chairman</p> <p>* Auditors of the Company</p>	<p>Mr. Manoj Somani</p>  <p>The Company does not have CFO.</p> <p>Mr. Malay Dalal</p>  <p>Refer our Audit Report dated 30th May 2013 on the Financial statements of the Company For V.K.Moondra & Co. Chartered Accountants (Firm Registration No. 106563W</p>  <p>V.K.Moondra Proprietor (Membership No. 70431)</p>