

**35<sup>TH</sup> ANNUAL REPORT  
2018-19**



***GOPALA POLYPLAST LTD.***

**[CIN: L25200GJ1984PLC050560]**





**GOPALA POLYPLAST LIMITED**  
**[CIN: L25200GJ1984PLC050560]**

**35<sup>TH</sup> ANNUAL REPORT 2018-19**

<b>SUSPENDED BOARD OF DIRECTOR</b>	:	Mr. Manoj M. Somani Mr. Manish M. Somani Mr. Kishori Lal Sonthalia	Chairman & Managing Director Whole Time Director & CFO Independent Director (resigned w.e.f. 25 <sup>th</sup> October, 2019)
<b>RESOLUTION PROFESSIONAL*</b>	:	Mr. Vikash G. Jain	Reg. No.: IBBI/IPA-001/IP-P00354/2017-18/10612
<b>MANAGEMENT TEAM</b>	:	Mr. Manish M. Somani	Chief Finance Officer
<b>REGISTERED OFFICE &amp; FACTORY</b>	:	485, Santej Vadsar Road, Santej, Taluka Kalol, Dist. Gandhinagar – 382 721	
<b>STATUTORY AUDITORS</b>	:	M/s. Ashok Dhariwal & Co., Chartered Accountants, Ahmedabad	
<b>SECRETARIAL AUDITORS</b>	:	M/s. Kashyap R. Mehta & Associates, Company Secretaries, Ahmedabad	
<b>BANKERS</b>	:	Bank of Baroda (Erstwhile it was Dena Bank)	
<b>REGISTRAR &amp; SHARE TRANSFER AGENTS</b>	:	MCS Share Transfer Agent Limited 201, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad-380 009	
<b>WEBSITE</b>	:	<a href="http://www.gopalapolyplast.com">www.gopalapolyplast.com</a>	

\* **Note:** The Hon'ble National Company Law Tribunal (NCLT), Ahmedabad bench vide order dated 2nd May, 2019, has admitted the reference for initiation of Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016 (IBC) to initiate appropriate action contemplated in Corporate Insolvency Resolution Process (CIRP) in accordance with extant provisions of Insolvency and Bankruptcy Code (IBC), 2016 and other relevant rules. According to the said order, Mr. Vikash G. Jain (Reg. No.: IBBI/IPA-001/IP-P00354/2017-18/10612) was appointed as Insolvency Resolution Professional (IRP) w.e.f the date of the said order. And thereafter on and from 31st May, 2019, Mr. Vikash G. Jain, continued to be the Resolution Professional (RP) by Committee of Creditors. Hence, as per the provisions of Section 17 of the Insolvency and Bankruptcy Code, 2016 (IBC), the powers of the Board of Directors are suspended and the same are vested in the Resolution Professional (RP).

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**NOTICE**

**NOTICE** is hereby given that the **35<sup>TH</sup> ANNUAL GENERAL MEETING** of the members of **GOPALA POLYPLAST LIMITED** will be held as scheduled below:

**Date** : 30<sup>th</sup> November, 2019  
**Day** : Saturday  
**Time** : 12.00 Noon  
**Place** : Registered Office of the Company at:  
485, Santej Vadsar Road, Santej, Taluka Kalol,  
Dist.: Gandhinagar – 382 721

to transact the following:

**ORDINARY BUSINESS:**

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019, the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Manish M. Somani(DIN –00119033), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re appointment.

Date : 5<sup>th</sup> November, 2019

**Mr. Vikash G. Jain**  
Resolution Professional for Gopala Polyplast Limited  
Reg. No.: IBBI/IPA-001/IP-P00354/2017-18/10612

**NOTES:**

1. The Register of Members and Share Transfer Books will remain closed from **23<sup>rd</sup> November, 2019 to 30<sup>th</sup> November, 2019** (both days inclusive) for the purpose of Annual General Meeting (AGM).
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY OR PROXIES TO ATTEND AND, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER SHAREHOLDER.

The instrument of Proxy in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxy form submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate resolution / authority, as applicable.

3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company, a certified copy of Board Resolution/ Authorisation document authorising their representative to attend and vote on their behalf at the AGM.
4. Members holding shares in the dematerialized mode are requested to intimate all changes with respect to their bank details, ECS mandate, nomination, power of attorney, change of address, change in name etc, to their Depository Participant (DP). These changes will be automatically reflected in the Company's records, which will help the Company to provide efficient and better service to the Members. Members holding shares in physical form are requested to intimate the changes to the Registrar &



Share Transfer Agents of the Company (RTA). Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

5. Details under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by The Institute of Company Secretaries of India in respect of Directors seeking re-appointment/appointment/ confirmation at the ensuing Annual General Meeting is provided in the Corporate Governance Report forming part of the Annual Report. The Directors have furnished the requisite declarations for their appointment / re-appointment.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining their demat accounts and members holding shares in physical form to the Company / RTA.
7. The members are requested to intimate to the Company, queries, if any, at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
8. The Shareholders holding Shares in Physical form are advised to get their shares dematerialized as no physical shares can be traded in the Stock Exchanges in terms of SEBI and Stock Exchange guidelines.
9. **This is to bring to the notice of the Shareholders that as per SEBI Notification, the request for effecting transfer of securities held in Physical form (except in case of transmission or transposition) would not be entertained and shall not be processed by the Company/ RTA of the Company w.e.f. 1<sup>st</sup> April, 2019. Hence, Shareholders are advised to get their physical shares dematerialized.**
10. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's RTA. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
11. Members/Proxies are requested to bring duly filled attendance form along with their copy of Annual Report at the Meeting. Copies of Annual Report will not be distributed at the Meeting.
12. All documents referred to in the Notice and Explanatory Statement shall be available for inspection by members at the Registered Office of the Company during the business hours between 11.00 a.m. to 1.00 p.m. on all working days of the Company up to the date of the Annual General Meeting.
13. To support the "Green Initiative", Members who have not registered their e-mail addresses so far, are requested to register their e-mail address with the Registrar & Share Transfer Agents of the Company for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
14. In support of the 'Green Initiative' announced by the Government of India, electronic copies of the Annual Report for 2018-19 and this Notice inter alia indicating the process and manner of e-voting along with Attendance Form and Proxy Form are being sent by email to all the Members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes, unless any Member has requested only for a hard copy of the same. For Members who have not registered their email address, physical copies will be sent to them in the permitted mode. The Notice of AGM will also be available on the Company's website, [www.gopalapolyplast.com](http://www.gopalapolyplast.com) and that of Central Depository Services (India) Limited ("CDSL"), [www.evotingindia.com](http://www.evotingindia.com)
15. The Ministry of Corporate Affairs has notified the Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules) with the objective of enabling shareholders to use the information provided by the companies



on their websites and the website of the IEPF, to verify the status of unclaimed dividends, if any. The concerned members are requested to verify the details of their unclaimed dividend, if any, from the said websites and lodge their claim with the Company's RTA before the unclaimed dividends are transferred to the IEPF.

16. Members and proxies thereof are requested to bring their Folio No. / DP Id-Client Id for identification.

#### 17. VOTING THROUGH ELECTRONIC MEANS

- (a) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions, the Company is pleased to offer the facility of voting through electronic means and the business set out in the Notice above may be transacted through such electronic voting. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') is provided by Central Depository Services (India) Limited.
- (b) The facility for voting through ballot paper shall be made available at the AGM, and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot. **E-voting facility will not be made available at the AGM venue.**
- (c) The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- (d) The remote e-voting period commences **at 9.00 a.m. on Wednesday, 27<sup>th</sup> November, 2019 and ends at 5:00 p.m. on Friday, 29<sup>th</sup> November, 2019.** During this period members/shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date i.e. 23<sup>rd</sup> November, 2019,** may cast their vote electronically (i.e. by remote e-voting). The remote e-voting module shall be disabled by CDSL for e-voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again.
- (e) The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date.

#### The procedure and instructions for remote e-voting are, as follows:

- (i) Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (ii) Now click on "Shareholders/ Members" to cast your votes.
- (iii) Now, fill up the following details in the appropriate boxes:

User ID	a. For CDSL: 16 digits Beneficiary ID
	b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
	c. Members holding shares in Physical Form should enter Folio Number registered with the Company

- (iv) Next, enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are holding shares in demat form and has forgotten the existing password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.



(vii) If you are a first time user, follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Address Slip/ email pertaining to the notice of this Annual General Meeting.
Dividend Bank	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
Details OR Date of Birth (DOB)	If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on Electronic Voting Sequence Number (EVSN) of GOPALA POLYPLAST LIMITED.
- (xii) On the voting page, you will see ‘Resolution Description’ and against the same, the option ‘YES/NO’ for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the ‘RESOLUTIONS FILE LINK’ if you wish to view the entire Resolution details.
- (xiv) After selecting the Resolution, you have decided to vote on, click on ‘SUBMIT’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘OK’, else to change your vote, click on ‘CANCEL’ and accordingly modify your vote.
- (xv) Once you ‘CONFIRM’ your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on ‘Click here to print’ option on the Voting page.
- (xvii) Shareholders can also use Mobile app - “m - Voting” for e voting . m - Voting app is available on Apple, Android and Windows based Mobile. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s).
- (xviii) Note for Non – Individual Members and Custodians:

Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (f) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (g) Mr. Kashyap R. Mehta, Proprietor, M/s. Kashyap R. Mehta & Associates, Company Secretaries, Ahmedabad** has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- (h) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of ‘Ballot Paper’ for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility. **E-voting facility will not be made available at the AGM venue.**
- (i) The Scrutinizer shall, immediately after the conclusion of voting at AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than two days from the conclusion of meeting, a consolidated Scrutiniser’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same. Thereafter, the Chairman or the person authorised by him in writing shall declare the result of the voting forthwith.
- (j) The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website-[www.gopalapolyplast.com](http://www.gopalapolyplast.com) and on the website of CDSL-[www.evotingindia.com](http://www.evotingindia.com) immediately after the result is declared by the Chairman; and results shall also be communicated to the Stock Exchanges.





**BRIEF PARTICULARS/PROFILE OF THE DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT PURSUANT TO THE PROVISIONS OF REGULATION 26(4) & 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD 2 ISSUED BY ICSI:**

<b>Name of Directors</b>	<b>Manish M. Somani</b>
Age (in years)	51
Date of Birth	20-09-1968
Date of Appointment	20-05-1995
Qualifications	B. Com.
Experience / Expertise	Production and administration
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	As per the resolutions at item nos. 3 & 4 of the Notice convening this Meeting read with explanatory statement thereto
Remuneration last drawn by such person, if any.	Refer to report on Corporate Governance and Form No. MGT-9 (Extract of Annual Return)
Shareholding in the Company	5,10,100
Relationship with other Directors, Manager and other KMP of the Company	Mr. Manish M. Somani is related to Mr. Manoj M. Somani, Managing Director
Number of Meetings of the Board attended during the year	14
List of other Companies in which Directorships held	-
List of Private Limited Companies in which Directorships held	- Indian Bobbin Manufacturing Company Private Limited - Gopala Trims Private Limited - Polyplus Concentrates Private Limited
Chairman/Member of the Committees of Directors of other Companies	-
Justification for choosing the appointee for appointment as Independent Directors	N.A.

**BOARDS' INSOLVENCY PROFESSIONAL'S REPORT**

To  
The Members,  
Gopala Polyplast Limited

The Board of Directors/Resolution Professional presents to the Members the 35<sup>th</sup> Annual Report of the Company.

**1. INITIATION OF CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP):**

Pursuant to the orders of Hon'ble National Company Law Tribunal (NCLT), Ahmedabad, Corporate Insolvency Resolution Process (CIRP) has been initiated in respect of Gopala Polyplast Limited ("the Company") under the provisions of the Insolvency and Bankruptcy Code, 2016 ("the Code") with effect from 2<sup>nd</sup> May, 2019. In this connection, Mr. Vikash G. Jain (Reg. No.: IBBI/IPA-001/IP-P00354/2017-18/10612) has been appointed as Resolution Professional (RP) to carry out the activities relating to CIRP as per the rules, regulations and guidelines prescribed by the Code.

Since the Company is under Corporate Insolvency Resolution Process (CIRP), as per Section 17 of the Insolvency & Bankruptcy Code, from the date of appointment of the Resolution Professional:

- (a) the management of the affairs of the company shall vest in the Resolution Professional
- (b) the powers of the Board of Directors company shall stand suspended and be exercised by the Resolution Professional.
- (c) the officers and managers of the company shall report to the Resolution Professional and provide access to such documents and records of the company as may be required by the Resolution Professional.
- (d) the financial institutions maintaining accounts of the company shall act on the instructions of the Resolution Professional in relating to such accounts furnish all information relating to the company available with them to the Resolution Professional.

**2. FINANCIAL RESULTS :**

	( ₹ in Lakh)	
Particulars	2018-19	2017-18
Operating Profit/ (Loss) (Before Interest & Depreciation)	(6995.02)	2496.73
Less/ (Add): Interest/Finance Cost	(1332.01)	1132.39
Profit/ (Loss) before Depreciation	(8327.03)	1364.34
Less/ (Add): Depreciation	(600.46)	570.08
Less/(Add): Extra Ordinary Items	-	77.07
Profit/ (Loss) before Tax	(8927.49)	717.19
Less (Add): Current Tax	-	-
(Add)/ Less: Deferred Tax	26.69	(11.78)
Less: Income tax for earlier years	-	19.60
Profit / (Loss) after Tax	<b>(8900.80)</b>	<b>709.37</b>

**MATERIAL CHANGES AND COMMITMENT:**

The CIRP was initiated which was admitted vide an Order of the Hon'ble National Company Law Tribunal (NCLT), Ahmedabad, dated 2<sup>nd</sup> May, 2019 under the provisions of the Insolvency and Bankruptcy Code, 2016 ("Code / IBC"). Under CIRP, Resolution Plans have been received but approval by Committee of Creditors (CoC) and further approval of NCLT is still pending. Accordingly, the financial results for the year ended 31<sup>st</sup> March, 2019 have been continued to be prepared on a going concern basis.



**3. DIVIDEND:**

In view of the accumulated losses, the Directors have not recommend any dividend neither preference nor equity dividend for the year under review.

**4. OPERATIONS:**

The revenue from operations is decreased by 30.19% from Rs. 26,381.27 lakh for the previous year 2017-18 to Rs. 18,415.98 lakh for the year 2018-19. The Company expects better performance during the year 2019-20 with expecting increase in demand for PP bags from Cement Sector, which is expecting to perform better due to Government's focus on initiating policy that would ensure time-bound creation of world class infrastructure in the country. However the prospects depends on the success of the resolution plan as presently the production is suspended due to shut down of the plant.

**5. LISTING:**

The Equity Shares of the Company are listed on BSE Limited. The Company is regular in payment of Annual Listing Fees. The Company has paid Listing fees up to the year 2019-20.

**6. INCREASE IN AUTHORISED SHARE CAPITAL:**

The Authorised Equity Share Capital of the Company has been increased to Rs. 21 Crore divided into 1,60,00,000 Equity Shares of Rs.10/- each and 5,00,000 Cumulative Redeemable Preference Shares of Rs. 100/- each upon passing of Special Resolution in the Extra Ordinary General Meeting held on 28<sup>th</sup> April, 2018.

**7. SHARE CAPITAL:**

The paid up Equity Share Capital of the Company as on 31<sup>st</sup> March, 2019 was Rs. 1016.64 Lakh. As on 31<sup>st</sup> March, 2019, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity and none of the Directors of the Company hold any convertible instruments.

**8. ALLOTMENT OF 13,00,000 EQUITY SHARES TO NON-PROMOTERS ON PREFERENTIAL BASIS:**

The Company allotted 15,00,000 Warrants of Rs. 10/- each at premium of Rs. 50/- per Warrant on 4<sup>th</sup> April, 2017, 6<sup>th</sup> April, 2017 and 7<sup>th</sup> April, 2017 to Non-Promoters on Preferential Basis after complying provisions and guidelines under the Companies Act, 2013, SEBI & Listing Regulations.

Pursuant to the condition stipulated for conversion option of Warrants into Equity Shares within 18 months from the date of allotment, Warrant Holders had exercised their option for conversion of 13,00,000 warrants and accordingly 13,00,000 Equity Shares were allotted on 27<sup>th</sup> September, 2018, 4<sup>th</sup> October, 2018, 5<sup>th</sup> October, 2018 and 9<sup>th</sup> October, 2018 upon conversion of 13,00,000 Warrants. There was lapse of 2,00,000 Warrants.

The post conversion of Equity Warrants into Equity Shares, the paid up Equity Capital of the Company stands at Rs.1016.64 Lakh divided into 1,01,66,392 Equity Shares of Rs.10/- each. As on date, there are no outstanding convertible Warrant / Securities.

There is no material variation between the projections and actual utilization of the funds raised through Preferential Issue by the Company during the year 2018-19.

**9. DIRECTORS:**

9.1 One of your Directors viz. Mr. Manish M. Somani retires by rotation in terms of the Articles of Association of the Company. However, being eligible offers himself for re-appointment.

9.2 Mr. Mahendra N. Somani resigned from the office of Whole Time Director and Director w.e.f. 14<sup>th</sup> November, 2018.

9.3 Due to the sad demise of Mr. Sanjay Maniar, he ceased to be the Independent Director of the Company w.e.f 12<sup>th</sup> February, 2019.

9.4 Ms. Palak D. Parekh resigned from the office of Independent Director w.e.f. 29<sup>th</sup> March, 2019.



- 9.5 The Board of Directors duly met 14 times during the financial year under review.
- 9.6 The Company has received necessary declaration from each Independent Directors of the Company under Section 149(7) of the Companies Act, 2013 (the Act) that they meet with the criteria of their independence laid down in Section 149(6) of the Act.
- 9.7 Mr. Kishori Lal Sonthalia has submitted his resignation from the office of Independent Director w.e.f. 25<sup>th</sup> October, 2019 to the Resolution Professional. However, as the powers of Board are suspended, the same is not intimated to the office of Registrar of Companies, Gujarat/Ministry of Corporate Affairs. The same is to be put before the COC for their consideration as per section 28(1) (j) of IBC
- 9.8 Brief profile of the Directors being appointed and re-appointed as required under Regulations 36(3) of Listing Regulations, 2015 and Secretarial Standard on General Meetings and the justification for appointment/reappointment of Independent Directors are provided in the notice for the forthcoming AGM of the Company.
- 9.9 Formal Annual Evaluation:

The Nomination and Remuneration Committee adopted a formal mechanism for evaluating the performance of the Board of Directors as well as that of its Committees and individual Directors, including Chairman of the Board, Key Managerial Personnel/ Senior Management etc. The exercise was carried out through an evaluation process covering aspects such as composition of the Board, experience, competencies, governance issues etc.

9.10 DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 134 of the Companies Act, 2013, the Directors hereby state that:

- (i) that in the preparation of the annual accounts, the applicable accounting standards (IND-AS) had been followed along with proper explanation relating to material departures;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at 31<sup>st</sup> March, 2019 being end of the financial year 2018-19 and of the loss of the Company for the year;
- (iii) the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the annual accounts on a going concern basis.
- (v) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**10. INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY:**

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures.



**11. MANAGERIAL REMUNERATION:**

Sr. No.	Name of the Director & Designation	Remuneration for the year 2018-19	% increase over last year	Parameters	Median of Employees Remuneration	Ratio	Commission received from Holding/ Subsidiary
1.	Mr. Manoj M. Somani Managing Director	₹ 15.95 Lakh	-	N.A.	Only 3 employees.	Non significant	N.A.
2.	Mr. Manish M. Somani Whole Time Director	₹ 13.75 Lakh	-				N.A.
3.	Mr. Mahendra N. Somani Whole Time Director*	₹ 8.00 Lakh	-				N.A.

\* Mr. Mahendra N. Somani resigned as Whole Time Director of the Company w.e.f. 14<sup>th</sup> November, 2018

The Board of Directors has framed a Remuneration Policy that assures the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management to enhance the quality required to run the Company successfully. All the Board Members and Senior Management personnel have affirmed time to time implementation of the said Remuneration policy.

The Nomination and Remuneration Policy are available on the Company's website [www.gopalapolyplast.com](http://www.gopalapolyplast.com)

**12. KEY MANAGERIAL PERSONNEL:**

**% increase in remuneration of Directors & KMP:**

Sr. No.	Name of the Director & KMP	Designation	Percentage Increase (If any)
1.	Mr. Manoj M. Somani	Managing Director	-
2.	Mr. Manish M. Somani	Whole Time Director & CFO	-
3.	Mr. Mahendra N. Somani	Whole Time Director	-
4.	Mr. Ketankumar R. Vala	Company Secretary	-

**13. PERSONNEL AND H. R. D.:**

**13.1 INDUSTRIAL RELATIONS:**

Please note that due to Labour Strike in the Company, the Plants of the Company located at:

- Block No. 485, Santej - Vadsar Road, Santej, Taluka - Kalol, Dist.: Gandhinagar – 382 721;
- Plot No. 58, Shed No. 3 to 7 & 23 to 29, Jayant Estate, Khatraj Bhojan Road, Kahtraj, Ta. Kalol, Dist. Gandhinagar– 382721;
- Block No. 230/P and 231/P, Ascent Ceramics Pvt Ltd, Santej-Vadsar Road, At: Santej, Taluka: Kalol, Dist. Gandhinagar – 382 721.

have been shut down since 30<sup>th</sup> March, 2019 and the same was also intimated to BSE Limited.

The number of employees of the Company as on the date of this report is 3.

**13.2 PARTICULARS OF EMPLOYEES:**

There is no Employee drawing remuneration requiring disclosure under Rule 5(2) of Companies Appointment & Remuneration of Managerial personnel) Rules, 2014.



**14. PARTICULARS OF CONTRACTS OR ARRANGMENTS WITH RELATED PARTIES:**

Details of Related Party Transactions and Details of Loans, Guarantees and Investments covered under the provisions of Section 188 and 186 of the Companies Act, 2013 respectively are given in the notes to the Financial Statements attached to the Directors' Report.

All transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any transactions with related parties which could be considered as material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at [www.gopalapolyplast.com](http://www.gopalapolyplast.com).

**15. DETAILS OF LOANS, GUARANTEES, INVESTMENT & SECURITIES PROVIDED:**

Details of Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements attached to the Directors' Report.

**16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information required under Section 134(3)(m) of the Companies Act, 2013 and rule 8(3) of Companies (Accounts) Rules, 2014, relating to the conservation of Energy and Technology Absorption forms part of this report and is given by way of **Annexure- A**.

**17. CORPORATE GOVERNANCE AND MDA:**

As per Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Report on Corporate Governance, Management Discussion and Analysis (MDA) and a certificate regarding compliance with the conditions of Corporate Governance are appended to the Annual Report as **Annexure - B**.

**18. SECRETARIAL AUDIT REPORT:**

Your Company has obtained Secretarial Audit Report as required under Section 204(1) of the Companies Act, 2013 from M/s. Kashyap R. Mehta & Associates, Company Secretaries, Ahmedabad. The said Report is attached with this Report as **Annexure – D**. The remarks of Auditor are self explanatory.

**19. EXTRACT OF ANNUAL RETURN:**

The extract of Annual return in Form – MGT-9 has been attached herewith as **Annexure – E**. The same is also available on the Company's website at [www.gopalapolyplast.com](http://www.gopalapolyplast.com).

**20. AUDIT COMMITTEE/ NOMINATION AND REMUNERATION COMMITTEE/ STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

The details of various committees and their functions are part of Corporate Governance Report.

**21. GENERAL:**

**21.1. STATUTORY AUDITORS:**

The present Auditors of the Company M/s. Ashok Dhariwal & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 100648W), were appointed as Statutory Auditors of the Company at the 33<sup>rd</sup> Annual General Meeting for a period of 5 years i.e. for financial years 2017-18 to 2021-2022. They continue to hold office as Statutory Auditors till the conclusion of 38<sup>th</sup> AGM to be held in the year 2022.



The Comments for the qualifications in the Auditor's Report on the financial statements of the Company for financial year 2018-19 are as given under:

1. In respect of qualification 3, the Management of the Company is confident that sufficient future taxable income will be available against which such deferred tax assets will be realized.
2. In respect of qualification 6, the Management believe that no item of fixed assets has a net realizable value in the ordinary course of business which is less than the amount at which it is included in the fixed assets. Accordingly, no provision has been considered necessary by the management in respect of impairment in the value fixed assets.
3. In respect of qualification 1, the Management believe that no item of inventory has a net realizable value in the ordinary course of business which is less than the amount at which it is included in the inventories. Accordingly, no provision is required in respect of such inventories.
4. In respect of qualification 2, the management of the Company is at various stages of negotiation/communication / legal suits with respective parties to recover the amount due from them and in view of ongoing discussion, no provision has been considered necessary by the management in respect of trade receivables over and above what has been provided.
5. In respect of qualification 4, in the opinion of the management, Borrowing Costs directly attributable to the acquisition, construction or production of the asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur. Borrowing cost also includes exchange difference to the extent regarded as an adjustment to the borrowing costs.
6. In respect of qualification 5, in the opinion of the management, Provision for Gratuity has not been made during the year due to initiation of CIRP, entire gratuity amount payable is shown under Current Liabilities
7. In respect of qualification 7, in the opinion of the management, resolution and revival of the company is possible in foreseeable future, accordingly, in view of ongoing CIRP, the financial results have been prepared on the basis that the Company is a Going Concern.

Emphasis of matter - Management response has been provided in the respective Notes to Account of Standalone Financial Statement.

#### 21.2 INSURANCE:

The movable and immovable properties of the Company including plant and Machinery and stocks wherever necessary and to the extent required have been adequately insured against the risks of fire, riot, strike, malicious damage etc. as per the consistent policy of the Company.

#### 21.3 DEPOSITS:

The Company has not accepted during the year under review any Deposits and there were no overdue deposits.

#### 21.4 SUBSIDIARIES/ ASSOCIATES/ JVS:

The Company does not have any Subsidiaries/ Associates Companies / JVs.

#### 21.5 RISK MANAGEMENT POLICY:

The Company has a risk management policy, which from time to time, is reviewed by the Audit Committee of Directors as well as by the Board of Directors. The Policy is reviewed quarterly by assessing the threats and opportunities that will impact the objectives set for the Company as a whole. The Policy is designed to provide the categorization of risk into threat and its cause, impact, treatment and control measures. As part of the Risk Management policy, the relevant parameters for protection of environment, safety of operations and health of people at work



and monitored regularly with reference to statutory regulations and guidelines defined by the Company.

**21.6 CODE OF CONDUCT:**

The Board of Directors has laid down a Code of Conduct applicable to the Board of Directors and Senior Management. All the Board Members and Senior Management personnel have affirmed compliance with the code of conduct.

**21.7 SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:**

The Hon'ble National Company Law Tribunal (NCLT), Ahmedabad bench vide order dated 2<sup>nd</sup> May, 2019, has admitted the reference for initiation of Corporate Insolvency Resolution Process (CIRP) under of the Insolvency and Bankruptcy Code, 2016 (IBC). According to the said order, Mr. Vikash G. Jain (Reg. No.: IBBI/IPA-001/IP-P00354/2017-18/10612) was appointed as Insolvency Resolution Professional (IRP) w.e.f the date of the said order. And thereafter on 31<sup>st</sup> May, 2019 Mr. Vikash G. Jain, was continued to be the Resolution Professional (RP) by Committee of Creditors. Hence, as per the provisions of Section 17 of the Insolvency and Bankruptcy Code, 2016 (IBC), the powers of the Board of Directors are suspended and the same are vested in the Resolution Professional (RP).

**21.8 ENVIRONMENT AND SAFETY:**

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

**21.9 DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:**

The Company has in place an Anti Sexual Harassment Policy, in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, the Company did not receive any complaint.

**21.10 GRATUITY:**

The present liability for future payment of Gratuity as on 31<sup>st</sup> March, 2019 is not actuarially determined and provided for as per Indian Accounting Standard-19 (Ind AS-19), "Employee Benefits" and also as per the provisions of Section 128 of the Companies Act, 2013 relating to preparation of Books of Account on accrual basis. The Company has provided for the amount of Gratuity liability for the employees on the basis of Management's estimate, which has been explained in the Auditor's Report.

**21.11 INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS:**

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013.

**21.12 SECRETARIAL STANDARDS:**

The Company complies with the Secretarial Standards, issued by the Institute of Company Secretaries of India, which are mandatorily applicable to the Company.

**22. DISCLOSURE OF ACCOUNTING TREATMENT:**

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.





**23. DEMATERIALISATION OF EQUITY SHARES:**

Shareholders have an option to dematerialise their shares with either of the depositories viz NSDL and CDSL. The ISIN No. allotted is INE136C01036.

**24. FINANCE:**

24.1 The Company's Income-tax Assessment has been completed up to the Assessment Year 2017-18 and Sales tax Assessment is completed up to the Financial Year 2015-2016.

24.2 The Company is having Working Capital facilities, Corporate Loan and Term Loan from Dena Bank Limited, other Banks and Financial Institutions.

**25. CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP)**

The Company is under CIRP and information pertaining to the process are available at the Company website [www.gopalapolyplast.com](http://www.gopalapolyplast.com).

**26. ACKNOWLEDGMENT:**

The Resolution Professional wish to express their sincere thanks and appreciation of the support and co operation of Committee of Creditors, Government Agencies, Bankers, Financial Institutions, Associates, suppliers and employees of the Company.

Place : Ahmedabad  
Date : 5<sup>th</sup> November, 2019

**Mr. Vikash G. Jain**  
Resolution Professional for Gopala Polyplast Limited  
Reg. No.: IBBI/IPA-001/IP-P00354/2017-18/10612

**FORM – A**

Disclosure of particulars with respect to Conservation of Energy

**(A) CONSERVATION OF ENERGY:**

Steps taken or impact on conservation of energy	In line with the Company's commitment towards conservation of energy, all units continue with their efforts aimed at improving energy efficiency through innovative measures to reduce wastage and optimize consumption
Steps taken by the Company for utilising alternate sources of energy	-
Capital investment on energy conservation equipments	N.A.

**(B) TECHNOLOGY ABSORPTION:**

Efforts made in Research and Development and Technology Absorption as per Form B prescribed in the Rules is as under:

**1. Research & Development (R & D):**

(a)	Specific areas in which R&D carried out by the Company.	:	New product development and improvement in Quality.
(b)	Benefits derived as a result of the above R&D	:	Increase in the range of products in its volume of contribution in increased sales turnover.
(c)	Future plan of action	:	To maintain improved quality of products through quality control.
(d)	Expenditure on R&D	:	Marginal

2. Technology absorption, adoption and innovation: The Company does not envisage any technology absorption.

**(C) FOREIGN EXCHANGE EARNINGS & OUTGO:**

(₹ in Lakh)

Particulars	2018-19	2017-18
Total Foreign exchange earnings	2030.97	1495.97
Total Foreign Exchange used	355.78	1139.60

Place : Ahmedabad  
Date : 5<sup>th</sup> November, 2019

**Mr. Vikash G. Jain**  
Resolution Professional for Gopala Polyplast Limited  
Reg. No.: IBBI/PA-001/IP-P00354/2017-18/10612

**REPORT ON CORPORATE GOVERNANCE****INTRODUCTION:**

Corporate Governance is important to build confidence and trust which leads to strong and stable partnership with the Investors and all other Stakeholders. The Directors, hereunder, present the Company's Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2019 & as on date.

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and ability. However, the Hon'ble National Company Law Tribunal (NCLT), Ahmedabad bench vide order dated 2<sup>nd</sup> May, 2019, has admitted the reference for initiation of Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016 (IBC) to initiate appropriate action contemplated in Corporate Insolvency Resolution Process (CIRP) in accordance with extant provisions of Insolvency and Bankruptcy Code (IBC), 2016 and other relevant rules. According to the said order, Mr. Vikash G. Jain (Reg. No.: IBBI/IPA-001/IP-P00354/2017-18/10612) was appointed as Insolvency Resolution Professional (IRP) w.e.f the date of the said order. And thereafter on 31<sup>st</sup> May, 2019, Mr. Vikash G. Jain, was continued to be the Resolution Professional (RP) by Committee of Creditors. Hence, as per the provisions of Section 17 of the Insolvency and Bankruptcy Code, 2016 (IBC), the powers of the Board of Directors are suspended and the same are vested in the Resolution Professional (RP). The Powers vested with the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee will also be exercised by the Resolution Professional.

Effective Corporate Governance is the key element ensuring investor's protection; providing finest work environment leading to highest standards of management and maximization of everlasting long-term values. Your Company believes in the philosophy on practicing Code of Corporate Governance that provides a structure by which the rights and responsibility of different constituents such as the board, employees and shareholders are carved out.

A Report on compliance with the principles of Corporate Governance as prescribed by SEBI in Chapter IV read with Schedule V of SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015 (Listing Regulation) is given below:

**2. SUSPENDED BOARD OF DIRECTORS:****a) Composition and Category of Directors as on 31<sup>st</sup> March, 2019 and on the date of report is:**

Name of Directors	Category of Directorship	No. of other Directorships@	No. of Committee position in other Companies**		No. of Board Meetings attended during 2018-19	Attendance at the AGM held on 28-09-2018 Yes(Y)/No(N)
			Member	Chairman		
Mr. Manoj M. Somani	Promoter-Executive	-	-	-	14	Y
Mr. Manish M. Somani	Promoter – Executive	-	-	-	14	Y
Mr. Kishori Lal Sonthalia*	Non-Executive Independent	1	-	2	14	N

\* Mr. Kishori Lal Sonthalia has submitted his resignation from the office of Independent Director w.e.f. 25<sup>th</sup> October, 2019 to Resolution Professional.

@ Private Companies, foreign companies and companies under Section 8 of the Companies Act, 2013 are excluded

\*\* for the purpose of reckoning the limit of committees, only chairmanship/membership of the Audit Committee and Stakeholders' Relationship Committee has been considered.



- b) Directorship in Listed Entities other than Gopala Polyplast Limited and the category of directorship as on 31<sup>st</sup> March, 2019, is as follows:

Name of Directors	Name of listed Company	Category of Directorship
Mr. Manoj M. Somani	-	-
Mr. Manish M. Somani	-	-
Mr. Kishori Lal Sonthalia*	Reliance Chemotex Limited	Director

\* Mr. Kishori Lal Sonthalia has submitted his resignation from the office of Independent Director w.e.f. 25<sup>th</sup> October, 2019 to Resolution Professional.

- c) Relationships between directors inter-se:

Mr. Manoj M. Somani and Mr. Manish M. Somani are related to each other.

- d) Board Procedures:

The Board of Directors meets once a quarter to review the performance and Financial Results. A detailed Agenda File is sent to all the Directors well in time of the Board Meetings. The Chairman/ Managing Director briefs the Directors at every Board Meeting, overall performance of the Company. All major decisions/approvals are taken at the Meeting of the Board of Directors such as policy formation, business plans, budgets, investment opportunities, Statutory Compliance etc. The meeting of the Board of Directors for a period from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019 were held 14times on 18-05-2018, 20-07-2018, 14-08-2018, 29-08-2018, 27-09-2018, 04-10-2018, 05-10-2018, 09-10-2018, 14-11-2018, 14-02-2019, 14-03-2019, 14-03-2019, 20-03-2019 and 29-03-2019.

- e) Shareholding of Non- Executive Directors as on 31<sup>st</sup> March, 2019:

None of the Non-Executive Directors hold any Equity Share or convertible securities in the Company.

- f) Familiarisation Program for Independent Directors:

The details of the familiarization program are available on the Company's website – [www.gopalapolyplast.com](http://www.gopalapolyplast.com)

- g) Chart or Matrix setting out the skills/ expertise/ competence of the board of directors specifying the following:

Name	Qualifications	Experience	Expertise
Mr. Manoj M. Somani	B.E (Production)	30 years	Industrialist and rich experience of Woven sack industry
Mr. Manish M. Somani	B.Com	27 years	Industrialist and wide administrative experience
Mr. Kishori Lal Sonthalia*	B.Com	50 years	Expertise in Production and Administration

\* Mr. Kishori Lal Sonthalia resigned as Independent Director w.e.f. 25<sup>th</sup> October, 2019

- h) In accordance with para C of Schedule V of the Listing Regulations, the Board of Directors of the Company hereby confirm that the Independent Directors of the Company fulfill the conditions specified in the Regulations and are independent of the management.
- i) During the financial year Ms. Palak D. Parekh resigned as Independent Director of the Company due to her pre-occupation and other commitments.



**3. AUDIT COMMITTEE:**

The Audit Committee was reconstituted on 29<sup>th</sup> March, 2019 upon resignation of Ms. Palak Parekh as Director of the Company.

The Audit Committee consisted of the following Directors as on 31<sup>st</sup>March, 2019:

Name of the Directors	Expertise	Terms of reference & functions of the Committee	No. of Meetings Attended during 2018-19
Mr. Kishori Lal Sonthalia <sup>#</sup>	Mr. Kishori Lal Sonthalia is the only Non-Executive and Independent Director in the Committee. Chairman of the Committee is Independent Director. One member has thorough financial and accounting knowledge.	The functions of the Audit Committee are as per Company Law and Listing Regulations prescribed by SEBI which include approving and implementing the audit procedures, review of financial reporting system, internal control procedures and risk management policies.	4 of 4
Mr. Manoj M. Somani			4 of 4
Mr. Manish M. Somani*			0 of 4

\* Mr. Manish M. Somani was appointed as Member of the Audit Committee w.e.f. 29<sup>th</sup> March, 2019

#Mr. Kishori Lal Sonthalia was appointed as Chairman of the Audit Committee w.e.f. 29<sup>th</sup> March, 2019

\$Mr. Kishori Lal Sonthalia also resigned as Independent Director w.e.f. 25<sup>th</sup> October, 2019

The Audit Committee met 4 times during the Financial Year 2018-19. The maximum gap between two meetings was not more than 120 days. The Committee met on 18-05-2018, 14-08-2018, 14-11-2018 and 14-02-2019. The necessary quorum was present for all Meetings. The previous Chairman of the Audit committee was present at the last Annual General meeting of the Company to answer the queries of the Shareholders.

**4. NOMINATION & REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee was reconstituted on 29<sup>th</sup> March, 2019 upon resignation of Ms. Palak D. Parekh as Director of the Company.

The Nomination and Remuneration Committee consisted of the following Directors as on 31<sup>st</sup>March, 2019.

Name of the Directors	Functions of the Committee	No. of meetings Attended during 2018-19
Mr. Kishori Lal Sonthalia <sup>#</sup>	The Chairman of the Committee is Non executive Independent Director. The Committee is vested with the responsibilities to function as per SEBI Guidelines and recommends to the Board Compensation Package for the Managing Director. It also reviews from time to time the overall Compensation structure and related policies with a view to attract, motivate and retain employees.	During the year under review, no meeting of Nomination & Remuneration Committee was held.
Mr. Manoj M. Somani		
Mr. Manish M. Somani*		

\*Mr. Manish M. Somani was appointed as Member of the Audit Committee w.e.f. 29<sup>th</sup> March, 2019

#Mr. Kishori Lal Sonthalia was appointed as Chairman of the Audit Committee w.e.f. 29<sup>th</sup> March, 2019.

\$Mr. Kishori Lal Sonthalia resigned as Independent Director w.e.f. 25<sup>th</sup> October, 2019.

**Terms of reference and Nomination & Remuneration Policy:**

The Committee identifies and ascertains the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommends to the Board his / her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.



The Committee fixes remuneration of the Directors on the basis of their performance and also practice in the industry. The terms of reference of the Nomination & Remuneration Committee includes review and recommendation to the Board of Directors of the remuneration paid to the Directors. The Committee meets as and when required to consider remuneration of Directors.

**Performance Evaluation Criteria for Independent Directors:**

The Board evaluates the performance of independent directors (excluding the director being evaluated) on the basis of the contributions and suggestions made to the Board with respect to financial strategy, business operations etc.

**6. REMUNERATION OF DIRECTORS:**

1. Mr. Manoj M. Somani, Managing Director was paid Rs. 15.95 Lakh as managerial remuneration during the financial year 2018-19.
2. Mr. Manish M. Somani, Whole Time Director was paid Rs. 13.75 Lakh as managerial remuneration during the financial year 2018-19.
3. Mr. Mahendra N. Somani, Whole Time Director was paid Rs. 8.00 Lakh as managerial remuneration during part of the financial year 2018-19 i.e. till 14<sup>th</sup> November, 2018.
4. No sitting fees were paid to the Directors during the financial year 2018-19.
5. No Commission or Stock Option has been offered to the Directors.
6. The terms of appointment of Managing Director / Whole-time Director are governed by the resolutions of the members and applicable rules of the Company. None of the Directors are entitled to severance fees.
7. Commission based on performance criteria, if any, as approved by the Board and subject to maximum limit specified in the Act.
8. The Nomination and Remuneration Policy of the Company is given in Directors' Report which specifies the criteria of making payments to Non-Executive Directors.
9. Service contract and notice period are as per the terms and conditions mentioned in their Letter of Appointments.
10. There are no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Non-Executive Directors except those disclosed in the financial statements for the financial year ended on 31<sup>st</sup> March, 2019.

**7. STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

The Board has reconstituted a Stakeholders' Relationship Committee w.e.f. 14<sup>th</sup> February, 2019 pursuant to Regulation 20(2A) of SEBI (LODR) Regulations, 2015 to be made effective w.e.f. 1<sup>st</sup> April, 2019 as introduced by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and also for the purpose of effective Redressal of the complaints and concerns of the shareholders and other stakeholders of the Company.

The Committee comprises of the following Directors as members as on 31<sup>st</sup> March, 2019:

- |                               |                                     |
|-------------------------------|-------------------------------------|
| 1. Mr. Kishori Lal Sonthalia* | Chairman, Non-Executive Independent |
| 2. Mr. Manoj M. Somani        | Member                              |
| 3. Mr. Manish M. Somani       | Member                              |

\*Mr. Kishori Lal Sonthalia also resigned as Independent Director w.e.f. 25<sup>th</sup> October, 2019

The Company had not received any complaint during the year and there is no complaint pending as on date. There was no valid request for transfer of shares pending as on 31<sup>st</sup> March, 2019.

Mr. Ketankumar R. Vala, Company Secretary was the Compliance Officer for the above purpose during the financial year 2018-19. Since 14<sup>th</sup> April, 2019, the Company does not have a Company Secretary in employment. Mr. Manoj Somani is the compliance officer of the Company.



**8. GENERAL BODY MEETINGS:**

Details of last three Annual General Meetings of the Company are given below:

Financial Year	Date	Time	Venue
2015-16	29-09-2016	11.00 a.m.	Plot No. 485, Santej Vadsar Road, Santej, Taluka Kalol, Dist. Gandhinagar – 382721 <b>Special Resolution:</b> Re-appointment of Mr. Mahendra Somani, Whole Time Director of the Company for a period of 5 years w.e.f 1st October, 2016 to 30th September, 2021.
2016-17	29-09-2017	11.00 a.m.	Plot No. 485, Santej Vadsar Road, Santej, Taluka Kalol, Dist. Gandhinagar – 382721 <b>No Special Resolution was passed.</b>
2017-18	28-09-2018	11.00 a.m.	Plot No. 485, Santej Vadsar Road, Santej, Taluka Kalol, Dist. Gandhinagar – 382721 <b>Special Resolution:</b> 1. Re-appointment of Mr. Manoj M. Somani as Managing Director of the Company. 2. Re-appointment of Mr. Manish M. Somani as Whole Time Director of the Company 3. Authorising the Board of Directors under section 186 of the Companies Act, 2013

One Extra Ordinary General Meeting of the members of the Company was held on 28<sup>th</sup> April, 2018 in which Special Resolution was passed for increasing Authorised Share capital of the Company upto Rs. 21 crores.

**9. MEANS OF COMMUNICATION:**

In compliance with the requirements of the Listing Agreement and SEBI (LODR) Regulations, the Company regularly intimates Unaudited / Audited Financial Results to the Stock Exchanges immediately after they are taken on record by the Board of Directors. These Financial Results are normally published in 'Western Times' (English and Gujarati). Results are also displayed on Company's website [www.gopalapolyplast.com](http://www.gopalapolyplast.com).

The reports, statements, documents, filings and any other information are electronically submitted to the recognized stock exchanges, unless there are any technical difficulties while filing the same. All important information and official press releases are displayed on the website for the benefit of the public at large.

During the year ended on 31<sup>st</sup> March, 2019, no presentations were made to Institutional Investors or analyst or any other enterprise.



**10. GENERAL SHAREHOLDERS' INFORMATION:**

- a) Registered Office : 485, Santej – Vadsar Road, Santej,  
Tal. Kalol, Dist. – Gandhinagar – 382 721
- b) Annual General Meeting : Day : Saturday  
Date : 30<sup>th</sup> November, 2019  
Time : 12.00 noon  
Venue: 485, Santej – Vadsar Road,  
Santej, Tal. Kalol,  
Dist. – Gandhinagar – 382 721
- c) Financial Year : 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019
- d) Financial Calendar : 1<sup>st</sup> Quarter Results : Mid-November, 2019.  
Half-yearly Results : Mid-November, 2019.  
3<sup>rd</sup> Quarter Results : Mid-February, 2020.  
Audited yearly Results : End May, 2020.
- e) Book Closure Dates : **From** : Saturday, the 23<sup>rd</sup> November, 2019  
**To** : Saturday, the 30<sup>th</sup> November, 2019  
(Both days inclusive).
- f) Dividend Payment Date : N.A.
- g) Listing of Shares on Stock Exchanges : **BSE Limited**  
P. J. Towers, Dalal Street,  
Fort, Mumbai 400 001.  
The Company has paid the annual listing fees  
for the financial year 2019-20 to the Stock  
Exchanges where its securities are listed.
- h) Stock Exchange Code : 

<u>Stock Exchange</u>	<u>Code</u>
BSE	526717
- i) Registrar and Share Transfer Agents :  
Registrars and Share Transfer Agents (RTA) for both Physical and Demat Segment of Equity  
Shares of the Company:  
**MCS Share Transfer Agent Ltd.**  
201, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad – 380 009  
Phone : +91-79-26582878  
Email id: mcsahmd@gmail.com
- j) Share Transfer System:  
The transfer of shares in physical form is processed and completed by M/s. MCS Share Transfer  
Agent Ltd. (RTA of the Company) within a period of 15 days from the date of receipt thereof.  
Pursuant to SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8<sup>th</sup> June, 2018, SEBI has  
amended Regulation 40 of the Listing regulations effective from 1<sup>st</sup> April 2019, which deals with  
transfer or transmission or transposition of securities. According to this amendment, the requests  
for effecting the transfer of listed securities shall not be processed unless the securities are held  
in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall  
mandatorily be required to be in Demat form. However, the transfer deed(s) lodged prior to the 1<sup>st</sup>  
April, 2019 deadline and returned due to deficiency in the document, may be re-lodged for  
transfer even after the deadline of 1<sup>st</sup> April, 2019 with the Registrar and Share transfer Agents of  
the Company. Hence, Shareholders are advised to get their shares dematerialized.  
In case of Shares in electronic form, the transfers are processed by NSDL/ CDSL through the  
respective Depository Participants.





- k) Stock Price Data : The shares of the Company were traded on the BSE Limited. The information on stock price data, BSE Sensex details are as under:

Month	BSE			BSE Sensex
	High (₹)	Low (₹)	Shares Traded (No.)	
April, 2018	153.00	123.00	7,71,447	35160.36
May, 2018	153.50	118.05	17,88,971	35322.38
June, 2018	134.90	111.60	3,12,221	35423.48
July, 2018	141.90	112.00	3,06,655	37606.58
August, 2018	144.80	116.00	5,56,765	38645.07
September, 2018	133.10	90.00	7,10,995	36227.14
October, 2018	110.50	83.20	5,57,550	34442.05
November, 2018	86.70	56.60	28,50,966	36194.30
December, 2018	74.00	55.15	6,28,848	36068.33
January, 2019	82.00	65.10	16,93,537	36256.69
February, 2019	84.95	62.00	8,87,206	35867.44
March, 2019	75.00	49.20	6,96,278	38672.91

- l) Distribution of Shareholding as on 31<sup>st</sup> March, 2019:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Up to 500	3,826	85.88%	3,65,347	3.59%
501 to 1000	197	4.42%	1,58,816	1.56%
1001 to 2000	135	3.03%	2,07,232	2.04%
2001 to 3000	60	1.35%	1,53,720	1.51%
3001 to 4000	38	0.85%	1,34,969	1.33%
4001 to 5000	27	0.61%	1,27,954	1.26%
5001 to 10000	61	1.37%	4,61,510	4.54%
10001 & Above	111	2.49%	85,56,844	84.17%
<b>Grand Total</b>	<b>4,455</b>	<b>100.00%</b>	<b>1,01,66,392</b>	<b>100.00%</b>

- m) Category of Shareholders as on 31<sup>st</sup> March, 2019:

Category	No. of Shares held	% of Shareholding
Promoters (Directors & Relatives)	31,17,309	30.66
Financial Institutions/ Banks	—	—
Mutual Fund	200	0.00
Domestic Companies	19,45,149	19.13
Indian Public	34,10,193	33.54
NRI & CM	5,78,076	5.69
Foreign Corporate (FII)	11,15,465	10.97
<b>Grand Total</b>	<b>1,01,66,392</b>	<b>100.00</b>



- n) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity:

The Company allotted 15,00,000 Warrants of Rs. 10/- each at premium of Rs. 50/- per Warrant on 4<sup>th</sup> April, 2017, 6<sup>th</sup> April, 2017 and 7<sup>th</sup> April, 2017 to Non-Promoters on Preferential Basis after complying provisions and guidelines under the Companies Act, 2013, SEBI & Listing Regulations.

Pursuant to the condition stipulated for conversion option of Warrants into Equity Shares within 18 months from the date of allotment, Warrant Holders had exercised their option for conversion and accordingly 13,00,000 Equity Shares were allotted on 27<sup>th</sup> September, 2018, 4<sup>th</sup> October, 2018, 5<sup>th</sup> October, 2018 and 9<sup>th</sup> October, 2018 upon conversion of 13,00,000 Warrants.

The post conversion of Equity Warrants into Equity Shares, the paid up Equity Share Capital of the Company stands at Rs.10.17 Crore divided into 1,01,66,392 Equity Shares of Rs.10/- each. As on date, there are no outstanding convertible Warrants/ Securities.

The Company has not issued any GDRs/ADRs or any other convertible securities.

- o) Dematerialisation of Shares and liquidity:

The Company's Equity Shares are traded compulsorily in dematerialised form. Approximately 99% of the Equity Shares have been dematerialised. ISIN number for dematerialisation of the Equity Shares of the Company is INE136C01036.

- p) Commodity Price Risks and Commodity Hedging Activities:

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board. The Company is exposed to Foreign Currency Fluctuation Risk. The Company proactively hedges its foreign currency fluctuation risks for underlying assets / liabilities as per the Company's policy.

- q) Plant Location:

1. Block No. 485, Santej - Vadsar Road, Santej, Taluka - Kalol, Dist.: Gandhinagar– 382721.
2. Plot No. 58, Shed No. 3 to 7 & 23 to 29, Jayant Estate, Khatraj Bhoyan Road, Khatraj, Ta. Kalol, Dist. Gandhinagar– 382721.
3. Block No. 230/P and 231/P, C/o Ascent Ceramics P Ltd, Santej Vadsar Road, Tal. Kalol, Dist. Gandhinagar– 382721.

- r) Address for Correspondence:

For any assistance regarding correspondence dematerialisation of shares, share transfers, transactions, change of address, non receipt of dividend or any other query relating to shares, Shareholders' correspondence should be addressed to the Company's Registrar and Share Transfer Agent at:

**MCS Share Transfer Agent Ltd.**

201, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad – 380 009

Phone : +91-79-26582878

Email id: mcsahmd@gmail.com

Compliance Officer : Mr. Ketankumar R. Vala, Company Secretary was Compliance officer for the financial year 2018-19. At present Mr. Manoj Somani is the compliance officer of the Company.

- s) CREDIT RATINGS:

The Company has not obtained any Credit Rating during the financial year and hence no disclosure is required with respect to Clause 9(q) of Para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**11. DETAILS OF SHOW CAUSE/DEMAND/PROSECUTION/PENALTY NOTICES RECEIVED AGAINST THE COMPANY:**

TDS and TCS unpaid of Rs 32.99 Lakh and 0.15 lakh respectively – Provision for Interest & Late return filling fee u/s 234E of IT Act not done because amount could not be quantified on exact basis. TDS Return pending to be filled for Quarter ended Sep-2018, Dec-2018, March-2019. The Company has received notice for the same from the respective department.



GST Liabilities: Provision for Interest on late filing GST returns not done in books of accounts because amount could not be quantified on exact basis. GST Returns pending to be filled for Jan-2019, Feb-2019 and March-2019.

Excise Duty PLA Rs 6.08 Lakh due to be paid to Govt. Authorities: Provision for Interest not done because amount could not be quantified on exact basis. The Company has paid penalty levied for the same.

Loxim Industries, Alpine Export and Dolphin Polyfill Private Limited have filed suits against the Company u/s 138 of Negotiable Instrument Act.

## 12. MANAGEMENT DISCUSSION AND ANALYSIS:

### a. Industry Structure and Developments:

Gopala Polyplast Limited has been in the HDPE/PP woven sacks industry right from its inception. The Company offers the complete range of HDPE/PP woven bags/ sacks with liner, HDPE/PP woven laminated bags, BOPP coated bags, AD Star bags, Sand Bags which are manufactured in our state of the art manufacturing unit.

Despite being hampered by the Jute Packaging Materials (Compulsory Use in Packing Commodities) Act, 1987(JPMA) by which the Government of India mandates the use of only Hessian (Jute) bags for many high-volume applications like packaging of food-grains and sugar HDPE/PP bags are becoming increasingly popular in India and have caught the eye of many end users for their requirement of packing materials.

Woven polyethylene/polypropylene bags or simply woven HDPE/PP bags are versatile packing materials and are being used as an innovative and cost-effective packaging concept with light weight and the toughest packaging bags, in mainly cement industries, agricultural, sugar, fodder, chemicals, fertilizers, sand, metals and concretes etc. polypropylene bags have special linings that result in better resistant to humid conditions, in turn, leading to prolonged shelf life of the packed products.

PP (polypropylene) has high tensile strength, making it ideal for use as tough handling material. Because of its high melting point, polypropylene can be hot-filled with products. HDPE bags are used mainly by the fertilizer industry and PP bags are mainly used for the packaging of cement.

So far as Textile Label is considered the growth of organized retailing through huge malls and increase in the demand of ready to wear garments because of changing fashion trends have lead to growth in demand of labels.

### b. Opportunities and Threats:

#### Opportunities:

1. Growing industrialization in India, leading to more demand of sophisticated packaging by end customer. The Company is main supplier to cement industry and all major players in cement industries are doing their expansion on regular basis so demand of bags is increasing.
2. With the beginning of organized retailing of agro & food products, the packaging requirement with value added PP bags has emerged creating a new market for the company's product.
3. Poor showing of jute industry. Hence food grain sector shows ample scope in future as government is relaxing the jute packaging orders.
4. Export, retail packing of sugar and food grain shifting to PP sacks segment.
5. Ready to wear garment in domestic market is increasing due to changing fashion trend which is creating a new demand for label product for the company.



**Threats:**

1. The threats of competition out of new capacities.
2. The company is engaged in the manufacture of HDPE/ PP bags and price of its raw material i.e. plastic granules is affected by fluctuations in crude oil prices and dollar. Domestic market is more price sensitive than quality sensitive
3. The process of making bags from fabric is labour oriented and labour is now in short supply.
4. Products are not bio degradable. Hence, criticism from certain sector of society as being dangerous to environment may force government to put some type of restrictions which may adversely affect future growth. However, plastics can be reused and recycled.
5. As per the provisions of Section 17 of the Insolvency and Bankruptcy Code, 2016 (IBC), the powers of the Board of Directors are suspended and the same are vested in the Resolution Professional (RP). The Powers vested with the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee will also be exercised by the Resolution Professional. Until the final resolution all the decisions pertaining to the Company will be taken in consultation with Committee of Creditors as per the IBC Rules and regulations by the RP.

**c. Segment wise Performance:**

The Company is operating mainly in Woven Sacks Division. The Company is also in manufacturing of Labels.

**d. Recent Trend and Future Outlook:**

According to a report prepared by FICCI and Tata Strategic Management Group (TSMG) on plastic industry titled 'Plastic packaging is one of the fastest growing industries and stands at USD 700 billion globally. It has grown higher than GDP in most of the countries. In developing country like India, it grew at a CAGR of 16% in the last five years and touched ~USD 32 Bn. in FY 15.

Demand for the Company's products depends on the growth in demand for the products of its user industries, such as Cement (about 60%), Fertilizer (about 15%), Chemicals (about 7%), Food Grains (about 6%), Sugar (about 1%), etc. The Indian woven sack industry is expected to continue to grow at the annual compounded growth rate of 11% to 12%.

In case of Labels demand depends on the growth of Apparel Industry, which is also expected to grow at the annual compounded growth rate of 11% to 12%.

**e. Risks and Concerns:**

1. Food 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 which consumes about 60% of production of the Company of PP sacks, it definitely impacts the growth plans.
2. Due to lower margins high production capacity utilization is required in order to earn profit.
3. The company's inventory holding level generally remains high due to the nature of its products. So if there is steep fall in prices then there will be substantial loss in the value of stock held by the company.

**f. Internal Control Systems and their Adequacy:**

The Company has adequate systems of Internal Controls commensurate with its size and operations to ensure orderly and efficient conduct of business. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information.



**g. Financial Performance with respect to Operational Performance:**

The financial performance of the Company for the year 2018-19 will be described in the Directors' Report.

**h. Material Developments in Human Resources and Industrial Relations Front:**

Your Company has undertaken certain employees' development initiatives, which have very positive impact on the morale and team spirit of the employees. We are also concentrating on building up of our Human Resource Capital especially in our Sales Team by under taking various T & D activities. We are also creating adequate support systems at our HO which will provide requisite knowledge and data to our sales team. These activities will lead to a more informed and motivated sales team.

**i. Key Financial Ratios:**

Key Ratios	FY 2018-19	FY 2017-18	Change %	Explanation, if required
Debtors Turnover	0.15	0.27	(44.44%)	Impact of GST had negative effect on the revenue of the Company.
Inventory Turnover	33.74	5.35	530.65%	
Interest Coverage Ratio	( 3.24)	( 1.36)	(138.24%)	The shut down of the plant also had major impact on the operations of the Company.
Current Ratio	0.32	1.15	(72.17%)	
Debt Equity Ratio	( 0.28)	1.83	(115.30%)	
Operating Profit Margin (%)	(23.44%)	9.25%	(353.41%)	
Net Profit Margin (%)	(48.33%)	2.69%	(1896.65%)	
Return on Networth	(8.76)	0.80	(1195.00%)	

**j. Cautionary Statement:**

Statement in this Management Discussion and Analysis Report, describing the Company's objectives, estimates and expectations may constitute 'Forward Looking Statements' within the meaning of applicable laws or regulations. Actual results might differ materially from those either expressed or implied.

**13. DISCLOSURES:**

- a. The Company has not entered into any transaction of material nature with the Promoters, the Directors or the Management that may have any potential conflict with the interest of the Company. The Company has no subsidiary.
- b. There has neither been any non compliance of any legal provision of applicable law, nor any stricture imposed by the Stock Exchange/s or SEBI or any other authorities, on any matters related to Capital Market during the last three years except penalty levied by BSE Limited for delay in allotment of Shares upon conversion of securities and for delay in submission of Unaudited Financial Results for the quarter ended on 30<sup>th</sup> September, 2018 after 30 minutes of conclusion of Board Meeting held on 14<sup>th</sup> November, 2018.
- c. The Company has implemented Vigil Mechanism and Whistle Blower Policy and it is hereby affirmed that no personnel have been denied access to the Audit Committee. The Whistle Blower policy is available on the website of the Company viz. [www.gopalapolyplast.com](http://www.gopalapolyplast.com)
- d. The Company was in compliance with all mandatory requirements under Listing Regulations for the financial year 2018-19 except appointment of Woman director that occurred due to resignation of Ms. Palak D. Parekh w.e.f. 29<sup>th</sup> March, 2019. However, as on the date of report there are no Independent Directors on the Board of the Company. The Company also does not have a full time Company Secretary as Compliance officer and there is no proper constitution of Board of Directors of the Company under Reg. 17 of SEBI-LODR. Adoption of non-mandatory requirements of Listing Regulations is being reviewed by the Board from time to time.
- e. The policy on related party transactions is disclosed on the Company's website viz. [www.gopalapolyplast.com](http://www.gopalapolyplast.com)



f. Disclosure of Accounting Treatment :

These Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act. The Financial Statements up to and for the year ended 31<sup>st</sup> March, 2017 were prepared to comply in all material aspects with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act. The previous year figures have been regrouped/reclassified or restated as per Ind AS, so as to make the figures comparable with the figures of current year. As these are the first Financial Statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101 'First Time Adoption of Indian Accounting Standards' has been applied.

- g. The Company has utilized money raised through Preferential Allotment by way of allotment of Shares upon conversion of warrants and have made compliance of all disclosures pertaining to Preferential Allotment. The Company has not raised any funds through Qualified Institutions Placement (QIP) during the financial year and hence no disclosure is required with respect to Clause 10(h) of Para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- h. A Certificate from M/s. Kashyap R. Mehta & Associates, Practicing Company Secretaries to the effect that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority has been attached as **Annexure –C**.
- i. During the financial year, the Board of Directors of the Company has not rejected any recommendation of any committee of the Board which was mandatorily required under the Companies Act, 2013 or the Listing Regulations.
- j. The details of total fees for all services paid by the Company to the statutory auditor of the Company viz. M/s. Ashok Dhariwal & Co. Chartered Accountants, Ahmedabad and all entities in the network firm/network entity of which the statutory auditor is a part are as follows:

Type of fee	2018-19	2017-18
Audit Fees	2.50	2.75
Tax Audit Fees	---	---
Other fees (specify)	---	---

- k. disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Sr. No.	Particulars	No. of complaints
1	Complaints filed during the financial year	Nil
2	Complaints disposed of during the financial year	Nil
3	Complaints pending as at the end of the financial year	Nil

**13. DETAILS OF NON COMPLIANCE OF CORPORATE GOVERNANCE REQUIREMENT:**

The Company was in compliance with all mandatory requirements of Corporate Governance under Listing Regulations for the financial year 2018-19 except appointment of Woman director that occurred due to resignation of Ms. Palak D. Parekh w.e.f. 29<sup>th</sup> March, 2019. However as on the date of report there are no Independent Directors on the Board of the Company. There is no proper constitution of Board of Directors of the Company under Reg. 17 and hence there is no proper constitution of Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee as per SEBI LODR.



**14. NON-MANDATORY REQUIREMENTS OF REGULATION 27 (1) & PART E OF SCHEDULE II OF THE LISTING REGULATIONS:**

- i. The Company has an Executive Chairman.
- ii. The quarterly / half yearly results are not sent to the shareholders. However, the same are published in the newspapers and also posted on the Company's website.
- iii. The Company's financial statements for the financial year 2018-19 contain adverse opinion as mentioned in Auditors' Report which also forms part of Annual Report 2018-19.
- iv. The internal auditors report to the Audit Committee.

**15.** The Company is in compliance with the corporate governance requirements specified in Regulation 17 to 27 except as mentioned at Sr. No. 13 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Regulations.

Place : Ahmedabad  
Date : 5<sup>th</sup> November, 2019

**Mr. Vikash G. Jain**  
Resolution Professional for Gopala Polyplast Limited  
Reg. No.: IBBI/IPA-001/IP-P00354/2017-18/10612

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**DECLARATION**

All the Board Members and Senior Management Personnel of the Company have affirmed the compliance with the provisions of the code of conduct of Board of Directors and Senior Management for the year ended on 31<sup>st</sup> March, 2019.

**For Gopala Polyplast Limited**

Place : Ahmedabad  
Date : 5<sup>th</sup> November, 2019

**Manish M. Somani**                      **Mr. Vikash G. Jain**  
**CFO**                                      **Resolution Professional**



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**CERTIFICATE**

**To  
The Members of  
Gopala Polyplast Limited.**

We have examined the compliance of conditions of Corporate Governance by M/s. Gopala Polyplast Limited, for the year ended on 31<sup>st</sup> March, 2019 and also up to the date of this report as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) / Listing Agreement (LA).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance as stipulated in LODR / LA. 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, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 & Part E of Schedule II of LODR except as mentioned at Sr. No. 13 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Regulations.***

As per representation received from the Registrars of the Company, we state that as per records maintained by the Stakeholders' Relationship Committee, no investor grievance remaining unattended/ pending for more than 30 days.

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, KASHYAP R. MEHTA & ASSOCIATES  
COMPANY SECRETARIES**

**KASHYAP R. MEHTA  
PROPRIETOR  
FCS: 1821**

**C.O.P. No. 2052  
FRN: S2011GJ166500  
PR: 583/2019**

Place : Ahmedabad  
Date : 5<sup>th</sup> November, 2019





**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*[Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI  
(Listing Obligations and Disclosures Requirements) Regulations, 2015]*

To,  
**The Members of  
Gopala Polyplast Limited**  
485, SantejVadsar Road,  
Santej, Taluka Kalol,  
Dist.: Gandhinagar – 382 721

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Gopala Polyplast Limited having CIN: L25200GJ1984PLC050560 and having registered office at 485, Santej Vadsar Road, Santej, Taluka Kalol, Dist.: Gandhinagar – 382 721(hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of the Director	DIN	Date of appointment in the Company
1	Manoj M. Somani	00119021	04-07-1988
2	Manish M. Somani	00119033	20-05-1995
3	Kishori Lal Sonthalia <sup>#</sup>	00899958	14-11-2017

<sup>#</sup>Appointed as Independent Directors of the Company for period of 5 consecutive years w.e.f. 28-09-2018  
<sup>\*</sup> Mr. Kishori Lal Sonthalia has submitted his resignation from the office of Independent Director w.e.f. 25<sup>th</sup> October, 2019 to the Resolution Professional.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For, KASHYAP R. MEHTA & ASSOCIATES  
COMPANY SECRETARIES  
FRN: S2011GJ166500**

Date : 5<sup>th</sup> November, 2019  
Place : Ahmedabad

**KASHYAP R. MEHTA  
PROPRIETOR  
C.O.P. No. 2052 FCS: 1821 PR: 583/2019  
UDIN:F001821A000207048**



FORM NO. MR-3

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2019**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Gopala Polyplast Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Gopala Polyplast Limited** [CIN: L25200GJ1984PLC050560] ('hereinafter called the Company') having Registered Office at 485, Santej – Vadsar Road, Santej, Tal. Kalol, Dist. – Gandhinagar – 382721, Gujarat. The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2019** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
  - (d) Securities and Exchange Board of India (Share Based Employee Benefits) Requirements, 2014 (Not Applicable during the audit period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable during the audit period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable during the audit period)
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable during the audit period); and



(vi) Various common laws applicable to the manufacturing and other activities of the Company such as Labour Laws, Pollution Control Laws, Land Laws, Patents Act, 1970, The Trade Marks Act, 1999 etc. and various Sectoral specific acts and Rules made thereunder such as Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008 framed under Environment (Protection) Act, 1986 for which we have relied on Certificates/ Reports/ Declarations/ Consents/ Confirmations obtained by the Company from the experts of the relevant field such as Advocate, Labour Law Consultants, Engineers, Occupier of the Factories, Registered Valuers, Chartered Engineers, Factory Manager, Chief Technology Officer of the Company, Local Authorities, Effluent Treatment Adviser etc. and have found that the Company is generally regular in complying with the provisions of various applicable Acts.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with Stock Exchanges

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to following observations:

1. *There was a delay of 7 days under regulation 75 of SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 for allotment of Shares upon conversion of securities within a period of 18 months and the penalty was levied for the same. The Company has duly paid the amount of penalty levied by BSE Limited.*
2. *The outcome of Board Meeting and the submission of Unaudited Financial Results for the quarter ended on 30<sup>th</sup> September, 2018 were submitted to BSE Limited after 30 minutes of conclusion of Board Meeting held on 14<sup>th</sup> November, 2018.*
3. *There was a delay of 1 day in making Disclosure to BSE Limited u/r 7(2) for acquisition of 3,50,000 Equity Shares on 31<sup>st</sup> January, 2019 by Mr. Manoj Somani, Promoter of the Company.*
4. *Due to resignation of Ms. Palak D. Parekh, Woman Independent Director, w.e.f 29<sup>th</sup> March, 2019, the composition of Board is not in compliance with Regulation 17 of SEBI (LODR) Regulations, 2015.*
5. *The Company has yet not taken special efforts to collect copy of PAN, and bank account details of all securities holders holding securities in physical form pursuant to Point 12 of para II of Annexure to the SEBI Circular No. SEBI/ HO/ MIRSD/ DOP1/ CIR/ P/ 2018/ 73 dated 20<sup>th</sup> April, 2018. However, the Company has placed note for the same in the Annual Report for the year 2018-19.*
6. *Website of the Company is not updated as per SEBI LODR.*
7. *There is significant uncertainty on the Company's ability to continue as a going concern due to full erosion of net-worth and initiation of CIRP proceedings.*

We further report that we have relied on the report of the statutory auditors of the Company with respect to provisions related to audit of accounts and financial statements of the Company. The statutory auditors have issued an adverse opinion with respect to financial statements of the Company for the period under review. The basis for adverse opinion and material uncertainty related to going concern as detailed by the statutory auditors in their report dated 21<sup>st</sup> October, 2019 have been summarized as under:

Sr. No.	Summary of basis for adverse opinion made by statutory auditor
1.	<b>Inventories</b> – No physical verification of Inventories; Indirect taxes considered as part of Inventory cost; non-maintenance of adequate inventory records at the factory, non-provision for diminution in the value of old and slow moving inventory.
2.	<b>Trade Receivables</b> – Non-receipt of balance confirmations for Rs. 54.37 Cr. of receivables; short provision/ non-provision for Bad and Doubtful debts; set-off of receivable/ payable balances of one party against payable/ receivable balances of multiple parties without routing the transactions through the company bank accounts.



3.	<b>Deferred Taxes</b> – Absence of convincing evidence that sufficient future taxable income will be available against which deferred tax assets aggregating to Rs. 323.26 lakhs can be realized. Potential Impact- Loss after tax higher by Rs. 26.69 Lakhs and other equity lower by same amount.
4.	<b>Borrowings</b> – Not shown on amortized cost method as required under Ind AS and hence the same are not subsequently measured using the EIR method as per Ind AS 109.
5.	<b>Employee Benefits</b> – Provision for the amount of gratuity liability for the employees on the basis of management's estimate and not actuarially determined & provided for as per Ind AS 19 and also as per the provisions of section 128 of the Companies Act, 2013.
6.	<b>Fixed Assets</b> – Physical verification of Fixed Assets conducted by employees and not by technical personnel; non-availability of fair value reports of tangible & intangible assets from any technical personnel; non-testing and non-provision for impairment.
7.	<b>Going concern assumption</b> – Significant uncertainty on the Company's ability to continue as a going concern due to full erosion of net-worth with current liabilities exceeding current assets by Rs. 9,990.17 lakhs and initiation of CIRP; However, Preparation of financial statements is on going concern basis.

Apart from the above the statutory auditors of the Company have issued an adverse opinion on the internal financial controls of the Company.

We further report that:

During the audit period, the Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director except as reported above. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Board of Directors of the Company has allotted 13,00,000 fully paid up Equity Shares of Rs. 10/- each for cash at a price of Rs. 60/- per Equity Share (including a premium of Rs. 50/- per Equity Share) pursuant to exercise of option of conversion by holders of 13,00,000 Warrants after receiving 75% of the subscription money as per the terms of issue on Preferential basis to Non-Promoter Investors after complying with the necessary provisions and guidelines under section 62(1)(c) of the Companies Act, 2013, SEBI (ICDR) Regulations, 2009 & SEBI (LODR) Regulations, 2015.

**We further report** that the Hon'ble National Company Law Tribunal (NCLT), Ahmedabad bench vide its order dated 2<sup>nd</sup> May, 2019, has admitted the reference for initiation of Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016 (IBC) to initiate appropriate action contemplated in Corporate Insolvency Resolution Process (CIRP) in accordance with extant provisions of Insolvency and Bankruptcy Code (IBC), 2016 and other relevant rules. According to the said order, Mr. Vikas G. Jain (Reg. No.: IBBI/IPA-001/IP-P00354/2017-18/10612) was appointed as Interim Resolution Professional (IRP) w.e.f the date of the said order. Thereafter on 31<sup>st</sup> May, 2019, the meeting of Committee of Creditors was held, whereby Mr. Vikas G. Jain, was duly appointed as Resolution Professional (RP). Hence, as per the provisions of Section 17 of IBC, the powers of the Board of Directors are suspended and the same are vested in the Resolution Professional (RP).



We further report that during the audit period the Company has:

1. Duly passed Special Resolution for re-appointment of Mr. Manoj M. Somani as Managing Director of the Company.
2. Duly passed Special Resolution for re-appointment of Mr. Manish M. Somani as Whole Time Director of the Company.
3. Duly passed Special Resolution for authorising the Board of Directors under section 186 of the Companies Act, 2013.
4. Duly passed Special Resolution under Section 61 and other applicable provisions of the Companies Act, 2013 at the Extra Ordinary General Meeting held on 28<sup>th</sup> April, 2018 for increasing the Authorised Share Capital of the Company from Rs. 16 Crore to Rs. 21 Crore.

**For KASHYAP R. MEHTA & ASSOCIATES  
COMPANY SECRETARIES  
FRN: S2011GJ166500**

Place : Ahmedabad  
Date : 5<sup>th</sup> November, 2019

**KASHYAP R. MEHTA  
PROPRIETOR**  
FCS: 1821 : C.O.P. No. 2052 : **PR-583/2019**  
**UDIN: F001821A000206938**

**Note:** This report is to be read with our letter of even date which is annexed as **Annexure 1** and forms an integral part of this report.



To,  
The Members,  
**Gopala Polyplast Limited.**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For KASHYAP R. MEHTA & ASSOCIATES  
COMPANY SECRETARIES  
FRN: S2011GJ166500**

Place : Ahmedabad  
Date : 5<sup>th</sup> November, 2019

**KASHYAP R. MEHTA  
PROPRIETOR  
FCS: 1821 : C.O.P. No. 2052 : PR-583/2019  
UDIN: F001821A000206938**

**Form No. MGT – 9****EXTRACT OF ANNUAL RETURN AS ON 31<sup>ST</sup> MARCH, 2019**

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

(1)	CIN	<b>L25200GJ1984PLC050560</b>
(2)	Registration Date	11-06-1984
(3)	Name of the Company	Gopala Polyplast Limited
(4)	Category / Sub-Category of the Company	Public Company Limited by Shares
(5)	Address of the registered Office and Contact Details	Plot No. 485, Santej Vadsar Road, Santej, Taluka Kalol, Dist. Gandhinagar – 382721
(6)	Whether Listed Company	Yes
(7)	Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS Share Transfer Agent Ltd. 201, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad – 380 009 Phone : +91-79-26582878 Email id: mcsahmd@gmail.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover
1	Plastic articles for the packing of goods (plastic bags, sacks, etc.)	22203	87.26 %
2	Other activities relating to finishing textiles	13139	12.74 %

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

The Company has no Holding/ Subsidiary/ Associate Company.

**IV. SHARE HOLDING PATTERN:****i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held as on 1 <sup>st</sup> April, 2018				No. of Shares held as on 31 <sup>st</sup> March, 2019				% Change during 2018-19
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	1375209	-	1375209	15.51	1534189	-	1534189	15.09	(0.42)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	1878993	-	1878993	21.19	1583120	-	1583120	15.57	(5.62)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	<b>3254202</b>	-	<b>3254202</b>	<b>36.70</b>	<b>3117309</b>	-	<b>3117309</b>	<b>30.66</b>	<b>(6.04)</b>



<b>B. Public Shareholding</b>										
1. Institutions										
a) Mutual Funds	-	200	200	0.00	-	200	200	0.00	-	
b) Banks / FI	-	-	-	-	-	-	-	-	-	
c) Central Govt	-	-	-	-	-	-	-	-	-	
d) State Govt(s)	-	-	-	-	-	-	-	-	-	
e) VCF	-	-	-	-	-	-	-	-	-	
f) Ins. Companies	-	-	-	-	-	-	-	-	-	
g) FIs	757099	-	757099	8.54	1115465	-	1115465	10.97	2.43	
h) Foreign VCF	-	-	-	-	-	-	-	-	-	
i) Others (specify)	-	-	-	-	-	-	-	-	-	
<b>Sub-total (B)(1):-</b>	<b>757099</b>	<b>200</b>	<b>757299</b>	<b>8.54</b>	<b>1115465</b>	<b>200</b>	<b>1115665</b>	<b>10.97</b>	<b>2.43</b>	
2. Non-Institutions										
a) Bodies Corp.										
i) Indian BC & Clearing Members	1006499	4520	1011019	11.40	1940629	4520	1945149	19.13	7.73	
ii) Overseas	-	-	-	-	-	-	-	-	-	
b) Individuals										
i) Individuals holding <= ₹ 1,00,000	1045649	76604	1172253	12.66						
ii) Individuals holding > ₹ 1,00,000	1980987	-	1930987	22.34						
c) Others (specify)										
NRIs	618237	-	618237	6.97	578076	-	578076	5.69	(1.28)	
OCB	-	-	-	-	-	-	-	-	-	
Foreign Nationals	-	-	-	-	-	-	-	-	-	
Trusts	-	-	-	-	-	-	-	-	-	
Others– HUF	122395	-	122395	1.38	73869	-	73869	0.73	(0.65)	
<b>Sub-total (B)(2):-</b>	<b>4773767</b>	<b>81124</b>	<b>4854891</b>	<b>54.75</b>	<b>5857094</b>	<b>76324</b>	<b>5933418</b>	<b>58.36</b>	<b>3.61</b>	
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>5530866</b>	<b>81324</b>	<b>5612190</b>	<b>63.29</b>	<b>6972559</b>	<b>76524</b>	<b>7049083</b>	<b>69.34</b>	<b>6.05</b>	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-	
<b>Grand Total (A+B+C)</b>	<b>8785068</b>	<b>81324</b>	<b>8866392</b>	<b>100.00</b>	<b>10089868</b>	<b>76524</b>	<b>10166392</b>	<b>100.00</b>	<b>-</b>	





**ii) Shareholding of Promoters:**

Sr. No.	Shareholder's Name	Shareholding as on 01-04-2018			Share holding as on 31-03-2019			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Manish Somani	510100	5.75	500000	510100	5.02	500000	(0.73)
2	Manoj Somani	556440	6.28	500000	906440	8.92	500000	2.64
3	Mahendra kumar Somani	70749	0.80	-	70749	0.70	-	(0.10)
4	Anil kumar Khetawat*	100000	1.13	-	-	-	-	(1.13)
5	Jugal kishore Khetawat (HUF)*	70000	0.79	-	-	-	-	(0.79)
6	Jugal Kishore Khetawat*	-	-	-	-	-	-	-
7	Seema Khaitan*	20000	0.23	-	-	-	-	(0.23)
8	Purnima Somani	18620	0.21	-	18620	0.18	-	(0.03)
9	Madhushree Somani	16280	0.18	-	16280	0.16	-	(0.01)
10	Ushadevi Somani	12000	0.14	-	12000	0.12	-	(0.02)
11	Ramnarayan Somani*	1016	0.01	-	200	0.00	-	(0.01)
12	Shreeprakash Nathmal Somani*	4	0.00	-	4	0.00	-	-
13	Arunodaya Credit and Holdings Investment Pvt.Ltd.	832000	9.38	416000	757000	7.45	341000	(1.93)
14	Vinayaka Credit and Holdings Investment Pvt Ltd	720000	8.12	-	720000	7.08	-	(1.04)
15	Indian Bobbin Manufacturing Company Private Limited	106120	1.20	-	106120	1.04	-	(0.16)
16	Status Credit & Capital Pvt Ltd*	100000	1.13	-	6653	0.06	-	(1.06)
17	RTL Logistics Limited*	89000	1.00	-	-	-	-	(1.00)
18	Gopala Mercantile Ltd*	28000	0.32	-	28000	0.28	-	(0.04)
19	Swastik Capital and Stock Private Limited*	3833	0.04	-	3833	0.04	-	-
20	Navjeevan Synthetics Pvt Ltd*	40	0.00	-	40	0.00	-	-
21	Navjeevan Credit & Holdings Ltd.*	-	0.00	-	-	0.00	-	-
	<b>Total</b>	<b>3254202</b>	<b>36.70</b>	<b>1416000</b>	<b>3156039</b>	<b>31.05</b>	<b>1341000</b>	<b>(4.63)</b>

\* The Company received Letter from BSE dated 23<sup>rd</sup> April, 2018 approving Reclassification of Persons/ Entities forming part of the Promoter Group from 'Promoter & Promoter Group Category' to 'Public Category'



iii) Change in Promoters' Shareholding:

Sr. No.	Each of the Promoter and Promoter Group	Shareholding as on 1 <sup>st</sup> April, 2018		Changes during the Year 2018-19	Shareholding as on 31 <sup>st</sup> March, 2019	
		No. of shares	% of total shares		No. of shares	% of total shares
1	Manish Somani	556440	6.28	2.64	906440	8.92
2	Anil kumar Khetawat*	100000	1.13	(1.13)	-	-
3	Ramnarayan Somani*	1016	0.01	(0.01)	200	0.00
4	Arunodaya Credit and Holdings Investment Pvt Ltd	832000	9.38	(1.93)	757000	7.45
5	Jugal kishore Khetawat (HUF)*	70000	0.79	(0.79)	-	-
6	Seema Khaitan*	20000	0.23	(0.23)	-	-
7	Status Credit & Capital Pvt Ltd*	100000	1.13	(1.06)	6653	0.06
8	RTL Logistics Limited*	89000	1.00	(1.00)	-	-
	<b>TOTAL</b>	<b>1768456</b>	<b>19.95</b>	<b>(3.51)</b>	<b>1670293</b>	<b>16.43</b>

\* The Company received Letter from BSE dated 23<sup>rd</sup> April, 2018 approving Reclassification of Persons/ Entities forming part of the Promoter Group from 'Promoter & Promoter Group Category' to 'Public Category'

iv) Shareholding Pattern of top ten Shareholders:

(other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding as on 01-04-2018		Changes during the Year (increase/decrease) (No. of Shares)	Shareholding as on 31-03-2019	
		No. of shares	% of total shares		No. of shares	% of total shares
1	Vimal Sudarshan Bafna	599990	6.77%	(4.31)	249990	2.46%
2	Aspire Emerging Fund	596204	6.72%	(1.18)	563694	5.54%
3	Ashit Mehta	155000	1.75%	(0.23)	155000	1.52%
4	Vijay Vasu	123410	1.39%	(0.18)	123410	1.21%
5	Madanmohanrai Mahendra Shah	119830	1.35%	(1.32)	2726	0.03
6	Kunvarji Fincorp Private Limited	118820	1.34%	(1.34)	-	-
7	Jm Financial Services Limited	105000	1.18%	(1.18)	-	-
8	Sykes And Ray Equities (Mumbai) Private Ltd	104331	1.18%	1.98	321179	3.16
9	Hypnos Fund Limited	93000	1.05%	(1.05)	-	-
10	Parimal Jaswantraai Mehta	90000	1.02%	(0.13)	90000	0.89

Note: Since the shares are traded on daily basis, date wise increase / decrease is not indicated.



v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding, if any, of each Directors and each Key Managerial Personnel	Shareholding as on 01-04-2018		Changes during the Year (No. of shares)	Shareholding as on 31-03-2019	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
1.	Mr. Manish M. Somani	510100	5.75	-	510100	5.02
2.	Mr. Manoj M. Somani	556440	6.28	350000	906440	8.92
3.	Mr. Mahendra N. Somani*	70749	0.80	-	70749	0.70
	<b>Total</b>	<b>1137289</b>	<b>12.83</b>		<b>1487289</b>	

\* Mr. Mahendra N. Somani resigned as Whole Time Director of the Company w.e.f. 14<sup>th</sup> November, 2018

Note: Mr. Kishorilal Sonathalia, Mr. Sanjay Maniar and Ms. Palak Parekh Directors of the Company and Mr. Ketankumar Vala (CS) did not hold shares in this Company during the year.

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(` in Lacs)

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>A.</b>	<b>Indebtedness as on 01-04-2018</b>				
	i) Principal Amount	8629.49	1937.57	-	10567.06
	ii) Interest due but not paid	-	26.09	-	26.09
	iii) Interest accrued but not due	-	-	-	-
	<b>Total (i+ii+iii)</b>	<b>8629.49</b>	<b>1963.66</b>	<b>-</b>	<b>10593.15</b>
<b>B.</b>	<b>Net Change in Indebtedness during 2018-19</b>				
	* Addition	858.69	388.19	-	1246.88
	* Reduction	(1375.13)	(592.26)	-	(1967.39)
	<b>Net Change</b>	<b>(516.44)</b>	<b>(204.07)</b>	<b>-</b>	<b>(720.51)</b>
<b>C.</b>	<b>Indebtedness as on 31-03-2019</b>				
	i) Principal Amount	8113.05	1759.59	-	9872.64
	ii) Interest due but not paid	-	41.10	-	41.10
	iii) Interest accrued but not due	-	-	-	-
	<b>Total (i+ii+iii)</b>	<b>8113.05</b>	<b>1800.69</b>	<b>-</b>	<b>9913.74</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:**

Sr. No.	Particulars of Remuneration	Name of MD/ WTD/ Manger		
		Mr. Manoj M. Somani Managing Director	Mr. Mahendra N. Somani Whole Time Director	Mr. Manish M. Somani Whole Time Director*
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 15,95,000/-	₹ 8,00,000/-	₹ 13,75,000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
5.	Others, Please specify (contribution to Provident Fund)	-	-	-
	Total (A)	₹ 15,95,000/-	₹ 8,00,000/-	₹ 13,75,000/-
	Ceiling as per the Companies Act			

\* Mr. Mahendra N. Somani resigned as Whole Time Director of the Company w.e.f. 14<sup>th</sup> November, 2018

**B. Remuneration to other Directors:**

Other Directors have not been paid any remuneration.



**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

( ` in Lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Manish M. Somani- CFO**	Mr. Ketankumar R. Vala- Company Company*	Total
1.	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	4.92	4.92
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
5.	Others, Please specify	-	-	-
	Total	-	4.92	4.92

\$ Salary for the period from 01/04/2018 to 05/08/2019

# Salary for the period from 01/04/2018 to 10/11/2019

\*Salary for the period from 15/11/2018 to 31/03/2019

\*\* Mr. Manish Somani is Wholetime Director and CFO of the Company. There is no change in his salary pursuant to his becoming CFO of the Company

**VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:**

The Company has paid penalties of Rs. 16,99,949/- under various Acts/ Rules during the Financial Year 2018-19

Place : Ahmedabad

Date : 5<sup>th</sup> November, 2019

**Mr. Vikash G. Jain**

Resolution Professional for Gopala Polyplast Limited

Reg. No.: IBBI/IPA-001/IP-P00354/2017-18/10612



## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Gopala Polyplast Limited

### Report on the Audit of the Financial Statements

#### Corporate insolvency Resolution Process ("CIRP")

The Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT") by an order dated May 2, 2019 admitted the Corporate Insolvency Resolution Process ("CIRP") consequent upon an application filed by Bonus Plastics Private Limited u/s 9 of IBC Code and appointed Mr. Vikash Gautamchand Jain as the Interim Resolution Professional ("IRP") in term of the Insolvency and Bankruptcy Code, 2016 ("Code") to manage the affairs of the Company as per the provisions of the Code. The CIRP is ongoing.

#### Adverse Opinion

We have audited the financial statements of Gopala Polyplast Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matters described in the *Basis for Adverse Opinion* section of our report, the accompanying Ind AS financial statements do not give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2019, its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Adverse Opinion

1. In respect of Inventories, during the reporting period, the management has not undertaken physical verification of Inventories at periodic intervals and has not obtained any technical /market/commercial evaluation for the inventories. Hence, we are unable to comment on the realizable value of the same, which may be lower than the amount at which it has been reflected in the balance sheet. Indirect taxes are also considered as part of Inventory cost. The Company has not maintained adequate inventory records at the factory. No provision has been made on diminution in the value of old and slow moving inventory. The impact of the above remarks, presently not ascertainable and, therefore, cannot be commented upon
2. In respect of Trade Receivables amounting to Rs. 54.37 Cr., we have not received balance confirmations from the debtors. The realisability of these amount is doubtful and company has not made any provision for Bad and Doubtful debts in respect of these receivables, other than specified in Note no. 36. In our opinion, the provision made is inadequate and the impact on loss and carrying value of trade receivables could not be ascertained. Further, there have been instances where the company had set off receivable / payable balances of one party against payable / receivable balances of multiple parties without routing the transactions through the company bank accounts.
3. Note 31 (XVIII) to the standalone financial statements, in respect of recognition of deferred tax assets on account of carried forward unused tax losses and other taxable temporary differences aggregating to Rs. 323.26 lakhs. The Management of the Company is confident that sufficient future taxable income will be available against which such deferred tax assets will be realized. However, in our opinion, in absence of convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized, such recognition is not in accordance with Indian Accounting Standard 12 "Income Taxes" (Ind AS 12). Had the aforesaid deferred tax assets not been recognized, loss after tax for the year ended on March 31, 2019 would have been higher by Rs. 26.69 Lakhs and other equity would have been lower by same amount.
4. The borrowings have not been shown on amortized cost method as required under Ind AS. Hence the same are not subsequently measured using the EIR method as per Ind AS 109.



5. The present liability for future payment of gratuity as on March 31, 2019 is not actuarially determined and provided for as per Indian Accounting Standard – 19 (Ind AS 19), "Employee Benefits" and also as per the provisions of section 128 of the Companies Act, 2013 relating to preparation of books of account on accrual basis. The Company has provided for the amount of gratuity liability for the employees on the basis of management's estimate. In the absence of actuarial valuation report, the quantum of short provision of gratuity and its impact on the Statement of Profit and Loss for the period ended March 31, 2019 cannot be determined.
6. As reported in Note 32 to the standalone financial statements, in respect of physical verification conducted by the employees and not by any technical personnel, fair value reports of fixed assets of Rs. 3858.96 Lakhs for Tangible Assets and 3.23 Lakhs for Intangible Assets as at March 31, 2019 are not available from any Technical Personnel. The said assets are not tested for impairment and hence no provision for impairment has been made. In absence of any alternative corroborative evidence, we are unable to comment on the recoverability of the same.

#### **Material Uncertainty Related to Going Concern**

We draw attention to Note 30 and 31C(i) to the financial statement, wherein it is indicated that the company has incurred a loss of Rs. 8,900.80 lakhs during the year ended March 31, 2019 due to which its net worth has been fully eroded and as of the date, the company's current liabilities exceeded its current assets by Rs. 9,990.17 lakhs. Corporate Insolvency Resolution process (CIRP) has been initiated for the Company on May 2, 2019. These conditions indicate that a material uncertainty exist that may cast significant doubt regarding on the company's ability to continue as a going concern and therefore the company may be unable to realise its assets and discharge its liabilities in the normal course of business. The ultimate outcome of these matters is at present not ascertainable. Accordingly, we are unable to comment on the consequential impact, if any, on the accompanying standalone financial statement.

The above factors cast a significant uncertainty on the Company's ability to continue as a going concern. Pending the resolution of the above uncertainties, the Company has prepared the aforesaid statement on a going concern basis.

#### **Emphasis of Matter**

We draw attention to the following matters in the notes to the financial statements:

1. Note No. 14.1 to financial statement in respect of arrears of dividend on Cumulative Redeemable Preference Share.
2. Note no. 33 of the financial statements in respect of pending statutory dues.
3. Note 34 to the standalone financial statements, in respect of various claims, submitted by the financial creditors, operational creditors, workmen or employee and authorized representative of workmen and employees of the Company to Resolution Professional pursuant to the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulation 2016, that are currently under consideration/reconciliation. Pending reconciliation/admission of such claims by the RP, we are unable to comment on the consequential impact, if any, on the accompanying statement.
4. Note no 44 to Financial Statements in respect of Contingent Liabilities.
5. Note no 48 to Financial Statements giving details of Events Occurring after Balance Sheet Date.
6. Note no. 49 to Financial Statements in respect of certain transactions without NOC from the principal lender bank.

Our opinion is not modified in respect of these matters.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Adverse Opinion section and Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.



Key Audit Matters	How the matter was addressed in our audit
<p><b>I. Revenue Recognition</b></p> <p>As required by Ind AS 115 Revenue from sale of goods is recognized when the control of the goods has transferred to the customer and when there are no longer any unfulfilled obligations to the customer. Revenue is adjusted for estimated sales returns, discounts and other similar allowances</p> <p><b>Sales return estimation</b></p> <p>As disclosed in Note 31(xii) to the financial statements, revenue is recognised net of estimated sales returns. Estimation of sales returns involves significant judgement and estimates since it is dependent on various internal and external factors. Estimation of sales return amount together with the level of judgement involved make its accounting treatment a significant matter for our audit.</p>	<p>Our audit procedure included following:-</p> <ul style="list-style-type: none"><li>- Understanding the process followed by the management for the purpose of identifying and determining the amount of provision of sales returns</li><li>- Evaluating the data used by the management for the purpose of calculation of the provision for sales returns and checking of its arithmetical accuracy</li><li>- Comparison between the estimate of the provision for sales returns created in the past with subsequent actual sales returns and analysis of the nature of any deviations to corroborate the effectiveness of the management estimation process;- Considering the appropriateness of the Company's accounting policies regarding revenue recognition as they relate to accounting for rebates and scheme allowances</li><li>- Testing the Company's process and controls over the calculation of discounts, rebates and customer incentives</li><li>- Selecting a sample on test check basis of revenue transactions and scheme circular to re-check that scheme allowance as at year end were calculated in accordance with the eligibility criteria mentioned in the relevant circulars</li><li>- Selecting a sample (using statistical sampling) of credit note issued to the customers during the year and verifying the same is in accordance with the scheme</li><li>- Evaluating the assumptions and judgements used by the Company in calculating rebates and schemes allowances, including the level of expected claims, by comparing historical trends of claims</li></ul>
<p><b>II. Trade Receivables</b></p> <p>The carrying amount of trade receivable is Rs.2732.47 lakhs representing 28% of the total asset of the company which is significant.</p> <p>There are customers with large amount of outstanding balances for long period. There are outstanding balances which involves material risk. Management should take into account ageing analysis of the customer and any other factor specific to individual debtor concerned.</p> <p>Accordingly, we identified the recoverability of trade receivables as a key audit matter because of the significance of trade receivables to Company's balance sheet and because of the significant degree of management judgement involved in evaluating the adequacy of the allowance for doubtful debts.</p>	<p>Our audit procedures to assess the recoverability of trade receivables included the following:</p> <ul style="list-style-type: none"><li>- obtaining an understanding of and assessing the design, implementation and operating effectiveness of the Company's key internal controls over the processes of credit control, collection of trade receivables and follow up of overdue balances</li><li>- evaluating the Company's policy for making allowances for doubtful debts with reference to the requirements of the prevailing accounting standards</li><li>- assessing the classification of trade receivables in the trade receivable ageing report by comparison with sales invoices and other underlying documentation on a test check basis;</li><li>- Verification of Doubtful Debt &amp; Rebate-Discount done.</li><li>- However, we have not received balance confirmations from the debtors.</li></ul>





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### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. The above mentioned reports comprising of other information are expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the above mentioned reports comprising other information and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable in the applicable laws and regulations.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Management is responsible for the matters states in section 134(5) the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity statement of the Company in accordance with the Accounting principles generally accepted in India, including the Accountant Standards (Ind AS) referred to in section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 (as amended). This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgements and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial control that we are operating effectively for ensuring the accuracy and completeness of accounting records relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Pursuant to ongoing Corporate Insolvency Resolution Process (CIRP) powers of the board of Directors have been suspended and these Powers are now vested with Resolution Professional (RP).

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material



misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control with reference to financial statements that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other Legal and regulatory requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in the Annexure-A statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and, except for the possible effects of the matter described in the Basis for Adverse Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) Except for the possible effects of the matters described in the Basis for Adverse Opinion paragraph above, in our opinion proper books of account 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 (including other comprehensive income), Cash Flow Statement and Statement of Change in Equity dealt with by this Report are in agreement with the books of account.
  - d) Except for the effects of the matters described in the Basis for Adverse Opinion paragraph above, in our opinion, the Ind AS financial statements comply with the Accounting Standards (Ind AS)



referred to in section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

- e) The matter described in the Basis for Adverse Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - f) On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164(2) of the Companies Act, 2013.
  - g) The adverse remarks relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Adverse Opinion paragraph above.
  - h) With respect to the adequacy of the internal finance controls with reference to financial statements of the Company and the operating effectiveness of such control, refer to our separate Report in "Annexure-B". Our report expresses modified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
  - i) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit & Auditors) Rules 2014, in our opinion and to the best of our information and according to explanations given to us by the management, the requirements of the same are duly complied with as under:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements by way of disclosure in Note no. 44 to the financial statements.
    - ii. Provision has been made in the standalone Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the company to its directors is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director by the company is not in excess of the limit laid down under section 197 of the Act.

Place: Ahmedabad  
Date : 21<sup>st</sup> October, 2019

**For Ashok Dhariwal & Co.**  
Chartered Accountants  
(Registration No. 100648W)  
(CA Ashok Dhariwal)  
Partner  
Membership No. 36452  
UDIN : 19036452AAAAGG42



**Annexure to the Auditors' Report**

The Annexure-A referred to in our report to the members of the above Company for the year Ended on March 31, 2019. We report that:

S.No.	Particulars	Auditors Remark
(i)	(a) whether the Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	Yes
	(b) whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	Yes, but not on regular interval.
	(c) Whether title deeds of immovable properties are held in the name of the Company. If no, provided details thereon.	Yes
(ii)	(a) whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, how they have been dealt with in the books of account;	As informed to us, management has conducted physical verification but there is no record available to substantiate that.
(iii)	Whether the Company has granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act.	No loans given to parties covered in the register maintained under section 189
	(a) Whether the terms and conditions of the grant of such loans are prejudicial to the Company's interest;	Not Applicable
	(b) Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayment or receipts are regular.	Not Applicable
	(c) If the amount is overdue, state the total amount overdue for more than ninety days and whether reasonable steps have been taken by the Company for recovery of the principal and interest:	Not Applicable
(iv)	In respect of loans, investments and guarantees, whether provision of section 185 and 186 of the companies' act, 2013 have been complied with. If not, provide details thereof.	Yes
(v)	In case the Company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, where applicable, have been complied with? If not, the nature of contraventions should be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	No such deposits accepted
(vi)	where maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 whether such accounts and records have been made and maintained;	Not Applicable
(vii)	(a) Is the Company regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last	The Company is Generally regular as per explanation given to us, except Excise Duty PLA Payment of



	day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.	Rs. 06.08/- lakhs, payment pending since July 2017 + TDS Payable is Rs 32.99 Lakh + TCS Payable is Rs 0.15 Lakh + Professional Tax Rs 2.05 Lakh + GST Payable Rs 163.51 Lakh is due.																				
	(b) Where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not constitute a dispute).	No such dues pending, except as per below table																				
	<table border="1"> <thead> <tr> <th>Name of statute</th> <th>Nature of Dispute</th> <th>Demand Amount ( ` )</th> <th>Period to Which Dispute Relates</th> <th>Forum where Dispute is Pending</th> </tr> </thead> <tbody> <tr> <td>Excise Dept.</td> <td>Central excise duty u/s 11A and penalty under section 11 AC of Central Excise Act,1944</td> <td>~ 478.25 Lakh towards duty and interest under section 11AA &amp; penalty u/s 11AC on the above.</td> <td>F.Y 2010-11 to 2014-15 (Broken Period)</td> <td>Honorable High Court of Gujarat</td> </tr> <tr> <td>Excise Dept.</td> <td>Utilization of cenvat credit</td> <td>~ 116.63 Lakh towards duty &amp; 116.63 towards penalty u/s 11AC</td> <td>F.Y 2014-15</td> <td>Honorable High Court of Gujarat</td> </tr> <tr> <td>Excise Dept.</td> <td>Central excise duty u/s 11A and penalty under section 11 AC of Central Excise Act,1944</td> <td>~ 2681.25 Lakh towards duty and interest under section 11A &amp; penalty u/s 11AC on the above.</td> <td>F.Y. 2010-11 to 2014-15</td> <td>Settlement Commission, Mumbai</td> </tr> </tbody> </table>	Name of statute	Nature of Dispute	Demand Amount ( ` )	Period to Which Dispute Relates	Forum where Dispute is Pending	Excise Dept.	Central excise duty u/s 11A and penalty under section 11 AC of Central Excise Act,1944	~ 478.25 Lakh towards duty and interest under section 11AA & penalty u/s 11AC on the above.	F.Y 2010-11 to 2014-15 (Broken Period)	Honorable High Court of Gujarat	Excise Dept.	Utilization of cenvat credit	~ 116.63 Lakh towards duty & 116.63 towards penalty u/s 11AC	F.Y 2014-15	Honorable High Court of Gujarat	Excise Dept.	Central excise duty u/s 11A and penalty under section 11 AC of Central Excise Act,1944	~ 2681.25 Lakh towards duty and interest under section 11A & penalty u/s 11AC on the above.	F.Y. 2010-11 to 2014-15	Settlement Commission, Mumbai	
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(viii)	Whether the Company has defaulted in repayment of dues to a financial institution, bank, government or dues to debenture holders? If yes, the period and amount of default to be reported; (in case of defaults to banks, financial institute and government, lender wise details to be provided).	Yes. Dewan Housing Finance Limited - Rs 10.87 Lakh due for the month of March 2019.																				
(ix)	Whether moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those raised. If not, the details together with delay / default and subsequent rectification, if any, as may be applicable, be reported.	Not applicable																				
(x)	Whether any fraud by the Company or any fraud on the Company by its officer/ employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated.	No such instance as per audit procedures and management explanations.																				
(xi)	Whether managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act? If not, state the amount involved and steps taken by the Company for securing refund of the same.	Yes																				
(xii)	Whether all transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 where applicable and the details have been disclosed in the Ind AS Financial Statements etc as required by the accounting standards and Companies Act, 2013.	Yes																				



(xiii)	Whether the Nidhi Company has complied with Net Owned Funds to Deposit Ratio of 1: 20	Not applicable
(xiv)	Whether the Company has made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of Section 42 of the Companies Act, 2013 have been complied and the amount raised have been used for the purposes for which the funds were raised. If not, provide details thereof of amount involved and nature of noncompliance.	The Company has called EGM on 25 <sup>th</sup> March, 2017 for the purpose of issuance of share warrant on preferential allotment basis to investor- non promoter (Public Category). ` 15 lakh equity shares@ ` 10 per share (face value) and ` 50/- per share (Premium). 75% of share warrant money received in September and October, 2018 and used for working capital.
(xv)	Whether the Company has entered into any non-cash transactions with directors or persons connected with him and if so, whether provisions of Section 192 of Companies Act, 2013 have been complied with.	No Such Transactions made
(xvi)	Whether the Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934, and if so, whether the registration has been obtained.	Not Applicable

Place: Ahmedabad  
Date : 21<sup>st</sup> October, 2019

**For Ashok Dhariwal & Co.**  
Chartered Accountants  
(Registration No. 100648W)  
(CA Ashok Dhariwal)  
Partner  
Membership No. 36452  
UDIN : 19036452AAAAGG42



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**Annexure – B to Independent Auditors' Report**

Referred to in paragraph 2(h) under 'Report on Other Legal and Regulatory Requirements' of our report of even date

**Report on the Internal Financial Controls with reference to financial statements under section 143(3)(i) of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of Gopala Polyplast Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note"), issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statement based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to and audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain evidence about the adequacy of the internal financial controls system with reference to financial statement and their operating effectiveness. Our audit of internal financial controls with reference to financial statement included obtaining and understanding of internal financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedure selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

**Meaning of Internal Financial Controls with reference to Financial Statements**

A Company's internal financial controls with reference to Financial Statement is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that,

- (1) Pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts



and expenditures of the Company are being made only in accordance with authorization of management and directors of the company; and

- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Basis of Adverse opinion**

In our opinion and according to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2019:

- a) Physical verification of fixed asset and Inventories
- b) Control over Impairment in the value of trade receivable
- c) Assessment of recoverability of Deferred tax assets
- d) Assessment of expected loss by trade receivable which are subject matters of various disputes / arbitration proceedings/ negotiations with the customers due to termination / foreclosure of contracts and other disputes.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

#### **Adverse Opinion**

In our opinion, except for the possible effects of material weaknesses described in "basis of adverse opinion" paragraph above, the Company has, in all material respects, an adequate internal financial controls systems with reference to financial statements and such internal financial controls with reference to financial controls were operating effectively as at March 31, 2019, based on the internal financial control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

**For Ashok Dhariwal & Co.**  
Chartered Accountants  
(Registration No. 100648W)  
(CA Ashok Dhariwal)  
Partner  
Membership No. 36452  
UDIN : 19036452AAAAGG42

Place: Ahmedabad  
Date : 21<sup>st</sup> October, 2019





## BALANCE SHEET AS AT MARCH 31, 2019

(₹ in Lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>ASSETS</b>			
<b>I Non-current assets</b>			
(a) Property, Plant and Equipment	1 (A)	3,858.96	4,156.88
(b) Intangible assets	1 (B)	3.23	1.73
(c) Financial assets			
(i) Long-term loans and advances	2	31.90	42.42
(d) Deferred tax assets (Net)	3	323.26	296.57
(e) Other non-current assets	4	924.16	264.42
<b>Total non-current assets</b>		<b>5,141.51</b>	<b>4,762.03</b>
<b>II. Current assets</b>			
(a) Inventories	5	545.86	4,931.22
(b) Financial assets			
(i) Current investments	6	2.23	8.69
(ii) Trade and other receivables	7	2,732.47	7,063.56
(iii) Cash and cash equivalents	8	149.22	170.42
(iv) Short term loans and advances	9	51.13	155.24
(c) Other current assets	10	1,149.91	1,819.30
<b>Total current assets</b>		<b>4,630.82</b>	<b>14,148.42</b>
	<b>Total Assets</b>	<b>9,772.32</b>	<b>18,910.45</b>
<b>Equity and Liabilities</b>			
<b>I. Equity</b>			
(a) Equity Share capital	11	1,016.64	886.64
(b) Other equity	12	(6,345.31)	2,100.49
<b>Total equity</b>		<b>(5,328.67)</b>	<b>2,987.13</b>
<b>II. Liabilities</b>			
<b>(A) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Long term borrowings	13	-	3,548.17
(ii) Other financial liabilities	14	480.00	480.00
(b) Long term provisions	15	-	70.09
<b>Total non-current liabilities</b>		<b>480.00</b>	<b>4,099.13</b>
<b>(B) Current liabilities</b>			
(a) Financial liabilities			
(i) Short term borrowings	16	6,069.18	6,109.21
(ii) Trade and other payables			
- Due to Micro and Small Enterprise		-	-
- Due to Others	17	4,267.35	4,520.10
(b) Other current liabilities	18	3,881.37	1,034.24
(c) Short-term provisions	19	403.09	160.63
<b>Total current liabilities</b>		<b>14,620.99</b>	<b>11,824.18</b>
	<b>Total Equity and Liabilities</b>	<b>9,772.32</b>	<b>18,910.44</b>
<b>See accompanying notes to the financial statements</b>	<b>31</b>		
As per our Report of even date attached	For and on behalf of the Board of Directors of		
<b>For Ashok Dhariwal &amp; Co</b>	<b>Gopala Polyplast Limited</b>		
Chartered Accountants	CIN : L25200GJ1984PLCO50560		
Firm Regd. No.: 100648W	<b>Suspended Board of Directors</b>		
<b>Ashok Dhariwal</b>	<b>Manoj Somani</b>	<b>Manish Somani</b>	
Partner	Managing Director	Executive Director/CFO	
Membership No.: 036452	DIN:00119021	DIN:00119033	
Place: Ahmedabad	<b>Vikash Jain</b>		
Date : 21st October, 2019	Resolution Professional		
	Place: Ahmedabad		
	Date : 21st October, 2019		

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

( ` in Lakhs)

Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Income</b>			
Revenue from operations	20	18,415.98	26,381.27
Other operating income	21	383.30	383.83
Other income	22	25.94	5.66
<b>Total Income</b>		<b>18,825.22</b>	<b>26,770.75</b>
<b>Expenses</b>			
Cost of materials consumed	23	12,471.50	18,053.21
Excise Duty	24	-	70.13
Purchase of stock-in-trade	25	1,580.95	3,387.15
Changes in inventories of finished goods, work in progress and stock-in-trade	26	3,524.76	(1,401.95)
Employee benefit expense	27	747.55	835.92
Finance cost	28	1,332.01	1,132.39
Depreciation and amortisation expense	1	600.46	570.08
Other expense	29	7,495.47	3,329.57
<b>Total expenses</b>		<b>27,752.70</b>	<b>25,976.50</b>
<b>Profit before exceptional items and tax</b>		<b>(8,927.49)</b>	<b>794.26</b>
Exceptional items			
Loss/(Profit) on Sales of Fixed Assets		-	62.28
Dividend (Income) from Mutual Fund		-	(750.07)
Loss/(Profit) on Sale of Investments		-	764.86
<b>Profit/ (loss) before tax</b>		<b>(8,927.49)</b>	<b>717.19</b>
<b>Tax expense</b>			
a) Current tax		-	-
b) Deferred tax		(26.69)	(11.78)
c) Income tax of earlier years		-	19.60
<b>Profit/ (loss) for the period</b>		<b>(8,900.80)</b>	<b>709.37</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>(8,900.80)</b>	<b>709.37</b>
<b>Earnings per equity share [nominal value per share ` 10/- (Previous Year ` 10/-)]</b>			
a) Basic	47	(93.83)	8.00
b) Diluted		(93.83)	8.00
See accompanying notes to the financial statements	31		

As per our Report of even date attached  
**For Ashok Dhariwal & Co**  
Chartered Accountants  
Firm Regd. No.: 100648W  
**Ashok Dhariwal**  
Partner  
Membership No.: 036452  
Place: Ahmedabad  
Date : 21st October, 2019

For and on behalf of the Board of Directors of  
**Gopala Polyplast Limited**  
CIN : L25200GJ1984PLCO50560  
**Suspended Board of Directors**

**Manoj Somani**  
Managing Director  
DIN:00119021  
**Vikash Jain**  
Resolution Professional  
Place: Ahmedabad  
Date : 21st October, 2019

**Manish Somani**  
Executive Director/CFO  
DIN:00119033

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019**

(' in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>(A) CASHFLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	(8,927.49)	717.19
Adjustment for :		
Depreciation	600.46	570.08
Bad Debts	2,704.54	12.07
Interest and Other Borrowing Cost	1,332.01	1,132.39
Interest Income	(21.73)	(5.66)
Dividend Income	0.00	(750.07)
(Profit)/Loss on sale of Investment	0.00	764.86
(Profit)/Loss on sale of fixed Assets	0.00	62.28
	<b>4,615.28</b>	<b>1,785.95</b>
<b>Operating Profit before Working Capital Changes</b>	<b>(4,312.21)</b>	<b>2,503.14</b>
Adjustment For :		
Trade receivables & Other Current Assets & Other Non-Current Assets	1,750.83	(1,093.44)
Inventories	4,385.35	(1,342.81)
Trade Payables, Other Current Liabilities & Provision	2,765.88	339.99
	<b>8,902.07</b>	<b>(2,096.26)</b>
<b>Cash generated from operations</b>	<b>4,589.87</b>	<b>406.89</b>
Taxes Paid	0.00	(19.60)
	<b>0.00</b>	<b>(19.60)</b>
<b>Net Cash From Operating Activities (A)</b>	<b>4,589.87</b>	<b>387.28</b>
<b>(B) CASHFLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipments	(339.68)	(496.75)
Sales of Property, Plant & Equipments	35.64	58.19
Interest Income	21.73	5.66
Dividend Income	0.00	750.07
(Purchase) / Sale of Investment (Net)	6.46	(768.49)
	<b>(275.85)</b>	<b>(451.32)</b>
<b>Net Cash used in Investing Activities (B)</b>	<b>(275.85)</b>	<b>(451.32)</b>
<b>(C) CASHFLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Share Capital	585.00	225.00
Proceeds from Long/Short term borrowing (Net of repayments)	(3,588.20)	1,049.76
Interest and Other Borrowing Cost	(1,332.01)	(1,132.34)
Unpaid Interest Written Back		
Proposed Dividend & Dividend Tax	0.00	(0.05)
	<b>(4,335.21)</b>	<b>142.38</b>
<b>Net Cash Flow From Financing Activities (C)</b>	<b>(4,335.21)</b>	<b>142.38</b>
<b>Increase/(Decrease) in cash equivalents</b>	<b>(21.20)</b>	<b>78.33</b>
Opening Balance of Cash and Cash equivalents	170.42	92.09
Closing Balance of Cash and Cash equivalents	149.22	170.42
1 The Cash Flow Statement has been prepared under the indirect method as set out in Ind AS-7 Statement of Cash Flows.		
2 Cash and cash equivalents consists of cash on hand INR 00.36 L (12.90 L), Bank Balance INR 00.39L (15.84 L) and deposit account INR 148.47 L (141.68 L). Refer Note 8		

As per our Report of even date attached

**For Ashok Dhariwal & Co**

Chartered Accountants

Firm Regd. No.: 100648W

**Ashok Dhariwal**

Partner

Membership No.: 036452

Place: Ahmedabad

Date : 21st October, 2019

For and on behalf of the Board of Directors of

**Gopala Polyplast Limited**

CIN : L25200GJ1984PLCO50560

**Suspended Board of Directors****Manoj Somani**

Managing Director

DIN:00119021

**Vikash Jain**

Resolution Professional

Place: Ahmedabad

Date : 21st October, 2019

**Manish Somani**

Executive Director/CFO

DIN:00119033

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019**

( ` in Lakhs)

Particulars	Amount
<b>A. Equity share capital of ` 10/- each (Previous Year ` 10/- each)</b>	
Balance as at April 1, 2017	886.64
Changes in equity share capital	-
Balance as at March 31, 2018	886.64
<b>Changes in equity share capital</b>	<b>130.00</b>
Balance as at March 31, 2019	<b>1,016.64</b>

**B. Other Equity**

( ` in Lakhs)

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserve Surplus			Money received Against Share Warrents	Total
			Capital Reserve	Securities Premium reserve	Retained Earnings		
Balance as at April 1, 2017	-	-	599.32	397.30	169.51	-	1,166.12
Profit/(Loss) During the Year	-	-	-	-	709.36	-	709.36
Preference Dividend	-	-	-	-	-	225.00	225.00
Balance as at March 31, 2018	-	-	599.32	397.30	878.87	225.00	2,100.49
Profit/(Loss) During the Year	-	-	30.00	650.00	(8,900.80)	(225.00)	(8,445.80)
Money received Against Share Warrents	-	-	-	-	-	-	-
Balance as at March 31, 2019	-	-	<b>629.32</b>	<b>1,047.30</b>	<b>(8,021.93)</b>	-	<b>(6,345.31)</b>

As per our Report of even date attached  
**For Ashok Dhariwal & Co**  
Chartered Accountants  
Firm Regd. No.: 100648W

**Ashok Dhariwal**  
Partner  
Membership No.: 036452  
Place: Ahmedabad  
Date : 21st October, 2019

For and on behalf of the Board of Directors of  
**Gopala Polyplast Limited**  
CIN : L25200GJ1984PLCO50560  
**Suspended Board of Directors**

**Manoj Somani**  
*Managing Director*  
DIN:00119021

**Vikash Jain**  
Resolution Professional

Place: Ahmedabad  
Date : 21st October, 2019

**Manish Somani**  
*Executive Director/CFO*  
DIN:00119033



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**NOTE 1(A): PROPERTY, PLANT AND EQUIPEMENT**

(₹ in Lakhs)

Depreciation Rate	0.00%	3.17%	6.33%	11.88%	9.50%	9.50%	19.00%	9.50%	11.88%	9.50%	31.67%	
Particulars	Land	Building	Plant & Machinery	Plant & Machinery	Electric Installation	D.G. Set	Office Equipment	Furniture	Vehicle	Air Conditioner	Computers	Grand Total
<b>Gross block (at cost)</b>												
<b>As at 1 April 2017</b>	25.85	1,302.96	3,289.15	4,486.02	410.68	280.48	41.73	67.71	201.09	24.44	80.61	10,210.71
Additions during the year	-	-	97.92	393.35	1.64	-	1.45	-	-	0.21	2.17	496.74
Deletions during the year	-	-	151.50	-	-	-	-	-	-	-	-	151.50
<b>As at 31 March 2018</b>	25.85	1,302.96	3,235.56	4,879.37	412.32	280.48	43.19	67.71	201.09	24.65	82.78	10,555.95
Additions during the year	-	-	274.13	56.85	4.25	-	0.41	-	-	0.66	0.16	336.46
Deletions during the year	-	-	38.26	-	-	-	-	-	-	-	-	38.26
<b>As at 31 March 2019</b>	25.85	1,302.96	3,471.42	4,936.22	416.57	280.48	43.59	67.71	201.09	25.31	82.95	10,854.14
<b>Accumulated depreciation</b>												
<b>As at 1 April 2017</b>	-	444.65	1,701.53	2,888.76	258.02	265.55	33.27	60.29	116.78	18.77	73.41	5,861.04
Charge for the year	-	41.30	146.56	335.71	19.46	0.30	2.87	0.63	19.07	0.73	2.42	569.05
On Deletions during the year	-	-	31.03	-	-	-	-	-	-	-	-	31.03
<b>As at 31 March 2018</b>	-	485.96	1,817.06	3,224.47	277.48	265.85	36.14	60.92	135.85	19.50	75.83	6,399.06
Charge for the year	-	41.30	141.29	372.60	19.86	0.30	2.54	0.63	17.87	0.72	1.64	598.75
Deletions during the year	-	-	2.63	-	-	-	-	-	-	-	-	2.63
<b>As at 31 March 2019</b>	-	527.26	1,955.72	3,597.07	297.34	266.15	38.68	61.56	153.71	20.23	77.47	6,995.18
<b>Net block</b>												
As at 31 March 2018	25.85	817.00	1,418.50	1,654.90	134.84	14.62	7.05	6.78	65.24	5.15	6.95	4,156.88
<b>As at 31 March 2019</b>	25.85	775.70	1,515.70	1,339.15	119.23	14.32	4.91	6.15	47.37	5.08	5.47	3,858.96

**NOTE 1(B): INTANGIBLE ASSETS**

(₹ in Lakhs)

Depreciation Rate	31.67%
Particulars	Computer Software
<b>Gross block (at cost)</b>	
<b>As at 1 April 2017</b>	6.43
Additions during the year	-
Deletions during the year	-
<b>As at 31 March 2018</b>	6.43
Additions during the year	3.21
Deletions during the year	-
<b>As at 31 March 2019</b>	9.64
<b>Accumulated depreciation</b>	
<b>As at 1 April 2017</b>	3.67
Charge for the year	1.03
On deletions during the year	-
<b>As at 31 March 2018</b>	4.70
Charge for the year	1.71
Deletions during the year	-
<b>As at 31 March 2019</b>	6.41
<b>Net block</b>	
As at 31 March 2018	1.73
<b>As at 31 March 2019</b>	3.23



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

( ` in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>NOTE 2: LONG TERM LOANS &amp; ADVANCES</b>		
(Unsecured considered good)		
Advances to Contractor	-	6.79
Statutory Receivables	2.41	-
Security Deposits	29.49	35.63
	<u>31.90</u>	<u>42.42</u>
<b>NOTE 3: DEFERRED TAX ASSETS (NET)</b>		
Deferred Tax Assets	323.26	296.57
	<u>323.26</u>	<u>296.57</u>
<b>NOTE 4: OTHER NON-CURRENT ASSETS</b>		
Balances with government authorities	924.16	264.42
	<u>924.16</u>	<u>264.42</u>
<b>NOTE 5: INVENTORIES</b>		
(As taken, valued & certified by the management)		
Raw Materials	79.65	872.26
Stock Work in process	326.25	3,611.69
Finished Goods	114.29	353.62
Consumable Stores & Maintenance Spares	25.67	93.65
	<u>545.86</u>	<u>4,931.22</u>
<b>NOTE 6: CURRENT INVESTMENTS</b>		
Investments in Shares of PG ELECTROPLAST LIMITED 2,750 Shares (2017: 2,750 Shares)	2.23	8.69
	<u>2.23</u>	<u>8.69</u>
<b>NOTE 7: TRADE RECEIVABLE</b>		
Unsecured, Considered Good	2,732.47	7,063.56
Doubtful	2,704.54	-
Total Debtors	5,437.01	7,063.56
Less : Allowance for Doubtful Debt	2,704.54	-
	<u>2,732.47</u>	<u>7,063.56</u>
<b>NOTE 8: CASH &amp; CASH EQUIVALENTS</b>		
Cash in hand	0.36	12.90
Bank Balances	0.39	15.84
Bank Balances Held as Margin Money & Other Balances	148.47	141.68
	<u>149.22</u>	<u>170.42</u>
<b>NOTE 9: SHORT TERM LOANS &amp; ADVANCES</b>		
(Unsecured considered Good)		
Loans & Advances to Others		
Staff & Other Advances	-	12.41
Advances recoverable in cash or in kind	51.13	142.83
	<u>51.13</u>	<u>155.24</u>
<b>NOTE 10: OTHER CURRENT ASSETS</b>		
(Unsecured, Considered Good)		
Dues with Revenue Authorities		
Income Tax/TDS Receivable	-	1.06
GST Receivable	-	140.94
VAT Receivable	-	237.27
Balances with Government Authorities	875.73	1,289.92
Advance Authorisation / MEIS Receivable	261.38	125.56
Pre-paid Expenses	12.80	24.55
	<u>1,149.91</u>	<u>1,819.30</u>



(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>NOTE 11 : EQUITY SHARE CAPITAL</b>		
<b>Authorised Share Capital:</b>		
<b>Equity Share Capital</b>		
1,50,00,000 of ₹ 10/- each (Previous Year 1,50,00,000 of ₹ 10/- each)	<u>1,600.00</u>	<u>1,500.00</u>
<b>Preference Share Capital</b>		
0.01% Cumulative Redeemable Preference Shares		
5,00,000 of ₹ 100/- each. (Previous Year 5,00,000 of ₹ 100/- each.)	<u>500.00</u>	<u>500.00</u>
	<u>2,100.00</u>	<u>2,000.00</u>
<b>Issued and Subscribed Capital:</b>		
<b>Equity Share Capital</b>		
1,01,66,392 of ₹ 10/- each (Previous year - 88,66,392 of ₹ 10/- each)	<u>1,016.64</u>	<u>886.64</u>
	<u>1,016.64</u>	<u>886.64</u>
<b>Paid up Capital:</b>		
<b>Equity Share Capital</b>		
1,01,66,392 of ₹ 10/- each (Previous year - 88,66,392 of ₹ 10/- each)	<u>1,016.64</u>	<u>886.64</u>
	<u>1,016.64</u>	<u>886.64</u>
<b>NOTE 12 : OTHER EQUITY</b>		
<b>Capital Reserve</b>		
At the beginning and end of the year	<u>599.32</u>	<u>599.32</u>
Add: Share Foreiture	<u>30.00</u>	<u>-</u>
	<u>629.32</u>	<u>599.32</u>
<b>Securities Premium reserve</b>		
At the beginning and end of the year	<u>397.30</u>	<u>397.30</u>
Add: Addition during the year	<u>650.00</u>	<u>-</u>
	<u>1,047.30</u>	<u>397.30</u>
<b>Surplus in the statement of profit and loss</b>		
At the beginning and end of the year	<u>878.87</u>	<u>169.51</u>
Add: Profit for the year	<u>(8,900.80)</u>	<u>709.36</u>
Less: Preference dividend	<u>-</u>	<u>-</u>
Balance at the end of the year	<u>(8,021.93)</u>	<u>878.87</u>
<b>Money received against share warrants</b>		
At the beginning and end of the year	<u>225.00</u>	<u>-</u>
Add: Amount received during the year	<u>-</u>	<u>225.00</u>
Less : Allotment during the year	<u>(225.00)</u>	<u>-</u>
Balance at the end of the year	<u>-</u>	<u>225.00</u>
	<u>(6,345.31)</u>	<u>2,100.49</u>
<b>NOTE 13: LONG TERM BORROWINGS</b>		
<b>Secured Loans</b>		
<b>Term Loans</b>		
From Bank	-	1,271.42
From Financial Institution and others	-	722.22
<b>Hire Purchase Loans</b>		
From Banks	-	0.05
<b>Unsecured Loans</b>		
<b>Loans &amp; Advances from Related Parties</b>		
From Body Corporates	-	-
From Others	-	867.54
<b>Other Loans &amp; Advances and Deposites</b>		
From Body Corporates	-	686.94
	<u>-</u>	<u>3,548.17</u>



(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>NOTE 14: OTHER FINANCIAL LIABILITIES</b>		
Preference Share Capital	480.00	480.00
0.01% Cumulative Redeemable Preference Shares 4,80,000 of ₹ 100/- Each (Previous Year 4,80,000 of ₹ 100/- Each)	480.00	480.00
<b>Note 14.1</b> : Arrears of Dividend on 0.01% Cumulative Redeemable Preference Shares amounting to Rs 4800/- as at 31st March 2019		
<b>NOTE 15: LONG TERM PROVISION</b>		
Gratuity Payable	-	70.97
	-	70.97
<b>NOTE 16: SHORT TERM BORROWINGS</b>		
Secured Loans - Working Capital facility from Bank	5,969.02	6,009.21
Unsecured Loans - From Financial Institution and others	100.16	100.00
	6,069.18	6,109.21
<b>NOTE 17: TRADE PAYABLES (CURRENT)</b>		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,267.35	4,520.10
	4,267.35	4,520.10
17.1 Disclosures u/s 22 of Micro, Small and Medium Enterprises development Act, 2006 (MSMED ACT)		
Principal amount remaining unpaid to any supplier as at the end of accounting year	-	-
Interest due thereon	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the reporting period of delay in making payment [which have been paid but beyond the appointed day during the year] but without adding the interest specified under the MSMED	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
Amount of further interest remaining due and payable even in succeeding years, untill such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act.	-	-
<b>NOTE 18: OTHER CURRENT LIABILITIES</b>		
<b>Current maturities of long term debt</b>		
<b>Secured Loans</b>		
<b>Term Loans :</b>		
From Banks	1,319.35	553.82
From Financial Institution and others	-	58.13
<b>Hire Purchase Loans:</b>		
From Banks	-	2.60
From Financial Institution and others	35.76	14.46
<b>Unsecured Loans :</b>		
From Financial Institution and others	876.72	309.18
From Body Corporates	668.69	-
From Others	944.06	-
Advance received from Customers	36.79	96.00
Proposed Dividend & Dividend Tax	-	0.05
	3,881.37	1,034.24
<b>NOTE 19: SHORT TERM PROVISION</b>		
Statutory Liabilities	204.79	76.78
Provision for Expenses	138.49	83.86
Gratuity Payable	59.81	-
	403.09	160.63





(₹ in Lakhs)

Particulars	For the year ended March 31 2019	For the year ended March 31 2018
<b>NOTE 20: REVENUE FROM OPERATIONS</b>		
Sales (Net of Sales Return & Including Excise Duty)	14,131.47	18,489.95
Job Work Receipts	24.32	13.52
Export Sales	2,030.97	1,495.97
Trading Sales	1,584.57	3,478.39
Sale of Raw Material	644.65	2,903.44
	<u>18,415.98</u>	<u>26,381.27</u>
<b>NOTE 21: OTHER OPERATING INCOME</b>		
Other Operating Income	383.30	383.83
	<u>383.30</u>	<u>383.83</u>
<b>NOTE 22: OTHER INCOME</b>		
Other Income	4.21	0.15
Interest Income	21.73	5.51
	<u>25.94</u>	<u>5.66</u>
<b>NOTE 23: COST OF MATERIALS CONSUMED</b>		
Raw Material Consumption	12,471.50	18,053.21
	<u>12,471.50</u>	<u>18,053.21</u>
<b>NOTE 24: EXCISE DUTY</b>		
Excise Duty Expenses	-	70.13
	<u>-</u>	<u>70.13</u>
<b>NOTE 25: PURCHASE OF STOCK IN TRADE</b>		
Cost of Re Sale	1,580.95	3,387.15
	<u>1,580.95</u>	<u>3,387.15</u>
<b>NOTE 26: Changes in inventories of finished goods, work-in-progress</b>		
Closing stock - Finished Goods	114.29	353.62
Opening Stock-Finished Goods	(353.62)	(522.00)
Closing stock - Work In Progress	326.25	3,611.69
Opening Stock-Work In Progress	(3,611.69)	(2,041.35)
	<u>(3,524.76)</u>	<u>1,401.95</u>
<b>NOTE 27: EMPLOYEE BENEFITS EXPENSE</b>		
Wages and Salary	659.36	707.12
P F Contribution	21.86	38.87
Gratuity	0.20	21.82
Bonus	28.20	23.40
Staff Welfare Expense	0.25	0.30
Director's Remuneration	37.70	44.40
	<u>747.55</u>	<u>835.92</u>
<b>NOTE 28: FINANCE COST</b>		
Interest paid		
On Term Loans	72.54	116.96
For Working Capital	522.99	540.91
Dividend on Redeemable Preference Share	-	0.05
Forward Premium Expenses	107.50	20.02
Others Borrowing Cost	628.98	454.45
	<u>1,332.01</u>	<u>1,132.39</u>



(₹ in Lakhs)

Particulars	For the year ended March 31 2019	For the year ended March 31 2018
<b>NOTE 29: OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>		
Consumption of Stores and Spares	388.92	521.79
Freight and Octroi Expenses	50.16	103.63
Labour Charges	416.79	615.03
Power, Fuel & Water Charges	1,054.86	984.34
Factory Expenses	40.21	49.51
<b>Administrative and Selling Expenses</b>		
Rent, Rates and Taxes	31.07	61.71
Postage & Telephone	4.24	7.03
Travelling & Conveyance	69.37	71.89
Directors Travelling	7.91	9.58
Directors Foreign Travelling	0.89	13.07
Impairment Loss	13.24	-
Legal & Professional Charges	73.05	97.97
Insurance Expenses	18.64	24.88
Sales Expenses	88.24	87.95
Rebate & Discount	1,968.33	-
Freight & Octroi on Sales	334.48	488.96
Administrative Expenses	260.66	174.99
(Profit)/Loss On Foreign Exchange	(41.14)	0.10
Mark to Mark Loss / (Gain) on Equity investment	6.46	-
Bad Debts	2,704.54	12.07
Membership Fees In Foreign Currency	4.54	5.06
	<b>7,495.47</b>	<b>3,329.57</b>

**NOTE 30:**

On an application made by one of the Corporate Creditor, The Hon'ble NCLT, Ahmedabad, vide order dated 02/05/2019 has admitted the application for initiation of Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016 (IBC). According to said order, Mr. Vikash Gautamchand Jain, CA has taken charge as IRP on 02.05.2019. As per section 17 of the IBC, the powers of the Board of Directors stands suspended and such powers have vested with the IRP appointed as above.

Further, pursuant to the order of NCLT, a public announcement of CIRP was made on May 06, 2019 and a Committee of Creditors (COC) was formed pursuant to the provision of the code on 25 May, 2019 and COC held their first meeting on 31st May 2019 and inter alia confirmed Interim Resolution Professional as Resolution Professional for the Company. Hence, Term loan, Unsecured loan from other Body corporate and related parties etc. has been classified as current borrowings as repayable on demand.

The company is currently under the control of Resolution Professional appointed under IBC by the NCLT with effect from 02-05-2019 for the period of 180 Days or such other period as may be extended by the Hon'ble NCLT, Ahmedabad as per the provisions of section 17(1)(b) of the Insolvency and Bankruptcy Code, 2016, the power of the Board of Directors have been suspended. As per section 134 of the Companies Act, 2013, the standalone financial statements of a Company are required to be authenticated by the Chairperson of the Board of Directors, where authorized by the Board or at least two Directors, of which one shall be the Managing Director or the CEO (being a Director), the CFO and the Company Secretary where they are appointed. In view of the ongoing CIRP, powers of the board of directors have been suspended and these powers are, in terms of the code, now vested with Mr. Vikash Gautamchand Jain, Resolution Professional (RP) to carry out the functions of the Company in his capacity as the RP from May 31, 2019. Accordingly, Financial statements of the Company for the year ended March 31, 2019 were taken on record and authorized for issue by Resolution Professional (RP) on, May 21, 2019.

However, the same have been signed by Mr. Vikash Gautamchand Jain as authorized by Resolution Professional ("RP"). These financial statements have thereafter been taken on record by the RP for filing with the statutory authorities.



**NOTE 31: Significant Accounting Policies**

**A. Compliance with Ind AS:**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as issued under the Companies (Indian Accounting Standards) Rule, 2015.

During the year the Company has not revalued its borrowings and preference shares as per Ind As and also not amortized interest on the same as per Ind AS.

**B. Basis for Preparation of Accounts:**

The financial statements have been prepared under the historical cost convention, except Investments which are measured at fair value. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis. The preparation of financial statements requires estimates and assumption to be made that effect the reported amount of assets and liabilities and revenue and expenditures during the reporting periods. Difference between actual results and estimates are recognized in the period in which they are known/ materialized.

**C. Summary of Significant Accounting Policies:**

The following are the significant accounting policies applied by the Company in preparing its financial statements consistently to all the periods presented.

**i. Going concern assumption**

The company has incurred a loss of Rs.8900.80 lakhs during the year ended 31<sup>st</sup> March, 2019 have fully eroded the Net worth of the company and Company's current liability exceeds its current assets by Rs.9990.17 lakhs. However, the management is of opinion that company will continue as during CIRP proceedings. the resolution professional has invited resolution plans from prospective Resolution Applicants. Once a plan is submitted, it will be placed before the Committee of Creditors ("CoC) and thereafter to the NCLT for approval.

Considering the above facts and continuing operations of the Company, the financial statements have been prepared on a going concern basis.

**ii. Current verses non-current classification**

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intends to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

However as CIRP process has been initiated all liabilities towards Banking Facilities have been converted in to Current Demands and hence shown under Current Liabilities.

**Operating cycle**

Operating cycle of the Company is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.



**iii. Use of estimates and judgements**

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumption and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Difference between actual results estimates are recognized in the period in which the result is known/materialized. Due to non-availability of GSTR-2A and 3B as on 31<sup>st</sup> March 2019, GST credit in books has not been reconciled with GST credit available on GST portal.

**iv. Foreign Currency Transactions:**

The Company's financial statements are presented in INR, which is also the Company's functional and presentation currency.

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 recognized in Profit & Loss Account. Monetary transaction balance other than FCDL as on date of Balance Sheet have been reported at exchange rate on Balance Sheet date and difference charged to profit & loss account. Forward contract premium paid on forward contracts are amortized to Profit & loss account over life of such contract.

**v. Fair value measurement**

The Company measures financial instruments such as Investments at fair value at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- Or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**vi. Fair value measurement (continued)**

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.



The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and for non-recurring measurement, such as asset held for sale.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided upon annually by the management after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

However, such fair value report is not available for all assets except equity investment as on 31<sup>st</sup> March, 2019, Hence impairment Loss not booked for immovable properties.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on yearly basis.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Property, plant and equipment & Intangible assets measured at fair value on the date of transition
- Investment properties
- Financial instruments (including those carried at amortised cost)

#### **vii. Property, plant and equipment**

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

#### **Derecognition**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised. However as stated above No Impairment loss is booked on 31<sup>st</sup> March,2019.

#### **viii. Depreciation**

Depreciation on property, plant and equipment is provided so as to write off the cost of assets less residual values over their useful lives of the assets, using the straight line method as prescribed under Part C of Schedule II to the Companies Act 2013.

When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (Major Components) and are depreciated over their useful life or over the remaining useful life of the principal assets whichever is less.



Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

**ix. Borrowing cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**x. Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss. Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

**Amortisation**

Software is amortized over management estimate of its useful life of 3 years.

**xi. Inventories**

Inventories of Raw material, Work-in-progress, finished goods and Stock-in-trade are valued at the lower of cost and net realisable value. However, Raw material and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
- Finished goods and work in progress: cost includes cost of direct materials and Labours and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on first in, first out basis.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

All other inventories of stores, consumables, project material at site are valued at cost or NRV whichever is low. The stock of waste is valued at net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.



**xii. Revenue Recognition:**

**Sale of Goods**

Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) -'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 01 April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable including excise duty, net of returns and allowances, tradediscounts, volume rebates and GST.

**Interest income**

Interest is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

**Dividend**

Dividend Income is recognised when the Company's right to receive is established which is generally occur when the shareholders approve the dividend.

**xiii. Cash and cash equivalent**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

**xiv. Export incentives**

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

**xv. Investments:**

Investments in shares and mutual fund are stated at market value as on date of Balance Sheet and Mark to Mark gain / loss is shown in profit and loss account.

**xvi. 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 Gratuity has been made on the basis of management estimate only and not on the basis of professional actuarial valuation report. In the absence of the actuarial valuation, the following details are not provided in the financial statements:
  - a. Quantum of short provision of gratuity and its impact on the Statement of Profit and Loss for the period ended March 31, 2019.
  - b. Due to initiation of CIRP, entire amount of gratuity is shown under Current Liabilities.

**xvii. Related Party Transactions:**

Disclosure of transactions with Related Parties, as required by Ind AS 24 "Related Party Disclosures" has been set out in a separate statement annexed to this Schedule. Related Parties as defined in Ind AS 24 have been identified on the basis of representations made by key managerial personnel and information available with the Company.

**xviii. Taxes on Income:**

Provision for current taxes made on the basis of estimated taxable income at the rate applicable to the relevant assessment year.



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.

Calculation of DTA / DTL	2018-2019
<b>DTA/(DTL)</b>	
Depreciation as per the Company's Act	6,00,46,193
Depreciation as per the I.T. Act	5,14,08,910
Amount Eligible for DTA as on 31.03.19	86,37,283
<b>DTA/(DTL) Provision required for the year 2018-2019</b>	<b>26,68,920</b>

**xix. 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. Accordingly, provision for income tax payable has not been done. MAT credit of Rs. 27.21(P.Y. Rs. 27.21) lakhs and unabsorbed depreciation of Rs. 654.42 (P.Y. Rs. 1527.09) lakhs have been ignored for the purpose of DTA provision. Rs. 186.39 (P.Y. 125.56) lakhs of advance license / MEIS benefits against exports sales is due to the company for F.Y. 2018-19 & F.Y. 2017-18 and raw material consumption cost has been reduced accordingly.

**xx. Classification of Subsidy Receivable into Current and Non-Current Asset:**

The Company has received eligibility certificate from concern department regarding VAT concession for amount of Subsidy of Rs. 3066.38 Lakhs for 8 years in equal installments. The VAT Concession is for the period of 8 years from 01-01-2014 to 31-01-2021. The status of subsidy amount as per certificate received from concerned authorities is as under.

Particulars	Details	Amount
Period (8 Years)	01.01.2014 to 31.12.21	
Entitlement Certificate No.-Commercial Tax Department issued on 16.06.16	GUJ TIS 160616 000199	
Eligibility Certificate No. - DIC issued on 19.10.15	IC\Salt-Tex\147\ 1121480	
Total Certificate Amount and per year income to be Booked	Total ` 3,066.38 lakhs In 8 years	` 383.30 lakhs
Nos of Years for which income has been Booked till 2018-19		5
Income Booked- Till 2018-19		` 1,916.50 lakhs
Income Received / Expenses Booked		` 314.77 lakhs
Eligible Amount to be Claimed for reimbursement/refund from respected authorities (Subject to filing of claim and its approval from concerned authorities.) (Shown under Current Assets )		` 875.73 lakhs
Other Non- Current Assets(Balance Amount)		` 726.00 lakhs





**xxi. Closure of operation:**

The Company has closed its operation at Bajaj Godown Unit at Santej, Gandhinagar in 2018-19. All fixed assets are transferred at book value to Santej unit. Remaining assets and liabilities will be settled in books of Santej only.

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

- 32.** Physical verification for fixed assets and inventory were carried out in routine manner however It is conducted by the employee of the company not by the technical person. Management believe that no item of fixed asset has a net realizable value in the ordinary course of business which is less than the amount at which it is included in the fixed assets. Accordingly, no provision is required in respect of such fixed assets however, a report on fair value from registered valuer could not be obtained.
- 33.** The company has dues with statutory authorities pertaining to Goods and Service Tax, Excise and TDS aggregating to 204.79 Lakhs (P.Y.76.77 Lakhs). The amount payable is subject to reconciliation, filing of returns and admission by respective statutory authorities.
- 34.** Pursuant to the commencement of Corporate Insolvency Resolution Process of the Company (CIRP) under Insolvency and Bankruptcy Code, 2016 (IBC), there are various claims submitted by the operational creditors, the financial creditors, employee and other creditors against the Company. As on Date Claim Amount of Rs 9843.30 Lakh from Financial Creditors, Rs 3220.68 Lakh from Operational Creditors and Rs 52.38 Lakh from Workmen / Employees admitted by Resolution Professional.
- 35.** The company has certain trade receivables, security deposits withheld claim of indirect taxes including incentives receivables from State/ Central Government which are subject matters of dispute/Arbitration proceedings/negotiation with the customer due to irregular and termination of supply and other quality dispute. The management of the Company is confident of positive outcome of litigations / resolutions of disputes and recovering the aforesaid dues. The company has made a provision for doubtful debt towards Trade Receivable.
- 36.** Confirmation of balances could not be obtained as at March 31, 2019 for various trade receivables, trade payables, though, the management has requested for the confirmation of balances. Management believes that no material adjustments would be required in books of account upon receipt of these confirmations. Bad Debts of Rs 27.04 Crore booked in the books of accounts and also suit filed as well as notice supplied to Customers. Rs 19.68 Crore booked as rebate & discount during the year 2018-2019. Total purchase could not be reconciled with GSTR 2A.
- 37. Payment to Auditors:**

Particulars	in lakhs	
	2018-19	2017-18
Statutory Audit and Certification Fees	2.50	2.75
Tax Audit Fees	1.50	0.50

**38. Shareholders with holding over 5% of shares:**

Sr. No.	Name of Shareholder	As on March 31, 2019		As on March 31, 2018	
		No of Shares	% of Holding	No of Shares	% of Holding
1.	Manoj Somani	9,06,440	8.92%	5,56,440	6.28%
2.	Vinayaka Credit & Holding Invt. P. Ltd.	720,000	7.08%	720,000	8.12%
3.	Arunodaya Credit & Holding Invt. P. Ltd.	6,57,000	6.46%	832,000	9.38%
4.	Aspire Emerging Fund	5,81,691	5.72%	5,96,204	6.72%
5.	Manish Somani	5,10,100	5.02%	5,10,100	5.75%
6.	Vimal Sudarshan Bafna	-	-	5,99,990	6.77%



**39. Details of Shares Issued:**

Particulars	As on March 31, 2019		As on March 31, 2018	
	Number of Shares	Amount in Lakhs	Number of Shares	Amount in Lakhs
Preference Shares outstanding at the beginning of the year	4,80,000	480.00	4,80,000	480.00
Preference Shares issued during the year	Nil	Nil	Nil	Nil
Preference Shares bought back during the year	Nil	Nil	Nil	Nil
Preference Shares outstanding at the end of the year	4,80,000	480.00	4,80,000	480.00

Particulars	As on March 31, 2019		As on March 31, 2018	
	Number of Shares	Amount in Lakhs	Number of Shares	Amount in Lakhs
Equity Shares outstanding at the beginning of the year	88,66,392	886.64	88,66,392	886.64
Equity Shares issued during the year	13,00,000	130.00	Nil	Nil
Equity Shares bought back during the year	Nil	Nil	Nil	Nil
Equity Shares outstanding at the end of the year	1,01,66,392	1016.64	88,66,392	886.64

**40. Terms/Rights attached to the equity shares**

The Company has one class of shares referred to as equity shares having a par value of Rs. 10 each. Each shareholder is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding

**41. Details on Secured & Unsecured Term Loans & Credit Facilities:**

Sr. No.	Account Name	No of Installments o/s and Amount of Each Installment	Rate of Interest (%)	Primary & Collateral Security & Names of directors who have guaranteed the loan.
1	Dena Bank Working Capital Facility. (CCH 4800 lakhs, sub limit of CCH - FCDL 3970 lakhs)*	-	Base Rate (08.80%) + 4.750% i.e 13.55%	Stocks of raw materials, work in process, finished goods, stores & spares and receivables.
2	Dena Bank Term Loan- II [ 28.72 cr]*	600 lakhs in 2019-20 50 lakhs Per Month 647 lakhs repayable as under : 2020-21 : 647 lakhs	Base Rate (08.80%) + 4.75% + TP (0.5%) i.e. 14.05%	Hypothecation of Plant & Machinery
3	Dena Bank Non Fund Based Limit (Bank Guarantee + Forward Cover+ Letter of Credit- 750 lakhs LC-sub Limit of CCH) (150 lakhs + 80 lakhs + 1350 lakhs)*	-	3% Commission	100% counter guarantee on Prime and Collateral Security. Hypothecation of Plant & Machinery.
4	Tata Capital Financial Service Ltd - ETIOS	28 Installment of 0.09/- lakhs each	15.01%	Secured against Hypothecation of Vehicles.
5	Tata Capital Financial Service Ltd - AMAZE	30 Installment of 0.13/- lakhs each	15.01%	Secured against Hypothecation of Vehicles.
6	Tata Capital Financial Service Ltd - MICRA	30 Installment of 0.05/- lakhs each	15.01%	Secured against Hypothecation of Vehicles.



Sr. No.	Account Name	No of Installments o/s and Amount of Each Installment	Rate of Interest (%)	Primary & Collateral Security & Names of directors who have guaranteed the loan.
7	Tata Capital Financial Service Ltd - DUSTER	30 Installment of ` 0.18/- lakhs each	15.01%	Secured against Hypothecation of Vehicles.
8	Tata Capital Financial Service Ltd - SUNNY	30 Installment of ` 0.13/- lakhs each	15.01%	Secured against Hypothecation of Vehicles.
9	Tata Capital Financial Service Ltd - I 10	30 Installment of ` 0.08/- lakhs each	15.01%	Secured against Hypothecation of Vehicles.
10	Tata Capital Financial Service Ltd - SUPERB	30 Installment of ` 0.31/- lakhs each	15.01%	Secured against Hypothecation of Vehicles.
11	Tata Capital Financial Service Ltd - BMW	30 Installment of ` 0.59/- lakhs each	15.01%	Secured against Hypothecation of Vehicles.
12	Tata Capital Financial Service Ltd	1 Installment of ` 2.81/- lakhs each + 6 Installment of Rs. 1.60/- lakhs each	18.54%	Unsecured Business Loan
13	Magma Fincorp Ltd.	1 Installment of ` 3.01/- lakhs each + 6 installment of Rs. 1.89 lakhs each	16.50%	Unsecured Business Loan
14	Capital First Ltd.	8 Installment of ` 2.58/- lakhs each 8 Installment of Rs. 1.72/- lakhs each	18.80%	Unsecured Business Loan
15	Dewan Housing Finance corporation Ltd	113 Installment of ` 10.87/- lakhs each	10.50%	Secured Business Loan against property of Directors and guaranteed by Usha Devi Somani, Madhushree Somani and Purnima Somani.
16	IVL Finance Ltd.	1 Installment of ` 3.25/- lakhs each	19%	Unsecured Business Loan
17	Capital First Ltd.	4 Installment of ` 1.52/- lakhs each	10.19%	Unsecured Business Loan
18	United Petro Finance Ltd.	6 Installment of ` 3.24/- lakhs each	19.91%	Unsecured Business Loan
19	Zen Lefin Pvt Ltd (Capital Float)	3 Installment of ` 3.17/- lakhs each	17%	Unsecured Business Loan
20	Oxyzo Financial Services Private Limited	N.A.	18.00%	Bill Discounting Limit of <sup>1</sup> 100 lakhs for Invoices raised by Overseas Polymers Pvt. Ltd.
21	Hero Fincorp Limited.	N.A.	13.00%	Bill Discounting Limit of <sup>1</sup> 150 lakhs for Invoices raised to Sanghi Industries Ltd.

\* Credit facilities from Dena Bank are further secured by:

- 1<sup>st</sup> Charge by way of Equitable Mortgage of Fixed Assets at 485, Santej Vadsar Road, Santej, Kalol, Gandhinagar and Hypothecation of Plant and Machinery and all other fixed assets of HDPE, Label Division at Santej and BOPP Division at Khatraj.
- 1<sup>st</sup> 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.
- 1<sup>st</sup> 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.
- 1<sup>st</sup> 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 – 136166033979 of ` 15 lakhs.
- Personal Guarantee of Following Directors including existing Guarantors:  
Mr. Mahendra Somani, Mr. Manoj Somani, Mr. Manish Somani & Mrs. Purnima Somani.



- g) Address of property for point no. 15 is 5, Golden Tulip Bungalows, Near Shreyash Foundation, Ambawadi, Ahmedabad-380005.
- h) All other unsecured loans further guaranteed by Mr. Mahendra Somani, Mr. Manoj Somani and Mr. Manish Somani.

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

Sr No	Details of Securities	Subsidiary / Others	No. of Shares/ Units	Quoted / Unquoted	Market Value as on March 31, 2019 (FVTPL) in lakhs
1	PG Electroplast Ltd. (Face Value of ₹ 10 per share fully paid up) Cost : ₹ 4.76/- lakhs	Others	2750 Equity Shares	Quoted	2.23
<b>Total</b>					<b>2.23</b>

	Figures at current reporting period (₹ In lakhs)	Figure at previous reporting period (₹ In lakhs)
Investments classified as FVTPL	2.23	8.69
<b>Total Net gains/(losses) on fair value changes</b>	<b>(6.46)</b>	<b>3.63</b>

**43. Net gain / (losses) on Fair Value changes**

Estimated amounts of contracts remaining to be executed on Capital Account (Net of Advance) and not provided for ₹ – Nil (Previous year – Nil)

**44. Contingent Liability not provided for in respect of:**

	31.03.2019 ₹ in lakhs	31.03.2018 ₹ in lakhs
Guarantee given by Company's bankers (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)	142.11	142.11
Export commitments to be fulfilled for Import of Raw Material Against advance license.	55.54	74.26
Central Excise duty u/s 11A of the Central Excise Act 1944 on account of Excise department search at the premises of the Company at Santej on 25/07/2014 vide Show Cause notice dated 04/01/2016. (₹ 478.25 Lakh towards duty and interest under section 11AA & penalty u/s 11AC on the above for Santej Unit) As per the latest legal opinion taken by the management on 11/09/2017, possibilities of any liability of the above are very minimal. Hence management has not provided for the same in books. The Matter has been rejected by The Settlement Commission and Sent back to File of Jurisdictional Officer for disposal vide order of settlement commission dated 29.08.2018.	478.25	478.25
Central Excise duty u/s 11A of the Central Excise Act 1944 on account of Excise department search at the premises of the Company at Siddhi Vinayak filament on 29/ 07/2014 vide Show Cause notice dated 08/01/2016. (₹ 2681.25 Lakh towards duty and interest under section 11AA & penalty u/s 11AC on the above for Santej Unit) As per the latest legal opinion taken by the management on 11/09/2017, possibilities of any liability of the above are very minimal. Hence management has not provided for the same in books. The Matter has been rejected by The Settlement Commission and Sent back to File of Jurisdictional Officer for disposal vide order of settlement commission dated 29.08.2018.	2681.25	2681.25



	31.03.2019	31.03.2018
	in lakhs	in lakhs
Central Excise duty u/s 11A of the Central Excise Act 1944 on account of Excise department audit - Denial of Cenvat credit utilization for AY 2014-15- Appeal filed by excise department in Gujarat high court.	116.63	116.63
Penalty under section 11 AC of the Central Excise Act 1944 On the above demand.	116.63	116.63
TDS and TCS unpaid of Rs 32.99 Lakh and 0.15 lakh respectively – Provision for Interest & Late return filling fee u/s 234E of IT Act not done because amount could not be quantified on exact basis. TDS Return pending to be filled for Quarter ended Sep-2018, Dec-2018, March-2019.		
GST Liabilities: Provision for Interest on late filing GST returns not done in books of accounts because amount could not be quantified on exact basis. GST Returns pending to be filled for Jan-2019, Feb-2019 and March-2019.		
Excise Duty PLA Rs 6.08 Lakh due to be paid to Govt. Authorities: Provision for Interest not done because amount could not be quantified on exact basis.		
Loxim Industries, Alpine Export and Dolphin Polyfill Private Limited have filed a suit against the Company u/s 138 of Negotiable Instrument Act. Actual Amount Outstanding against Purchase of Raw Material in books is Rs 235.18 Lakhs, 243.38 Lakhs, 37.12 Lakhs respectively. Provision for Interest, Penalty and Other Claims could not be identified and done as amount not yet finalized by Court.		
List of Operational Creditors, Financial Creditors and Workmen & Employees who have filed their claims with the Resolution professional have been uploaded on the Website of the Company under List of Creditors. The Difference between amount uploaded and outstanding in books is due to interest and other claims filed by creditors which have not been booked pending finalization of Claims by Committee of Creditors.		

**45. Related Parties Disclosure:**

1. Parties where control exists : NIL
2. Other related parties where there is significant influence and transactions have taken place:

**Related Concerns:**

- Arunodaya Credit & Holding Investment (P) Ltd.
- Gopala Trims Pvt. Ltd.
- Indian Bobbin Manufacturing Co.(P) Ltd.
- Vinayaka Credit & Holding Investment (P) Ltd
- Riddhi Traders and Exporters

3. Fellow Subsidiaries where common control exists and transactions have taken place: Nil

**4. Key Management Personnel**

- Mr. Manoj Somani : Managing Director
- Mr. Manish Somani : Chief Financial Officer (w.e.f.12.01.2018)/Executive Director
- Mr. Kishorilal Sonthaliy : Director (w.e.f. 14.11.2017)

**5. Name of Key Management Personnel resigned during the year:**

- Mr. Mahendra Somani : Whole-time Director (w.e.f. 14.11.2018)
- Mr. Sanjay Maniar : Director (w.e.f. 12.02.2019)
- Ms. Palak Parekh : Director (w.e.f. 29.03.2019)
- Ms. Ketan Vala : Company Secretary (w.e.f.14.04.2019)

**6. Relatives of Key Management Personnel where transactions have taken places:**

- Mrs. Purnima Somani : Spouse of Mr. Manish Somani



**7. Transaction with Related Parties**

Particulars	in lakhs							
	Other related parties where there is significant influence and transactions have taken place		Key Management Personnel		Relatives of Key Management Personnel		Total	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Remuneration								
Mr. Mahendra Somani			8.00	12.00			8.00	12.00
Mr. Manoj Somani			15.95	19.49			17.86	19.49
Mr. Manish Somani			13.75	16.80			15.40	16.80
Mr. Krunal Shah			0.00	1.94			0.00	1.94
Ms. Aanal Desai(Upto 10-11-2017)			0.00	1.14			0.00	1.14
Mr.Ketan Vala (From 15-11-2017)			4.92	1.85			4.92	1.85
Sub-Total	0.00	0.00	42.62	53.22	0.00	0.00	46.18	53.22
Loan Taken								
Mr. Mahendra Somani			50.17	995.08			50.17	995.08
Mr. Manoj Somani			91.86	532.10			91.86	532.10
Mr. Manish Somani			142.00	358.60			142.00	358.60
Sub-Total	0.00	0.00	284.03	1885.78	0.00	0.00	284.03	1885.78
Loan Paid								
Mr. Mahendra Somani			84.50	738.80			84.50	738.80
Mr. Manoj Somani			51.30	402.49			51.30	402.49
Mr. Manish Somani			71.72	219.34			71.72	219.34
Status Credit & Holding Investment Pvt. Ltd.	0.00	161.54					0.00	161.54
Sub-Total	0.00	161.54	207.52	1360.63	0.00	0.00	207.52	1522.17
Interest Paid								
Mr. Mahendra Somani			0.00	0.00			0.00	0.00
Mr. Manoj Somani			0.00	0.00			0.00	0.00
Mr. Manish Somani			0.00	0.00			0.00	0.00
Status Credit & Holding Investment Pvt. Ltd.	0.00	0.00					0.00	0.00
Sub-Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rent Paid								
Smt. Purnima Somani					0.27	0.27	0.27	0.27
Sub-Total	0.00	0.00	0.00	0.00	0.27	0.27	0.27	0.27
Balance payable at the year end								
Mr. Mahendra Somani			378.18	412.51			378.18	412.51
Mr. Manoj Somani			315.80	275.24			315.80	275.24
Mr. Manish Somani			250.08	179.80			250.08	179.80
Mr. Ketan Vala			0.56	0.00			0.56	0.00
Smt. Purnima Somani			0.00	0.00			0.00	0.00
Sub-Total	0.00	0.00	944.62	867.55	0	0	944.62	986.37
Balance receivable at the year end								
Sub-Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



46. Segment Reporting:

S. No.	Particulars	2018-2019			2017-2018		
		Woven Sacks	Woven Fabric	Total	Woven Sacks	Woven Fabric	Total
1	<b>Segment Revenue</b>						
	External Sales & Other Operating Income	16401.78	2,397.50	18799.28	21552.89	5,211.67	26764.56
	<b>Total</b>	<b>16401.78</b>	<b>2,397.50</b>	<b>18799.28</b>	<b>21552.89</b>	<b>5,211.67</b>	<b>26764.56</b>
2	<b>Segment Results before Interest &amp; Taxation</b>	(7248.99)	(346.49)	(7595.48)	1371.35	478.22	1849.57
	<b>Less: Unallocable Expenditure</b>						
	Interest			1332.01			1132.39
	Extra Ordinary Items			-			-
	<b>Net Profit/(Loss) Before Tax</b>			<b>(8927.49)</b>			<b>717.19</b>
3	<b>Other Information</b>						
	Segment Assets	9210.59	561.74	9772.33	17121.77	1788.69	18910.46
	Segment Liabilities	9210.59	561.74	9772.33	17121.77	1788.69	18910.46
	Capital Expenditure	331.32	8.34	339.66	494.80	1.94	496.74
	Depreciation			600.46			570.08

Notes:

- The Company has identified business segments as primary segments. The reportable business segments are Woven Sacks and Woven Label.
- Secondary Segment Information – Geographical Segments  
The sales of Company are mainly in India. Therefore, no reportable Geographical Segments.

47. Earnings per Share

Particulars	2018-19	2017-18
Profit / (Loss) for the year After tax, prior period adjustments and exceptional item as per Profit and Loss Account ` in lakhs	(A) (8900.80)	709.37
Calculation of weighted average number of shares		
Number of equity shares at the beginning of the year	88,66,392	88,66,392
Number of equity shares at the end of the year	1,01,66,392	88,66,392
Weighted average number of equity shares outstanding during the year (B)	94,86,118	88,66,392
Basic and diluted earnings per share (INR) – after Exceptional item (A/B)	(93.83)	8.00

48. Events Occurred after Balance Sheet Date

- The Banker of the Company, Dena Bank (Now Bank of Baroda), has reduced the credit facilities sanctioned to the Company from Rs. 74.76 Crore to Rs 69.76 Crore vide sanction letter no. DB/CBB/AHM/ADV/174/2018-19 dated 03.04.2019. By the same sanction letter the bank has increased margin on Book Debt from 25% to 40% and on LC from 10% to 15%. Further the bank also withdraw concession in various charges and rate of interest on the various credit facilities sanctioned to the Company.



(ii) List of LC Devolved and Bank Guarantee Revoked: —

<u>LC NO.</u>	<u>Due On</u>	<u>Amount</u>	<u>Date of Devolve</u>
117019ILCU0002	10.04.2019	83,49,975	10.04.2019
117019ILCU0003	10.04.2019	30,46,760	10.04.2019
117019ILCU0004	11.04.2019	49,49,200	11.04.2019
117019ILCU0006	19.04.2019	75,89,760	20.04.2019
117019ILCU0009	23.04.2019	52,92,772	24.04.2019
117019ILCU0008	25.04.2019	95,97,638	25.04.2019
117019ILCU0013	30.04.2019	49,93,760	30.04.2019
117019ILCU0014	30.04.2019	46,42,120	30.04.2019

Value of FDR encased by Banker towards Margin Money of above mentioned LCs is Rs 72 Lakhs. Bank Guarantee of Rs 133.42 Lakh for Uttar Gujarat Vij.Co. Ltd and Rs 8.70 Lakh for Sabarmati Gas Limited had been revoked and Dena Bank (Now Bank of Baroda) had paid Rs 86.39 Lakh to Uttar Gujarat Vij. Co. Ltd and Rs 8.70 Lakh to Sabarmati Gas Limited.

(iii) **Loans Taken/bought against Vehicle: —**

The Company has default to pay EMI / outstanding loan Amount to TATA Capital Financial Limited against Vehicle. Financer has withdrawn all vehicle towards above Loan on 01<sup>st</sup> May, 2019. The Company has write off all vehicle towards above secured loans. Interest and Penalty has not been provided in books as no statement available from TATA Capital Financial Ltd.

(iv) **Loan taken against Director's Property: —**

The Company had taken a loan against Property of Promoters at 5, Golden Tulip Bunglow, Ambawadi, Ahmedabad, outstanding as on 31<sup>st</sup> March 2019 was Rs 788.93 Lakhs. All EMIs from March 2019 had bounced. Notice u/s 13(2) of received from borrower

(v) Factory is shut down as on 24<sup>th</sup> March, 2019 due to Strike of Worker due to nonpayment of Salary for the month of February 2019. The company has not booked Salary for Staff / Worker / Labours for the month of March 2019. CIRP has been appointed by The Honorable NCLT as on 02<sup>nd</sup> May 2019. Due to non-availability of technical staff and relevant data, above provision could not be quantified as per Management.

(vi) Cases Filled by Supplier u/s 138

- Loxim Industries
- Alpine Exports
- Dolphine Polyfilms P Ltd

(vii) For Those debtors which realization is not possible entire due have been transferred to Rate & Rebate Account (Profit & Loss Account) for Rs 1968.33 Lakhs.

(viii) Other Current Assets and Loans and Advances have been identified for impairment loss and Loss booked accordingly Rs 13.24 Lakh.

49. The company has made significant investments in Fixed Assets, have maintained and operated two bank accounts (other than the lender bank account) and undertaken trading activities without informing the lender bank (as required vide sanction advice) / obtaining No Objection Certificate from the lender bank.

As per our Report of even date attached

**For Ashok Dhariwal & Co**

Chartered Accountants

Firm Regd. No.: 100648W

**Ashok Dhariwal**

Partner

Membership No.: 036452

Place: Ahmedabad

Date : 21st October, 2019

For and on behalf of the Board of Directors of

**Gopala Polyplast Limited**

CIN : L25200GJ1984PLCO50560

**Suspended Board of Directors**

**Manoj Somani**

Managing Director

DIN:00119021

**Vikash Jain**

Resolution Professional

Place: Ahmedabad

Date : 21st October, 2019

**Manish Somani**

Executive Director/CFO

DIN:00119033



**GOPALA POLYPLAST LIMITED**  
[CIN: L25200GJ1984PLC050560]  
**[COMPANY UNDER CORPORATE INSOLVENCY RESOLUTION PROCESS]**

**Registered Office:**  
485, Santej Vadsar Road, Santej, Taluka Kalol, Dist. Gandhinagar – 382 721

FORM MGT-11  
**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and  
Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s):	
Registered Address:	
Email Id:	
Folio No./ DPID-Client ID:	

I/We, being the member (s) of ..... Shares of the above named Company, hereby appoint:

1. Name:.....  
Address:.....  
.....  
Email Id: ..... Signature: ..... or failing him
2. Name:.....  
Address:.....  
.....  
Email Id: ..... Signature: ..... or failing him

as my/ our proxy to attend and vote for me as me/us and on my/ our behalf at the 35<sup>th</sup> Annual General Meeting of the Company, to be held on Saturday, the 30<sup>th</sup> November, 2019 at 12.00 noon at the Registered Office of the Company at 485, Santej Vadsar Road, Santej, Taluka Kalol, Dist. Gandhinagar – 382 721 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Optional	
		For	Against
<b>Ordinary Business</b>			
1	Ordinary Resolution for adoption of the Audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2019, the reports of the Board of Directors and Auditors thereon.		
2	Ordinary Resolution for re-appointment of Mr. Manish M. Somani, liable to retire by rotation and being eligible, offers himself for re-appointment.		

Signed this ..... day of ..... 2019

Signature of Shareholder .....

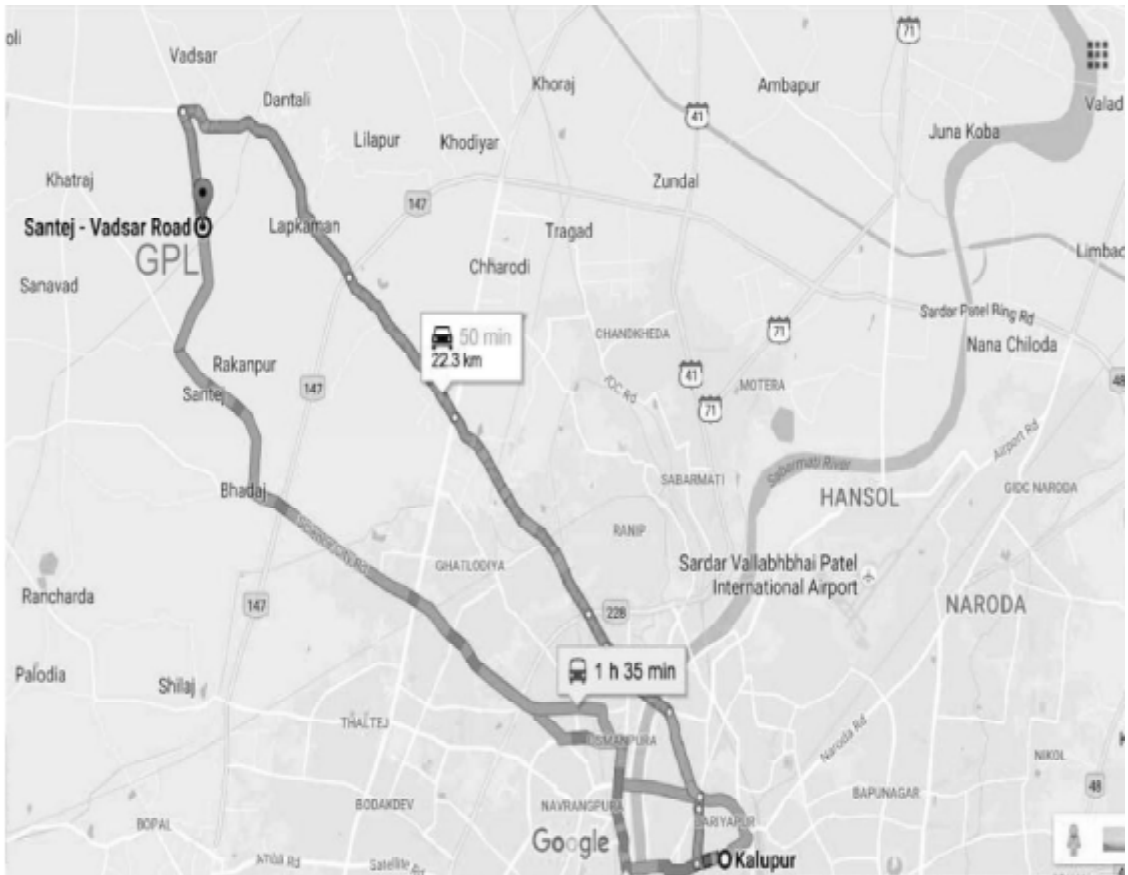
Signature of Proxyholder (1).....(2).....

Affix  
Revenue  
Stamp

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**



Route Map for venue of Annual General Meeting



**Venue:**  
**485, Santej – Vadsar Road, Santej,**  
**Tal. Kalol, Dist. – Gandhinagar – 382 721**

**GOPALA POLYPLAST LIMITED**  
[CIN: L25200GJ1984PLC050560]  
**[COMPANY UNDER CORPORATE INSOLVENCY RESOLUTION PROCESS]**

**Registered Office:**

485, Santej Vadsar Road, Santej, Taluka Kalol, Dist. Gandhinagar – 382 721  
**TEL:** +91 (02764) 286305, 286514, 286654 **FAX:** +91 02764-286660  
**WEB:** www.gopalapolyplast.com **EMAIL:** cs@gopalapolyplast.com

FORM MGT-12

**ATTENDANCE FORM/ BALLOT FORM**

**(TO BE USED BY SHAREHOLDERS PERSONALLY PRESENT/THROUGH PROXY AT THE MEETING AND HAVE NOT OPTED FOR E-VOTING)**

1	Name and address of the Sole/ First named Shareholder	
2	Name(s) of the Joint Holder(s) (if any)	
3	Registered Folio No./ DPID-Client ID	
4	Number of Shares(s) held	
5	I/We hereby exercise my/our attendance at the meeting and vote(s) in respect of the Resolutions set out in the Notice of 35 <sup>th</sup> Annual General Meeting (AGM) of the Company held on Saturday, the 30 <sup>th</sup> November, 2019, by placing the tick (✓) mark at the appropriate box below:	

Resolution No.	Resolutions	No. of Shares	(FOR) I/We assent to the resolution	(AGAINST) I/We dissent the resolution
<b>Ordinary Business</b>				
1	Ordinary Resolution for adoption of the Audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2019, the reports of the Board of Directors and Auditors thereon.			
2	Ordinary Resolution for re-appointment of Mr. Manish M. Somani, liable to retire by rotation and being eligible, offers himself for re-appointment.			

Place :

Date :

(Signature of the Shareholder/Proxy)

**Note: This Form is to be used for exercising attendance/voting at the time of 35<sup>th</sup> Annual General Meeting to be held on Saturday, the 30<sup>th</sup> November, 2019 by shareholders/proxy. Duly filled in and signed ballot form should be dropped in the Ballot box kept at the venue of AGM.**



If undelivered, please return to :  
***GOPALA POLYPLAST LTD.***

[CIN: L25200GJ1984PLC050560]

Registered Office:

485, Santej – Vadsar Road, Santej, Tal. Kalol,  
Dist. – Gandhinagar – 382 721