

# **Sixteenth Annual Report**

**2007-2008**



**GUJARAT  
CONTAINERS  
LIMITED**

**GUJARAT CONTAINERS LIMITED**  
**FOURTEENTH ANNUAL REPORT 2007 - 2008**

**BOARD OF DIRECTORS** : **Shri Kiran Shah**  
Chairman & Managing Director

: **Shri Pravin Shah**  
Whole-Time Director

: **Shri C. S. Shah**  
Director

: **Shri Abjee Patel**  
Director

**AUDITORS** : **V. K. Shastri & Co.**  
37, Divya Housing Complex,  
Near, E. S. I. Hospital,  
Gotri Road,  
BARODA - 390 021.

**BANKERS** : **State Bank of India**  
Industrial Finance Branch  
Marble Arch, Race Course  
BARODA.

**CORPORATE OFFICE** : 201-202, Alkapuri Arcade, "B" Wing,  
R. C. Dutt Road,  
Opp. Welcome Hotel,  
BARODA - 390 005.

**REGISTERED OFFICE AND WORKS** : Plot No. 488 / 489 - P,  
Baroda - Savli Highway,  
Village : Tundav, Tal. Savli,  
Dist. Baroda.

## GUJARAT CONTAINERS LIMITED

### NOTICE

NOTICE is hereby given that the SIXTEENTH ANNUAL GENERAL MEETING of the members of the Company will be held at 5.30 P.M. on Tuesday, the 30th September, 2008 at the Registered office situated at Plot No. 488 / 489-P, Baroda-Savli Highway, Village : Tundav, Tal. Savli, Dist. Baroda to transact the following business :

#### ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance sheet as at 31st March, 2008 and the Profit & Loss Account for the year ended on that date and the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Shri Pravin Shah who retire by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

#### SPECIAL BUSINESS :

4. To consider and if thought fit, to pass with or without modification, the following resolution as SPECIAL RESOLUTION :

"RESOLVED THAT pursuant to Section 314 of the Companies Act, 1956 be and is hereby given to the appointment of Miss Neha Shah, Marketing Manager on a remuneration not exceeding Rs. 45,000 per month as may be decided by the Board of Directors from time to time".

Date : 30.06.2008

By Order of the Board

Regd. Office :

PLOT NO. 488 / 489 - P

BARODA- SAVLI HIGHWAY

VILLAGE : TUNDAV, TAL. SAVLI,

DIST. BARODA.

Kiran Shah

Managing Director

#### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Members desiring any information as regard to accounts are requested to write to the Company at least one week in advance of the Annual General meeting so as to enable the Management to keep the information ready.
3. Members are requested to notify the Company immediately the Change, in their address if any, in full quoting their Folio Number.
4. Members are requested to bring their copy of Annual Report at the meeting.
5. The register of members and share transfer books will remain closed from Monday, the 29th Sept., 2008 to Tuesday the 30th Sept., 2008 (both days inclusive).

Explanatory statement pursuant to Section 173 of the Companies Act, 1956 is annexed herewith

Item No. : 4

Miss Neha Shah is M. S. (Electronic) has been appointed as Marketing Manager from 1st October 2005 on a remuneration of Rs. 18000/- P. M. She is relative of Mr. Kiran Shah M. D. Consent of the company by special resolution is required under section 314 of the Companies Act, 1956 for the increase of her salary.

The Board of Directors recommend the above resolution as special resolution.

None of the Directors of the company except Mr. Kiran Shah are directly or indirectly concerned or interested in the above resolution.

## GUJARAT CONTAINERS LIMITED DIRECTORS' REPORT

**Dear Shareholders,**

Your Directors have pleasure in presenting their Sixteenth Annual Report and Audited Accounts of the Company for the year ending 31st March, 2008.

<b>FINANCIAL RESULTS : (Rs. in Lacs)</b>	<b>2007-08</b>	<b>2006-07</b>
Sales and Other Income.	2782.88	2129.86
Profit before Interest & Depreciation	139.72	156.00
Interest	77.94	64.66
Depreciation	47.39	65.99
Provision for Taxation	3.17	4.41
Net Profit	(11.22)	20.94
Balance Brought Forward for Previous	163.59	142.65
Less :		
Balance Carried to Balance Sheet	174.81	163.59

### **DIVIDEND :**

Your Directors do not recommend any dividend for the year ended 31st March, 2006 to plough back the fund.

### **INSURANCE :**

All the properties and interest of the Company are adequately insured.

### **PARTICULARS OF EMPLOYEES :**

The particulars of the employee as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules 1975 as amended is NIL.

### **AUDITORS :**

M/s. V. K. Shastri & Co. Chartered Accountants, the present Auditors of the company, retires and being eligible, offer themselves for reappointment.

The Company has obtained a certificate under section 224 (1B) of other Companies Act, 1956 from the auditors to effect that their appointments if made, would be within the prescribed limit in the said section.

**AUDITOR'S REPORT :**

Observation of Auditors in their report if any, is explained in note to the accounts.

**DIRECTOR'S RESPONSIBILITY STATEMENT :**

Your Board States that

- i) In the preparation of the annual accounts for the year ended on 31st March, 2008 the applicable accounting standards has been followed and there has been no material departures from the said standards.
- ii) The directors has selectèd such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the comp any as at 31st March, 2008 and of the profits of the company for the year ended on that day.
- iii) The directors had taken proper and sufficient care for the maintenance of adequate accounting statement in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) The directors have prepared the annual accounts for the year ended on 31st March, 2008 on a going concern basis.

**CORPORATE GOVERNANCE REPORT :**

Corporate Governance Report as per Clause 49 of the Listing Agreement with the Stock Exchange is annexed herewith.

**PARTICULARS OF CONSERVATION OF ENERGY, ETC. :**

Information in accordance with Clause (e) of Sub-Section (1) of Section 217 of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules - 1988 and forming part of the Directors's Report for the Year ended 31st March, 2006 is given in Annexure "A" of this Report.

**ACKNOWLEDGMENT :**

Your Directors acknowledge with gratitude the co-operation and assistance given by the Government, and Banks at all levels during the year under review. Your Directors deeply acknowledge the trust and confidence you have placed in this company. The Directors also wish to place on record their deep appreciation for the services rendered by the officers, staff and workers of the company at all levels and for their dedication and loyalty.

For and on behalf of the Board.

Place : Baroda

(KIRAN SHAH)

Date : 30 / 06 / 08

CHAIRMAN & MANAGING DIRECTOR

## ANNEXURE "A"

**FORMING PART OF THE DIRECTORS REPORT :**

Information in accordance with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2006.

**A. CONSERVATION OF ENERGY :**

- 1) Energy Conservation measures taken :
  - i) Maintained high power factor throughout the year.
- 2) Additional investment and proposals, if any, being implemented for reduction and consumption of Energy :
 

--- NIL ---
- 3) Impact of measures at (1) and (2) above for reduction of Energy Consumption and consequent impact on the production of goods.
  - i) Reduction in power consumption.
- 4) Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the rules in respect of industries specified in the Schedule therefor.
 

--- N.A. ---

**B. TECHNOLOGY ABSORPTION :**

- |       |   |               |
|-------|---|---------------|
| (I)   | 1) Specific area in which R & D carried out by the Company : NIL                  |               |
|       | 2) Benefits derived as a result of the R & D : NIL                                |               |
|       | 3) Future Plan of Action : NIL  |               |
|       | 4) Expenditure on R & D   | (Rs. in Lacs) |
|       | a) Capital  | NIL           |
|       | b) Recurring  | NIL           |
|       | c) Total  | NIL           |
|       | d) Total R & D expenditure as percentage of                                       |               |
|       | Gross Turnover  | NIL           |
|       | Net Turnover  | NIL           |
| (II)  | Technology Absorption, Adaption & Innovation :                                    |               |
|       | 1) Efforts, in brief, made towards technology absorption, adaption and innovation | NIL           |
|       | 2) Benefits derived as a result of the above efforts                              | NIL           |
| (III) | Technology imported   | NIL           |

## REPORT ON CORPORATE GOVERNANCE

The Corporate Governance Code introduced by Securities and Exchange Board of India ("SEBI") as adopted by incorporating a new clause no. 49 in the Listing Agreement of The Stock Exchange and also by applicable provision of the Companies (Amendments) Act, 2000, has been implemented by the Company effective from 31st March, 2002.

The company has taken necessary steps to comply with all the requirement of the guidelines on Corporate Governance as would be applicable to it.

### 1) Board of Directors as on 31st March, 2008

The Board comprised of Directors, of whom one is Managing Director, two are Executive Director and two are Non-Executive Directors. The Chairman of the Board is Managing Director.

A) Composition of the Board for the period from 1st April '07 to 31st March '08.

Name of the Director	Status
Mr. Kiran Shah	Chairman cum Managing Director
Mr. Pravin Shah	Executive Director
Mr. Abjee Patel	Independent Executive Director
Mr. C.S. Shah	Non Executive Director

### B) Board Meeting :

The meetings of the Board of Directors are scheduled well in advance. The notice convening the meeting and the detailed agenda is sent at least seven days in advance to all the Directors. The Board meets at least once a quarter to review the quarterly performance and financial results.

#### I) Number of Board Meeting :

During the year from 1st April, 2007 to 31st March, 2008 the Board of Directors met on the following dates:

Sr. No.	Date	Board Strength	No. of Directors present
1	30-04-07	4	3
2	31-07-07	4	3
3	31-10-07	4	3
4	30-01-08	4	3
5	12-02-08	4	3
6	31-03-08	4	3

#### II) Attendance of Directors :

Name	No. of Board Meetings held	No. of Board Meetings Attended	Attendance at the last annual general meeting as on 31st March 2006	No. of Directorship in the other Boards	No. of Membership in other Board Committees as on March'2006
Kiran Shah	6	6	Present	NIL	NIL
Pravin Shah	6	6	Present	NIL	3
C. S. Shah	6	NIL	Absent	NIL	NIL
Abjee Patel	6	6	Absabt	NIL	3

## 2) Committees of Directors :

Non - Executive Directors, provide guidance to operating management on policy matters as well as in the monitoring actions of operating management. This involvement is formalized through constitution of designated committees of the Board. The Committees are intended to provide regular exchange of information and ideas between the Non-executive Directors and the operating management.

The Board has accordingly formed Committees which comply with the requirements of Clause 49 of the Listing Agreement with the Stock Exchange and other applicable provisions of the Companies (Amendment) Act, 2000.

### (A) Audit Committee :

Audit Committee comprised of the following Executive Directors of the board as per section 292A of the Companies Act, 1956 :

Name of the Director	Status
Mr. Pravin Shah	Independent Executive Director
Mr. Abhjee Patel	Executive Director

Audit Committee meeting was held on 31-10-2008 and 30-06-2008

### (B) Remuneration Committee :

I Remuneration Committee comprised of the following Non-Executive Directors of the Board :

Name of the Director	Status
Mr. Abjee Patel	Independent Executive Director
Mr. Praavin Shah	Executive Director

## II) Remuneration Policy :

The Company follows a market linked remuneration policy, which is aimed at enabling the Company to attract and retain the best talent. The Company does not have an Employee Stock Option Policy.

## III) Board Terms of reference of the Remuneration Committee :

- a) To recommend and review remuneration package of Managing Director / Executive Directors and Company Secretary of the Company.
- b) To present report to the Board on Remuneration package of Directors and Company Secretary.

IV) Details of remuneration paid to the Managing Director and Executive Director during the year ended 31st March, 2008.



Name of the Director		Salary	Perquisites	Total
Mr. Kiran Shah	Managing Director	7,20,000	3,61,855	10,81,855
Mr. Pravin Shah	Executive Director	3,12,024	1,74,712	4,86,736
Mr Abjee Patel	Executive Director	6,00,000	---	6,00,000

The above Managing Director and Executive Director have not been given any package of stock option, pension etc.

Terms of Contract :

Name of the Director	Date of Appointment	Expiry of the Contract
Mr. Kiran Shah	01st April 2007	31st March 2012
Mr. Pravin Shah	01st April 2007	31st March 2012
Mr Abjee Patel	01st Dec' 2004	30th Nov' 2009

The above Managing Director / Executive Directors are required to give 3 months notice period for resignation as Managing Director / Executive Director. If before expiry of service contract, their tenure of office of the Executive Directors is determined, they will be entitled compensation as per section 318 of the Companies Act 1956.

A) Non - Executive Directors :

No sitting fee is paid to Non-Executive Directors.

No Remuneration committee meeting was held during the year

C) Shareholders / Investors' grievances Committee :

This committee, comprises of the following Executive Director and Non-Executive Director, reviewing Shareholder's complaints and resolution thereof.

Name of the Director	Status
Mr. Pravin Shah	Executive Director
Mr. Abjee Patel	Independent Executive Director

No Shareholders / Investors' Grievances Committee Meeting was held during the year ended 31st March 2008 as the Company did not receive any letter of major grievances from the shareholders / investors.

4) General Body Meetings :

The last three Annual General Meetings (AGMs) of the Company were held on the following dates and time at Plot No. 488, Baroda - Savli Highway, Village - Tundav, Taluka - Savli, Dist - Baroda, Gujarat.

AGM	Day and Date	Time
12th AGM	Wednesday, 10th Nov'04	5.30 p.m.
13th AGM	Saturday 24th Sep.'05	5.30 p.m.
14th AGM	Saturday 23rd Dec. '06	5.30 p.m.
15th AGM	Friday 28th Sept. 07	5.30 p.m.

(B) Whether special resolutions were put through postal ballot last year ? NO

Generally all the resolutions in the General Body Meetings are passed through show of hands.

(C) Details of resolutions passed through Postal Ballot : NIL

(D) Area proposed to be conducted through postal ballot and procedure ?

The Company proposed to pass resolution of General Body Meetings through postal ballot paper and follow the procedure given under the Companies Act. 1956.

(5) Disclosure :

(A) Disclosures on material significant related party transactions i.e. Transaction of the Company of material nature, with its promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large :

- a) Managerial Remuneration including perks Rs. 10,81,855/- is paid to Shri Kiran Shah Managing Director and Rs. 4,86,736/- to Shri Pravin Shah, Executive Director.
- b) The Company has hired residential accommodation owned by Mrs. Geeta Shah a relative of Mr. Kiran Shah. The Company paid rent Rs. 3.60,000/- from April 07 to March '08.
- c) The Company has availed transport services for inward and outward of Materials of M/S. G. K. Roadlines, proprietor, Mrs. Geeta Shah a relative of Mr. Kiran Shah of total value of Rs. 49,16,632/-.
- d) The Company has hired residential accommodation owned by Mrs. Jigna P. Shah a relative of Mr. Pravin H. Shah. The Company has paid rent of Rs. 1,65,000/- in a year.
- e) The Company has paid salary of Rs. 2,34,000/- to Miss Neha Shah, Marketing Manager a relative of Mr. Kiran Shah.
- f) The Company has paid salary of Rs. 1,91,976/- to Mr. Neil Shah, Plant in charge a relative of Mr. Kiran Shah from Dec'05.

B) Details of non-compliance by the Company, penalties, structure imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years : NO

6) Means of Communication :

A) Quarterly / Half yearly Financial results of the company are forwarded to the Stock Exchange, Mumbai, Jaipur and Vadodara, where the shares of the Company are listed. Further, the same is published in English and Gujarati news papers.

Half yearly reports are not sent to each household of Shareholders as the results of the company are published in the newspapers.

B) Company has not made any presentations to any institutional investors / analyst during the period.

C) All items required to be covered in the Management Discussion & Analysis have been included in the Directors' Report to Members.

7) General Shareholders information :

- |                                 |   |   |
|---------------------------------|---|---|
| a) Annual General Meetings      | : | 16th Annual General Meeting   |
| Day and Date                    |   | Tuesday the 30th September '2006  |
| Time                            |   | 5 = 30 p.m.   |
| Venue                           |   | Plot No. 488, Baroda - Savli Highway,<br>Village - Tundav, Tal. - Savli, Dist. Baroda.<br>Gujarat                   |
| b) Financial Calender           | : | 1st Quarterly Result - July 2008  |
| 1st April '07 to 31st March '08 |   | 2nd Quarterly Result - Oct' 2008  |
|                                 |   | 3rd Quarterly Result - Jan' 2009  |
|                                 |   | 4th Quarterly Result - 30th April '2009   |
|                                 |   | Audited result in the month of June'2009  |
| c) Registered Office            | : | Plot No. 488, Baroda - Savli Highway,<br>Village - Tundav, Tal. - Savli, Dist. Baroda.<br>Gujarat                   |
| d) Listing on Stock Exchange    | : | The Stock Exchange, Mumbai<br>PHIROZE JEEJEEBHoyTOWERS,<br>Dalal Street, Mumbai - 400 023.<br>Tel. : 022 - 22721234 |

The Company has already applied for delisting of its shares at the Ahmedabad Stock Exchange in 1998 and Vadodara Stock Exchange in 2003. However the same has not been delisted by the Ahmedabad Stock Exchange & Vadodara Stock Exchange.

(E) Stock Code :

The Stock Exchange, Mumbai

Listing fees for the year 2007-2008 have been paid to the Stock Exchange, Mumbai and Vadodara.

(F) Market Price data :

The equity shares of the company are traded thinly at The Stock Exchange, Mumbai.

G) Address of Registrars and Share transfer agent :

Intime Spectrun Registry Pvt. Ltd.

H) The Company's shares are traded in the Stock Exchanges and shares in physical mode which are lodged for transfer are processed and returned to the shareholders within the stipulated time.

I) Distribution of shareholding as on 31st March 2008

Category	No. of Shares	Percent
Promoter Group (including NRI Director)	21,17,500.00	45.54 %
NRI / OCB	35,400.00	0.76 %
Bank	0.00	NIL
Bodies Corporate	47,400.00	1.02 %
Others	24,49,700.00	52.68 %
<b>Total</b>	<b>46,50,000.00</b>	<b>100.00 %</b>

J) Outstanding GDR'S / ADR'S Warrants of any Convertible instruments, conversion date and likely impact on equity : Not Applicable

K) Plant Locations :

The Company's Plant is located at : Plot No. 488, Baroda - Savli Highway,  
Village - Tundav, Tal. - Savli, Dist. Baroda.  
Gujarat

Address for Correspondence : Plot No. 488, Baroda - Savli Highway,  
Village - Tundav, Tal. - Savli, Dist. Baroda.  
Gujarat

For and on behalf of the Board.

Place : Baroda

Date : 30 / 06 / 08

(KIRAN SHAH)

CHAIRMAN & MANAGING DIRECTOR

**AUDITOR'S REPORT**

To,  
The Members,  
GUJARAT CONTAINERS LIMITED

We have audited the attached Balance Sheet of GUJARAT CONTAINERS LIMITED as at 31<sup>st</sup> March, 2008, the Profit and Loss Account and also the Cash Flow Statement of the Company for the year ended on that date, annexed thereto, read with the notes thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

In our opinion, proper books of accounts as required by law have been kept by the Company, so far as it appears from our examination of the books.

The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

In our opinion, the Balance Sheet and Profit and Loss Account dealt with by Report, comply with the accounting standards referred to in Section 211 (1C) of the Companies Act, 1956 except as referred to in para (f) below and Notes to accounts.

On the basis of written representation received from the directors, as on 31<sup>st</sup> March, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

In our opinion and to the best of our information and according to the explanations to us the said accounts, read together notes thereon, and in particular the following mentioned notes :-

- i) Note No. (K) Regarding non provision of gratuity of Rs. 18,37,645/- (Previous Year Rs. 20,58,550/-).
  - ii) Note No: (L) Regarding non provision of depreciation of Rs. 52,59,816/- of past years (Previous Year Rs. 64,98,891/-).
  - iii) Note No. (I) Regarding non-provision of Deferred Taxation in Profit and Loss Account.  
give the information as required by the Companies Act, 1956, in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India :-  
In the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2008.  
In the case of Profit and Loss Account, of the "PROFIT" of the Company for the year ended on that date.  
In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date
- II. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks of and records of the as were considered appropriate and as per the information and explanations given to us during the course of our audit, we further report on the matters specified in Para 4 & 5 of the said order as under:-
1. In respect of its fixed assets:-
    - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. Fixed assets Register has not been updated for entries from 01.04.2007.
    - b) The management has physically verified fixed assets of the Company during the year. No material discrepancies were noticed on such physical verification.
    - c) As a substantial part of fixed assets has not been disposed off during the year, the question of sale of substantial part of fixed assets affecting going concern does not arise.
  2. In respect of its inventories:-

our opinion, the frequency of verification is reasonable.

- b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventory and there were no material discrepancies noticed on physical verification having regard to the size of the operations of the Company. *However, as stated in Note No. (M) of Notes on Accounts the slow moving, obsolete and defective stock of Rs. 297.72 lacs have continued to report at its original value in the books and diminution in their value is not considered.*
3. In respect of loans, secured or unsecured, granted or taken by the Company, to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956, according to the information and explanations given to us:
- a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained U/s 301 of the Companies Act, 1956. However, the company has taken unsecured loans from Three Directors and their relatives, whose outstanding is aggregating to Rs. 1,83,83,996/-
  - b) The rates of Interest and other terms and conditions of the unsecured loans from the Directors and their relatives are not prejudicial to the interests of the Company. The repayment of the loans and interest payment schedule is not stipulated by the Company, in respect of loans from Directors, hence the question of overdue does not arise. However, in respect of Unsecured Deposits from Directors and their relatives aggregating to Rs. 132.12 lacs, an interest of Rs. 9.92 lacs is provided and accrued in books, to be paid on maturity date as per terms of Deposit.
4. In our opinion and according to the information and explanation given to us there is adequate internal control procedure commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods.
5. In our opinion and according to the explanations given to us the Company has entered the transaction that needs to be entered in the register maintained U/s 301 of the Companies Act, 1956 and these transactions have been made at prices which are reasonable having regard to the prevailing market prices at time of the transaction.
6. The Company has accepted deposits from public within the meaning of Section 58A of the Companies Act, 1956 and rules framed there under. In our opinion and according to the explanations given to us, the company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A of the Companies Act, 1956 and the rules made there under in respect of the Fixed Deposit accepted *except that the company has not yet filed the return of Fixed Deposit for last year.*
7. The internal audit of the Company has been conducted by company's own staff. In our opinion, the internal audit system is commensurate with the size and nature of its business, but the system requires to be strengthened.
8. The Central Government has not prescribed maintenance of cost records, under section 209 (1) (d) of the Companies Act, 1956 in respect of the industry to which the company belongs. Hence, the Company has not maintained such records.
9. According to the information and explanations given to us in respect of statutory dues:
- a) The Company has been depositing the undisputed statutory dues including provident fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other statutory dues (which are applicable) with the appropriate authorities during the year. However, there has been a marginal delay in deposit of Income Tax deducted at source dues. However, there is no undisputed statutory dues outstanding for a period of more than six months as at 31<sup>st</sup> March, 2008 from the date they became payable *except in case of Central Sales Tax, Rs. 14,987/-, Gujarat Sales Tax Rs. 22,471/- (however Central Sales Tax and Gujarat Sales Tax have been paid after the Balance Sheet Date but before signing of this report) and Investor Education and Protection Fund due, for which the company is liable in respect of depositing the Excess Share Application money of Rs. 3,16,149/- lying in separate bank account of the Company with the Banker who have not yet submitted the reconciled list of outstanding due to refund holders.*
  - b) There are no disputed dues that have not been deposited in respect of Income Tax, Sales Tax, Wealth

- Tax, Custom Duty, Excise Duty, Cess or any other matters which is disputed and pending with the relevant forum:
10. In our opinion, the company has no accumulated losses, as at the year-end; and that the company has not incurred Cash Loss in the current financial year as well in the immediately past financial year.
  11. On the basis of the information and explanations given to us, by the management, the Company has not defaulted in repayment of dues to banks during the year. The Company has no dues to any financial institutions or debenture holders during the year.
  12. On the basis of information and explanations given to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
  13. The nature of the Company's activities during the year is such that clauses (xiii) and (xiv) of paragraph 4 of the Companies (Auditors Report) Order, 2003 are not applicable to the Company for the year.
  14. According to information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
  15. On the basis of examination of books of accounts, we would like to state that the Company has not availed any Term Loans during the year.
  16. On the basis of information and explanations given to us and on an overall examination of the Balance Sheet and the Cash Flow Statement of the Company, we report that the Company has not *prima facie*, used the funds raised on short term basis during the year, for long term investment and as explained, Long term funds have been partly utilised to finance core working capital.
  17. The Company has not made any preferential allotment of shares during the year.
  18. The Company has not issued any debentures during the year.
  19. The Company has not raised any money by public issue during the year.
  20. To the best of our knowledge and belief according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

**For V. K. SHASTRI & CO.**  
Chartered Accountants

**(V.K. Shastri)**  
Sole Proprietor

Place : VADODARA  
Date : 30-6-2008

**GUJARAT CONTAINERS LIMITED**  
**Balance Sheet As at 31st March 2008**

SR. NO.	PARTICULARS	SCHEDULE	AS ON 31-Mar-08 Amount (Rs.)	AS ON 31-Mar-07 Amount (Rs.)
<b>A) SOURCE OF FUNDS :</b>				
1.	<b>Shareholder's Funds :</b>			
	a) Share Capital	A	46,500,000	46,500,000
	b) Reserves & Surplus	B	23,981,178	22,858,861
	<b>Sub-Total (1)</b>		<b>70,481,178</b>	<b>69,358,861</b>
2.	<b>Loan Funds :</b>	C		
	a) Secured Loans		50,367,782	52,539,486
	b) Unsecured Loans		24,129,316	21,031,798
	<b>Sub-Total (2)</b>		<b>74,497,098</b>	<b>73,571,284</b>
	<b>TOTAL SOURCES (1+2)</b>		<b>144,978,276</b>	<b>142,930,144</b>
<b>B.) APPLICATION OF FUNDS :</b>				
1.	<b>Fixed Assets :</b>	D		
	a) Gross Block		73,594,809	72,022,874
	b) Less : Depreciation Bank		33,059,590	28,320,559
	c) Net Block (a-b)		40,535,219	43,702,315
	d) Capital Work in Progress		2,673,956	2,584,652
	<b>Sub-Total (c+d)</b>		<b>43,209,175</b>	<b>46,287,267</b>
2.	<b>Current Assets Loans &amp; Advances :</b>	E		
	a) Inventories		50,219,143	40,687,311
	b) Sundry Debtors		58,921,615	57,903,821
	c) Cash & bank Balances		11,217,228	4,413,781
	d) Loans & Advances		21,559,033	20,863,337
	<b>Sub-Total (2)</b>		<b>141,971,019</b>	<b>123,856,250</b>
3.	<b>LESS : Current Liabilities &amp; Provisions</b>	F		
	a) Current Liabilities		11,303,252	26,931,873
	B) Provisions		187,000	284,500
	<b>Sub-Total (3)</b>		<b>41,485,252</b>	<b>26,961,873</b>
4.	<b>NET CURRENT ASSETS ( 2 - 3)</b>		<b>100,485,252</b>	<b>96,621,877</b>
5.	<b>Miscellaneous Expenditure :</b>	G		
	(To the extent not written off or adjusted)			
	a) Deferred Revenue Expenses		1,283,333	21,000
	b) Preliminary Expenses			
	<b>Sub-Total (5)</b>		<b>1,283,333</b>	<b>21,000</b>
	<b>TOTAL APPLICATION ( 1 + 4 + 5)</b>		<b>144,978,276</b>	<b>142,930,144</b>
	Notes on Accounts	O		

As per our report of even date annexed  
For V. K. SHASTRI & Co.  
Chartered Accountants

(V. K. SHASTRI)  
Sole Proprietor

Place : Vadodara  
Date : 30th June, 2008

**BY ORDER OF THE BOARD**  
(KIRAN SHAH) (PRAVIN SHAH)  
Chairman & Whole-Time Director  
Managing Director

Place : Vadodara  
Date : 30th June, 2008



**GUJARAT CONTAINERS LIMITED**

**Profit & Loss Account For The year Ending on 31st March 2008**

SR. NO.	PARTICULARS	SCHE- DULE	AS ON 31-Mar-08 Amount (Rs.)	AS ON 31-Mar-08 Amount (Rs.)
<b>1.</b>	<b>INCOMES</b>			
	Sales & Other Incomes	H	278,288,068	212,986,783
	Increase / (Decrease) in stock	I	1,109,967	1,902,600
	<b>TOTAL INCOMES</b>		<u>279,397,957</u>	<u>214,888,741</u>
<b>2.</b>	<b>EXPENDITURE:</b>			
	Cost of Materials Consumed	J	189,228,520	138,092,783
	Employee Benefits & Manufacturing Expenses	K	24,860,041	21,307,389
	Administrative Expenses	L	4,095,258	3,977,085
	Selling & Distribution Expenses	M	8,066,734	5,789,303
	Financial Charges	N	10,853,774	8,495,606
	Central Excise		36,115,333	28,083,199
	Depreciation	D	4,739,031	6,599,384
	<b>TOTAL EXPENDITURE</b>		<u>277,958,691</u>	<u>212,344,749</u>
	<b>PROFIT / (LOSS) OF THE YEAR</b>			
			1,439,266	2,534,992
	LESS : Extra ordinary items			
	Loss on Sales of Fixed Assets		---	9,357
			<u>1,439,266</u>	<u>2,534,635</u>
	<b>PROFIT / (LOSS) OF THE YEAR BEFORE TAXATION</b>			
	Less : (a) Provision & Payment For Taxation		192,824	284,500
	(B) Fringe Benefit Tax		124,125	156,247
	<b>PROFIT / (LOSS) AFTER TAXATION</b>		<u>1,122,317</u>	<u>2,093,888</u>
<b>3</b>	<b>APPROPRIATIONS :</b>			
	Balance as per last Balance Sheet		16,358,861	14,264,973
	Add / (Less) : Profit / (Loss) of the year after taxation		1,122,317	2,093,888
	<b>PROFIT / (LOSS) Available for Appropriation</b>		<u>17,481,178</u>	<u>16,358,861</u>
	Less : Balance Carried Forward to Balance Sheet		<u>17,481,178</u>	<u>16,358,861</u>

As per our report of even date annexed  
For **V. K. SHASTRI & Co.**  
Chartered Accountants

**(V. K. SHASTRI)**  
Sole Proprietor

Place : Vadodara  
Date : 30th June, 2008

**BY ORDER OF THE BOARD**

**(KIRAN SHAH)**  
Chairman &  
Managing Director

**(PRAVIN SHAH)**  
Whole-Time Director

Place : Vadodara  
Date : 30th June, 2008

**GUJARAT CONTAINERS LIMITED**  
**Schedule To Balance Sheet As At 31st March 2008**

SR. NO.	PARTICULARS	SCHE- DULE	AS ON 31-Mar-08 Amount (Rs.)	AS ON 31-Mar-08 Amount (Rs.)
<b>SCHEDULE : A SHARE CAPITAL</b>				
<b>AUTHORISED CAPITAL</b>				
	50,00,000 Equity Shares of Rs. 10 Each		50,000,000	50,000,000
<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b>				
	46,50,000 Equity Shares of Rs. 10/- each fully paid up for cash		46,500,000	46,500,000
	<b>TOTAL</b>		<b>46,500,000</b>	<b>46,500,000</b>
<b>SCHEDULE : B RESERVES AND SURPLUS</b>				
	a) Share Premium account		1,200,000	1,200,000
	b) State Subsidy		2,500,000	2,500,000
	c) Share Forfeiture A/c.		2,800,000	2,800,000
	d) Profit & Loss Account			
	Balance transferred from Profit & Loss			
	Appropriation Account		17,481,178	16,358,861
	<b>TOTAL</b>		<b>23,981,178</b>	<b>22,858,861</b>
<b>SCHEDULE : C LOAN FUNDS</b>				
<b>1.</b>	<b>SECURED LOANS</b>			
	a) Terms Loan from Bank		34,300,000	34,300,000
	Towards Principal			
	Secured by first charge by way of Hypothecation of Plant & Machinery and other movable fixed assets of the company and further secured by first charge on immovable Properties of the company by way Equitable Mortgage by deposit of title deeds and personally guaranteed by the Directors of the Company.			
	b) Vehicle Loan From Financial Companies :		1,281,888	2,232,251
	Toward Principal			
	Secured by Hypothecation of Vehicles under hire purchase agreements			
	c) Working Capital facilities from Bank :		14,785,894	16,007,235
	Towards Principal			
	Secured by first charge by way of Hypothecation of stock of Raw Materials, work in process, finished goods, stores and spares and receivables, Plant & Machinery and other movable fixed assets of the company by way Equitable by deposit of title deeds and personally guaranteed by the Directors of the Company.			
	<b>SUB-TOTAL (1)</b>		<b>50,367,782</b>	<b>52,539,486</b>
<b>2.</b>	<b>UNSECURED LOANS</b>			
	From Directors & Relatives		23,355,395	19,342,051
	From Inter Corporate Deposits		773,921	1,689,747
	<b>SUB-TOTAL (2)</b>		<b>24,129,316</b>	<b>21,031,798</b>
	<b>GRAND TOTAL (1+2)</b>		<b>74,497,098</b>	<b>73,571,284</b>

**GUJARAT CONTAINERS LIMITED  
SCHEDULE : D FIXED ASSET**

SR. NO.	PARTICULARS OF FIXED ASSETS	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK		
		AS ON 1.4.2007	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	AS ON 31.3.2008	AS ON 1.4.2007	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	AS ON 31.3.2008	AS ON 31.3.2007
i)	LAND & LAND DEVELOPMENT	1,054,394	---	---	1,054,394	---	---	---	1,054,394	1,054,394
ii)	FACTORY BUILDING	13,118,607	772,192	---	13,890,799	457,038	---	4,807,109	9,083,690	8,768,536
iii)	PLANT & MACHINERY	45,525,509	700,475	20,280	46,205,704	3,373,231	---	21,499,538	24,706,166	27,399,184
iv)	ELECTRIFICATION	4,629,368	---	---	4,629,368	219,895	---	2,400,157	2,229,211	2,449,106
v)	TOOLS, DIES & EQUIP.	646,089	9,264	---	655,353	31,166	---	350,962	304,391	326,293
vi)	FURNITURE AND FIXTURE	218,078	---	---	218,078	7,236	---	218,078	---	7,236
vii)	OFFICE EQUIPMENTS	1,602,968	110,284	---	1,713,252	175,364	---	1,281,462	421,790	486,870
viii)	VEHICLES	4,954,311	---	---	4,954,311	470,660	---	2,433,091	2,521,220	2,991,880
ix)	OFFICE BUILDING	273,550	---	---	273,550	4,459	---	59,193	214,357	218,816
	<b>TOTAL</b>	<b>72,022,874</b>	<b>1,203,215</b>	<b>20,280</b>	<b>73,594,809</b>	<b>4,799,091</b>	<b>---</b>	<b>33,059,590</b>	<b>40,535,219</b>	<b>43,702,315</b>
	<b>PREVIOUS YEAR'S FIGURES</b>	<b>68,642,005</b>	<b>4,091,269</b>	<b>710,400</b>	<b>72,022,874</b>	<b>6,599,384</b>	<b>438,579</b>	<b>28,320,559</b>	<b>43,702,315</b>	<b>46,482,251</b>

**CAPITAL WORK-IN-PROGRESS:**

Advances against capital works	---	---	---	---	---	---	---	---	2,673,956	2,584,952
<b>TOTAL</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>2,673,956</b>	<b>2,584,952</b>

**Note:** The above includes arrears depreciation on all assets for AY: 2003-04 except on (Plant & Maching) i.e. c. Total Rs.32,32,811 less 20,33,736 on for Plants & Machinery now provided.

SR. NO.	PARTICULARS	SCHE- DULE	AS ON 31-Mar-08 Amount (Rs.)	AS ON 31-Mar-07 Amount (Rs.)
<b>SCHEDULE : E CURRENT ASSETS, LOANS AND ADVANCES</b>				
<b>A) INVENTORIES :</b>				
<i>(Valued of lower of the cost or net reliable value subject to the accounting policies)</i>				
	Raw-Materilas		23,234,841	14,764,398
	Stock in Process		18,135,907	17,974,090
	Finished Goods		3,749,495	2,851,343
	Waste & Scrap		1636,320	1,586,400
	General & Consumable Stores		3,462,580	3,511,080
	Sub-Total (A)		50,219,143	40,687,311
<b>B) SUNDRY DEBTORS :</b>				
Unsecured : Considered Good				
	a) Debts outstanding for a period exceeding six months.		12,307,835	12,085,645
	b) Debts outstanding for less than six months.		36,245,676	35,450,072
	c) Doubtful Debts		10,368,104	10,368,104
	Sub-Total (B)		58,921,615	57,903,821
<b>C) CASH AND BANK BALANCES</b>				
	a) Cash on Hand		1,545,151	951,682
	b) Cash at Bank			
	# in Current Account		335,846	335,846
	# in Deposit Account		9,390,231	3,126,253
	Sub-Total (C)		11,271,228	44,137,81
<b>D) LOANS AND ADVANCES</b>				
Unsecured : Considered Good				
<i>Advances recoverable in cash or in kind for value to be received</i>				
	Advances to Suppliers		17,398,996	18,514,441
	Advances to Staff & Others		189,472	733,502
	Deposits		1,562,162	426,825
	Interest Receivable & Prepaid Expenses		691,415	373,064
	Balance with Govt. Depts.		1,716,988	815,505
	Sub-Total (D)		21,559,033	20,863,337
	<b>GRAND TOTAL ( A+B+C+D)</b>		141,971,019	123,868,250
<b>SCHEDULE : F CURRENT LIABILITIES AND PROVISIONS</b>				
<b>A) CURRENT LIABILITIES</b>				
	i) Sundry Creditors for goods and expenses		38,271,775	24,409,540
	ii) Sundry Creditors for capital expenses		---	62,516
	iii) Other current liabilities			
	- Loans & Advances		---	---
	- Advance from Customers		137,443	---
	- Other current liabilities		2,632,766	1,816,373
	- Outstanding liabilities for Exp.		261,267	673,444
	Sub-Total (A)		41,303,252	27,246,373
<b>B) PROVISIONS</b>				
	- Provision for Taxation		182,000	284,500
	Sub-Total (B)		182,000	284,500
	<b>GRAND TOTAL (A+B)</b>		41,485,252	27,246,373
<b>SCHEDULE : G MISCELLANEOUS EXPENDITURE</b>				
<i>(To the extent not written off or adjusted)</i>				
	A. Deferred Revenue Expenses		1,283,333	21,000
	B. Preliminary Expenses		---	---
	<b>GRAND TOTAL (A+B)</b>		1,283,333	21,000

## GUJARAT CONTAINERS LIMITED

Schedule To Profit & Loss Account for the year ending on 31st March 2008

SR. NO.	PARTICULARS	SCHE- DULE	AS ON 31-Mar-08 Amount (Rs.)	AS ON 31-Mar-08 Amount (Rs.)
<b><u>SCHEDULE : H SALES AND OTHER INCOMES</u></b>				
<b>a) Sales :</b>				
	Sales - Barrels		267,393,202	201,531,370
	Sales - Waste, Scrap & Others		5,801,254	4,892,899
	<b>Sub-Total (a)</b>		<b>273,194,456</b>	<b>206,424,269</b>
<b>b) Other Incomes :</b>				
	Jobwork & Conversion Charges		2,171,357	5,693,460
	Freight & Forwarding		2,625,092	613,555
	Interest earned		262,470	231,533
	Miscellaneous Incomes		22,619	23,325
	Provision wrtitten back		10,074	---
	<b>Sub-Total (b)</b>		<b>5,093,612</b>	<b>6,561,873</b>
	<b>GRAND TOTAL (a+b)</b>		<b>278,288,068</b>	<b>212,986,141</b>
<b><u>SCHEDULE : I INCREASE / (DECREASE) IN STOCKS</u></b>				
<b>a. Stock in Process :</b>				
	Closing Stock		18,135,907	17,974,090
	Less : Opening Stock		17,974,090	16,707,190
	Increase / (Decreases)		1,61,817	12,66,900
<b>b. Finished Goods :</b>				
	Closing Stock		3,749,495	2,851,343
	Less : Opening Stock		2,851,343	2,156,873
	Increase / (Decreases)		898,152	691,470
<b>c. Waste &amp; Scrap :</b>				
	Closing Stock		1,636,320	1,586,400
	Less : Opening Stock		1,586,400	1,642,170
	Increase / (Decreases)		49,920	(55,770)
	<b>TOTAL - Increase / (Decreases)</b>		<b>1,109,889</b>	<b>1,902,600</b>
<b><u>SCHEDULE : J COST OF MATERIALS CONSUMED</u></b>				
<b>1. Raw Materials :</b>				
	Opening Stock		14,764,398	20,669,671
	Add : Purchases		192,805,826	130,765,446
			207,570,224	151,435,117
	Less : Closing Stock & in Transit		23,234,841	14,764,398
	Raw Material Consumed (1)		<b>184,335,383</b>	<b>136,670,719</b>
<b>2. General &amp; Consumable Stores :</b>				
	Opening Stock		3,511,080	3,477,630
	Add : Purchases		4,844,637	1,455,514
			8,355,717	4,933,144
	Less : Closing Stock		3,462,580	3,511,080
	Stores Consumed (2)		4,893,137	1,422,064
	<b>TOTAL MATERIALS CONSUMED (1 +2)</b>		<b>189,228,520</b>	<b>138,092,783</b>

**GUJARAT CONTAINERS LIMITED**
**Schedule To Profit & Loss Account for the year ending on 31st March 2008**

SR. NO.	PARTICULARS	SCHE- DULE	AS ON 31-Mar-08 Amount (Rs.)	AS ON 31-Mar-07 Amount (Rs.)
<b><u>SCHEDULE : K EMPLOYEE BENEFITS &amp; MANUFACTURING EXPENSES</u></b>				
	Salary, Wages, Allowances, P. F. etc.		10,609,817	11,384,541
	Staff & Labour Welfare		254,778	339,774
	Directors Remuneration & Perks		2,168,591	2,036,647
	Power and Fuel		6,737,222	4,277,087
	Labour and Job-Work Charges		3,763,249	2,307,723
	Repairs & Maintenance		1,104,197	421,928
	Lab., Testing & Other Mfg. Expenses		222,187	539,689
	TOTAL		24,860,041	21,307,389
<b><u>SCHEDULE : L ADMINISTRATIVE EXPENSES</u></b>				
	Printing & Stationary		135,745	109,956
	Conveyance		146,805	124,795
	Travelling Expenses		715,094	716,347
	Legal, Professional & Listing Charges		891,302	975,622
	Vehicle Running & Maintenance		571,214	478,757
	Security Service Charges		238,837	211,908
	Postage, Telegram, Telephone, Fax etc.		394,944	615,805
	Other Office Expenses		950,317	697,895
	Auditor's Remuneration		30,000	25,000
	Deferred revenue Expenses W/ off		21,000	21,000
	TOTAL		4,095,258	3,977,085
<b><u>SCHEDULE : M SELLING AND DISTRIBUTION EXPENSES</u></b>				
	Sales Commission, Discount & Other Exps.		117,300	97,611
	Freight Outward		7,949,434	5,691,492
	TOTAL		8,066,734	5,789,303
<b><u>SCHEDULE : N FINANCIAL CHARGES</u></b>				
	Interest		7,793,796	6,466,273
	Discount & Rebates		1,832,981	859,820
	Bank Charges		1,226,997	1,169,513
	TOTAL		10,853,774	8,895,606

## GUJARAT CONTAINERS LIMITED

**NOTES ON ACCOUNTS: 2007-08**
**SCHEDULE : O**
**A) SIGNIFICANT ACCOUNTING POLICIES:-**

1. **ACCOUNTING CONVENTION :-**  
The financial statements are prepared under historical cost convention on an accrual basis, in accordance with the applicable accounting standards.
  2. **FIXED ASSETS AND DEPRECIATION :-**
    - a) Fixed Assets are recorded at cost of acquisition including all direct cost, pre-operative expenses and incidental expenses in connection thereto less depreciation.
    - b) Depreciation on fixed assets is related to the period of use of the assets and is provided on the Straight line method at the rates prescribed in Schedule XIV to the Companies Act, 1956 as amended till date. Pro-rata depreciation is provided on all addition to fixed assets.
  3. **VALUATION OF STOCKS :-**  
The Stocks of Raw materials, Stock-in-process, Finished Goods, General & Consumable Stores and Scrap have been valued at lower of cost or net realisable value.
  4. **SALES :-**  
Sales include excise duty realised from customers, but excludes Sales Tax & Freight.
  5. **EXCISE DUTY :-**  
The Company has followed a system whereby the Excise Duty is included in the Sales Value and the Value of Closing Stock as required by the Guidance Note of the Institute of Chartered Accountants of India. The actual excise duty paid is shown as expenditure and the excise duty unpaid and included in finished goods is shown as liability payable under the head other current liabilities.
  6. **GRATUITY AND LEAVE ENCASHMENT :-**  
Gratuity payable as per Payment of Gratuity Act is not provided for in books of accounts, but shown separately in notes to accounts. As regards Leave Encashment, the company has made a policy that all employees should avail the leave he or she is entitled and hence no provision is made for Leave Encashment. As regards Provident Fund, it is paid by the Company to the Employees Provident Fund Department.
  7. **TAXATION :-**  
Income Tax expense comprises current tax only. The Deferred tax is not charged to profit and Loss account as per the policy of the Company, since there were Losses in past and current year's profit is not sufficient to write-off past losses. Hence, considering that, there is no reasonable certainty that sufficient future taxable income will be available to set off Deferred Tax no provision of Deferred Taxes is made.
  8. **CONTINGENT LIABILITIES :-**  
Contingent liabilities are not provided for in the accounts and are shown separately in the notes on accounts.
- B) In the opinion of the Board, Debtors, Loans and Advances and other Current Assets are of the value as stated in the Balance Sheet, if realised in the ordinary course of the business.
- C) Estimated amount of contracts remaining to be executed on Capital Account not provided for (net of advances) as on 31st March 2008 is Rs. NIL (Previous Year Rs. NIL).
- D) Figures have been rounded off to the nearest rupee.
- E) Previous Year figures have been regrouped and/or rearranged whenever necessary to confirm with current year's classification.
- F) Remuneration to the Auditors:-

Particulars	Current Year	Previous Year
For Audit Fees	20,000	20,000
For Income Tax & Other Consultation	10,000	15,000
For Other out of pocket expenses	--	--
<b>TOTAL Rs.</b>	<b>30,000</b>	<b>35,000</b>

G) Remuneration to Directors:-  
Remuneration to Managing Director and Whole time Directors have been paid as per schedule XIII of the Companies Act, 1956, and in according resolution passed by the company in Annual General Meeting.

H) Contingent Liabilities:

Particulars	Current Year	Previous Year
Claims against the company not acknowledge as debts.	NIL	NIL
Liability in respect of bill discounted	NIL	10,36,965
Liability in respect of letter of Credit opened on behalf of company by bankers. (Net of Margin)	1,94,84,713	1,54,87,014
Liabilities in respect of counter Guarantees given to bankers for Guarantees given by them	5,00,000	55,00,000

I) During the year, the Company has not accounted for Deferred Tax in accordance with the Accounting Standard - 22 "Accounting for Taxes on Income" issued by the Council of the Institute of Chartered Accountants of India, which will effect the figure of net profits and accumulated profit in reserve and surplus to that extent

J) Current Tax : During the year the provision is made for taxes on incomes, U/s 115JB of the Income tax Act, 1961, being tax on book profit (i.e. MAT), since income under normal income tax computation is Nil after taking into account carry forward of losses of earlier years.

K) Due to insufficient profits the company has not made provision for Gratuity as required by Accounting Standard AS - 15 of the Institute of C.A. of India. The liability on this account as on 31st March, 2008 as evaluated by the company is Rs. 18,37,645 /-(Previous Year Rs. 20,58,550/-) Since the Company follows a policy that all employees avail their leave compulsorily, no provision is made on this account for leave encashment. To the extent of this amount the profit of current year and previous year is shown more.

L) Due to insufficient profits during the earlier years the company had not made provision for Depreciation of Rs. 52,59,816/-(Previous Year 64,58,891/-) in total, for the F.Y. 2002-03 and F.Y. 2003-04, on it's fixed assets as per straight line method of Depreciation regularly followed by the Company. Out of this unprovided depreciation, the Company has made provision of Rs. 11,99,075/- being unprovided depreciation of all assets except for Plant & Machinery for F.Y. 2003-04 and the balance depreciation of Rs. 52,59,816/-(P.Y. 64,58,891/-) still remains unprovided. This unprovided Depreciation will be provided in Year in which the Company has sufficient profits. The Depreciation, if provided would result in further loss to company and to that extent profit of the company as shown in profit & loss account is more and the value of Net Block in Balance Sheet are shown higher.

M) The management of the company has found slow moving, obsolete and defective stock which relate to year 2002-03 and earlier periods, of Rs.297.72 lacs but have continued to show the same at it's original value in the books of accounts since then. These stocks are valued at Rs. 20.00 lacs approx. at scrap value as per valuation of auditors and due to this the total value of inventory is higher. The Company is in process of disposing off the same to it's optimum value so that the loss is minimised. As the result of non-providing of diminution in value of these items the Profit is higher and also the value of the inventory is higher by that amount.

N) The Company has made claims from materials suppliers in past for discounts and rate difference and has also made claims for freight charges from customers which relate to years 2002-03 and earlier periods and are not yet accepted by other parties. The same are still continued to be shown as receivable and considered good.

O) Additional information pursuant to para 3 to 4 of part II of Schedule VI of the Companies Act, 1956.

a) **PARTICULARS OF CAPACITY AND PRODUCTION:-**

PARTICULARS	Unit of Measurement	Current Year	Previous Year
I) Licenced Capacity	-	NotApplicable	NotApplicable
II) Installed Capacity	Nos.	NotApplicable	NotApplicable
III) Actual Production -Steel Barrels	Nos.	1,97,384	1,57,028
- Plastic Barrel/Liners	Nos.	1,94,475	31,873

(#) Includes 30,315 barrels used as liners in captive consumption and 473 defective barrels.



b) **PARTICULARS OF OPENING STOCK, CLOSING STOCK AND SALES :-**

PARTICULARS	Unit of Measure	Current Year		Previous Year	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
I) Opening Stock :					
C.R.C.A. Shee	M.T.	130.460	39,79,082	330.090	85,22,577
Plastic granules	MT	5.500	3,68,500		---
Other Raw Materials	—		1,04,16,816		1,21,47,094
Finished Goods	Nos.	1975	28,51,343	2465	21,59,873
Stock in Process	Nos.		1,79,74,090		1,67,07,190
General & Stores	—		35,11,080		34,77,630
Consumable) Scrap	—		15,86,400		16,42,170
<b>TOTAL Rs.</b>			<b>4,06,87,311</b>		<b>4,46,56,489</b>

PARTICULARS	Unit of Measure	Current Year		Previous Year	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
II) Closing Stock :					
C.R.C.A. Sheet	M.T.	313.930	1,06,52,889	130.460	39,79,082
Plastic granules	M.T.	20.850	15,21,465	5.500	3,68,500
Other Raw Materials	—		1,10,60,487		1,04,16,816
Finished Goods	Nos.	2921	37,49,495	1975	28,51,343
Stock in Process	---		1,81,35,907		1,79,74,090
General & Cons. Stores	—		34,62,580		35,11,080
Scrap	—		16,36,320		15,86,400
<b>TOTAL Rs.</b>			<b>5,02,19,143</b>		<b>4,06,87,311</b>

PARTICULARS	Unit of Measure	Current Year		Previous Year	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
III) Sales :					
Steel Barrels	Nos.	1,96,883	22,28,72,737	1,57,629	20,15,31,370
Plastic Carbouys Barals	Nos	1,94,030	4,45,20,465	NIL	NIL
Other Sales			58,01,254		48,92,899
<b>TOTAL Rs.</b>			<b>27,31,94,456</b>		<b>20,64,24,269</b>

(\* ) Including Sales of Reprocessed Barrels or Sales Return replacements.

c.) **PARTICULARS OF CONSUMPTION OF RAW-MATERIALS :-**

PARTICULARS	Unit of Measure	Current Year		Previous Year	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
Consumption :					
C.R.C.A. Sheet	M.T.	3877.820	12,37,08,085	3755.377	10,73,61,919
Other Raw Material			6,55,20,435		3,07,30,864
<b>TOTAL Rs.</b>			<b>18,92,28,520</b>		<b>13,80,92,783</b>

d.) **PARTICULARS OF PERCENTAGE OF IMPORTED & INDIGENEOUS MATERIAL, SPARE-PARTS AND COMPONENTS CONSUMED:-**

PARTICULARS	Current Year		Previous Year	
	Value	Percentage	Value	Percentage
i) Value of imported spare-parts, materials and components consumed.	NIL	NIL	NIL	NIL
ii) Value of indigenous spares, materials, Components & trading goods consumed	18,92,28,520	100%	13,80,92,783	100%
<b>TOTAL</b>	<b>18,92,28,520</b>	<b>100%</b>	<b>13,80,92,783</b>	<b>100%</b>

e.) **PARTICULARS OF EARNING AND EXPENDITURE IN FOREIGN CURRENCY:-**

PARTICULARS	Current Year	Previous Year
i) Earning in foreign currency	NIL	NIL
ii) Expenditure in foreign currency	NIL	NIL

P) **Particulars of Expenditure on Employees:-**

PARTICULARS	Current Year	Previous Year
i) In case of Employees who were in Employment with the company for the whole year and receiving remuneration aggregating to Rs. 24,00,000/- or more per annum.		
€ No. of Employees	NIL	NIL
€ Amount of Salary & Allowance	NIL	NIL
€ Value of Perquisites	NIL	NIL
ii) In case of Employees who were in Employment with the Company for part of the year and receiving remuneration aggregating to Rs.2,00,000/- or more per month.		
€ No. of Employees	NIL	NIL
€ Amount of Salary & Allowance	NIL	NIL
€ Value of Perquisites	NIL	NIL

Q) The Company has asked its suppliers to give information about the application of Small Scale Industries Undertaking definition to them as per clause (i) of section 3 of the Industries (Development and Regulation) Act, 1951. However, in absence of this information, the details required regarding dues to such S.S.I. units is not given under current liabilities.

R) **ADDITIONAL INFORMATION PURSUANT TO PART-IV OF SCHEDULE-VI OF THE COMPANIES ACT, 1956.**

**PART-IV**

**Balance Sheet Abstract and Company's General Business Profile.**

**I) Registration Details:-**

Registration No.	U28120GJ1992PLC017081	State Code	04
Balance Sheet	31      03      2008		
	Date      Month      Year		

**II) Capital Raised during the Year (Amount in Rs. Thousands)**

Public Issue	Rights issue
NIL	NIL
Bonus issue	Preferential issue
NIL	NIL

**III) Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)**

Total liabilities	Total Assets
1,44,978.28	1,44,978.28
<b>Sources of Funds</b>	
Paid-up Capital	Reserves & Surplus
46,500.00	23,981.18
Secured Loans	Unsecured Loans
50,367.78	24,129.32
<b>Application of Funds</b>	
Net Fixed Assets	Investments
43,209.18	NIL
Net Current Assets	Miscellaneous Expenditure
1,00,485.77	1,283.33
Accumulated losses	
NIL	

**IV) Performance of Company (Amount in Rs. Thousands)**

Turnover	Total Expenditure
2,78,288.07	2,78,793.35
+/- Profit/Loss Before Tax	+/- Profit/Loss after tax
604.61	287.66
(Please tick Appropriate box (+) for profit (-) for Loss)	
Earning Per Share in Rs.	Dividend rate %
(+) 0.06	NIL

**V) Generic Names of Products/Services of company (as per monetary terms) :-**

**GUJARAT CONTAINERS LIMITED**

Item Code No. 7309000S  
 (ITC Code)  
 Product Description DRUMS AND BARRELS MADE ON IRON OR STEEL

Item Code No. 39251000  
 (ITC Code)  
 Product Description PLASTIC DRUMS AND BARRELS

S) Related Party Disclosure:-

SR. No.	NAME OF PARTY	NATURE OF RELATION	NATURE OF PAYMENT	VALUE
1	Geeta K. Shah (Prop)G.K. Roadlines (Prop) Management Aid	Wife of Director	Rent Payment of Goods Transport Office Rent	3,00,000/- 49,16,632/- 3,60,000/-
2	Kiran Shah	Director & Relatives	Loan taken by Company.	25,00,000/- 10,81,855/-
3	Pravin Shah	Director	Loan taken by Company Director Remuneration	5,07,004/- 4,86,736/-
4	Jigna P. Shah	Wife of Director	House Rent	1,65,000/-
5	Abjeebhai Patel & Associates	Director & Relatives	Loan taken by Company Director Remuneration Interest on Loans	1,34,48,822/- 6,00,000/- 9,91,690/-

T) Schedule A to Q form and integral part of the Balance Sheet and Profit and Loss Account and are hereby duly authenticated.

As per our report of even date annexed  
**For V.K.SHASTRI & Co.**  
 Chartered Accountants

**ON BEHALF OF THE BOARD**

**(V. K. SHASTRI)**  
 Sole Proprietor

**KIRAN SHAH**  
 Chairman &  
 Managing Director

**PRAVIN SHAH**  
 Whole Time Director

Place: VADODARA.  
 Date : 30-6-2008

Place: VADODARA.  
 Date : 30-6-2008

**GUJARAT CONTAINERS LIMITED**  
**Cash Flow Statement For the Year Ended on 31st March 2006**

SR. NO.	PARTICULARS	AS ON 31-Mar-08 Amount (Rs.)	AS ON 31-Mar-07 Amount (Rs.)
<b>A) Cash Flow Arising From Operating Activities :</b>			
	Net Profit / (Loss) after Tax & Extraordinary Items	1,122,317	2,093,888
Add	a. Depreciation Charges	4,739,031	6,599,384
	b. Interest Charge	10,853,774	8,495,606
	c. Provision for Taxation	316,949	440,747
	d. Loss on Sale of Assets / Investments	-	9,357
	e. Miscellaneous Expenses (Amortised)	137,667	21,000
	Sub Total (i)	17,169,738	17,659,982
Less	a. Dividend & Interest Income	264,470	231,533
	b. Surplus on Sale of Asset / Investment	--	--
	Sub Total (ii)	264,470	231,633
	iv Operating Profit Before Working Capital Changes - Sub - Total (iv=i-ii)	16,905,268	17,428,449
Less	a. Increase / (Decrease) in Trade and Other Receivable	1,527,513	7,814,045
	b. Increase / (Decrease) in Inventories	9,531,832	(3,969,223)
	Sub Total (v)	11,059,345	3,844,822
Add	a. Increase / (Decrease) in Trade Payables - (vi)	14,056,879	(3,507,976)
	Cash Inflow From Operations Sub Total (vii)=(iv+v+vi)	19,902,802	10,075,651
Less	a. Interest Paid	10,853,774	8,495,606
	b. Direct Taxes & FBT Paid	134,949	440,747
	c. Deferred Revenue Expenses Incurred	1,400,000	-
	Sub Total (viii)	12,388,723	8,936,353
Cash	Inflow (Outflow) Before Extraordinary Items Sub-Total (ix)=(vii-viii)	7,514,079	1,139,298
Add/(Less)	Prior Year Adjustments : (x)	0	0
Net	Cash Inflow/(Outflow) In Course of operating Activities Total (A) = (ix+x)	7,514,079	1,139,298
<b>B Cash Flow Arising From Investments Activities :</b>			
<b>OUTFLOW</b>			
	a. Acquisition of Fixed Assets & Capital Advances	1,660,939	2,755,378
	b. Acquisition of Investments	---	---
	c. Loans / ICD to Other Companies	---	---
	d. Investments in Joint Venture	---	---
	Sub Total (I)	1,660,939	2,755,378

SR. NO.	PARTICULARS	AS ON 31-Mar-08 Amount (Rs.)	AS ON 31-Mar-07 Amount (Rs.)
<b>Less: INFLOW</b>			
	a. Sale of Fixed Assets	0	60,000
	b. Interest & Dividend Received	78,493	231,533
	c. Sale of Investments	--	--
	Sub Total (ii)	78,493	291,533
	<b>Net Cash Inflow/(Outflow) in Course of Investing</b>		
	Total (B) = (i-ii)	(1,582,446)	(2,463,845)
<b>C Cash Flow Arising From Financing Activities :</b>			
<b>INFLOW</b>			
	a. Proceeds From Issue of Share Capital	--	--
	b. Proceeds From Borrowing	6,688,344	5,514,141
	c. Proceeds From Issue of Debentures	--	--
	Sub Total (i)	6,688,344	5,514,141
<b>Less</b>			
<b>OUTFLOW</b>			
	a. Share Issue Expenses	--	--
	b. Redemption of Debentures	--	--
	c. Repayment of Finance / Lease Liabilities	5,762,530	3,215,597
	d. Dividend Paid	--	--
	e. Debenture Issue Expenses	--	--
	Sub Total (ii)	5,762,530	3,215,597
	<b>Net Cash Inflow/(Outflow) in Course of Investing</b>		
	Total (C) = (i-ii)	925,814	2,298,544
	<b>Net Increase / (Decrease) in Cash / Cash Equivalents</b>		
	(A + B + C)	6,857,447	973,997
	<b>Add : Balance At the beginning of the year</b>	4,412,781	3,439,784
	Cash / Cash Equivalents at the Close of the year	11,271,228	4,413,781

As per our report of even date annexed  
For **V. K. SHASTRI & Co.**  
Chartered Accountants

**(V. K. SHASTRI)**  
Sole Proprietor

**BY ORDER OF THE BOARD**

**(KIRAN SHAH)**  
Chairman &  
Managing Director

**(PRAVIN SHAH)**  
Whole-Time Director

Place : Vadodara

LIMITED

AS ON  
-Mar-07  
int (Rs.)

60,000  
231,533

291,533

63,845

514,141

514,141

215,597

215,597

298,544

373,997

439,784

413,781

SHAH)  
e Director

ATTENDANCE SLIP

GUJARAT CONTAINERS LIMITED

Registered Office:  
Plot No. 488/489/P, Baroda-Savli Highway,  
Village : Tundav, Tal. : Savli, Dist. : Baroda

Please complete this Attendance Slip and hand it over at the entrance of Meeting Hall, joint Shareholders may obtain additional Attendance Slip on request.

NAME & ADDRESS OF THE SHARHOLDER: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

No. of Shares Held : \_\_\_\_\_

L.F.NO.(S) :

PROXY

I hereby record my presence at the 16th Annual General Meeting of the Company held on 10th November 2008.

PROXY SIGNATURE  
OF THE SHARE HOLDERS/PROXY\*  
\*Strike whichever is not applicable.

PROXY

GUJARAT CONTAINERS LIMITED

Registered Office:  
Plot No. 488/489/P, Baroda-Savli Highway,  
Village : Tundav, Tal. : Savli, Dist. : Baroda

L.F.NO. (S): \_\_\_\_\_

I / We

of \_\_\_\_\_

being a member/members of Gujarat Containers Ltd. here by appoint

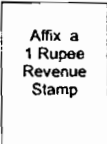
\_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ or failing him \_\_\_\_\_

of \_\_\_\_\_

as my/our proxy to vote for me/us and on my/our behalf at the 16th Annual General Meeting of the Company to be held on Tuesday, the 30th September 2008 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2008 by the said \_\_\_\_\_.



NOTE : The proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company.