

**SEVENTEENTH
ANNUAL
REPORT**

2008-2009



**GUJARAT
CONTAINERS
LIMITED**

GUJARAT CONTAINERS LIMITED
SEVENTEENTH ANNUAL REPORT 2008-2009

- BOARD OF DIRECTORS** : **Shri Kiran Shah**
Chairman & Managing Director
- : **Shri Pravin Shah**
Whole-Time Director
- : **Shri Abjee Patel**
Whole-Time Director
- AUDITORS** : **V. K. Shastri & Co.**
Gayatri Krupa,
9, Manisha Society,
Old Padra Road, BARODA.
- BANKERS** : **State Bank of India**
Specialised Commercial Branch
2nd Floor, Trident Complex,
Race Course,
BARODA-390 023.
- CORPORATE OFFICE** : 201-202, Alkapuri Arcede,
'B' Wing,
R. C. Dutt Road,
Opp. Welcom Hotel,
BARODA-390 005.
- REGISTERED OFFICE AND WORKS** : Plot No. 488 / 489-P,
Baroda-Savli Highway,
Village : Tundav, Tal. Savli
Dist. Vadodara.

GUJARAT CONTAINERS LIMITED

NOTICE

NOTICE is hereby given that the SEVENTEENTH ANNUAL GENERAL MEETING of the members of the Company will be held at 5.30 P.M. on Wednesday, the 30th September, 2009 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, 2009 and the Profit & Loss Account for the year ended on that date and the Directors' and Auditor's Report thereon.
2. To appoint a Director in place of Shri Abjee Patel who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

Date : 30.06.2009.

By Order of the Board

Regd Office :

PLOT NO. 488/489-P
BARODA-SAVLI HIGHWAY,
VILLAGE : TUNDAV, TAL. SAVLI,
DIST. VADODARA.

(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 Wednesday, the 23rd September, 2009 to Wednesday , the 30th September, 2009 (both days inclusive).

Explanatory statement pursuant to Section 173 of the Companies Act, 1956 is annexed herewith Item No. 4

To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION :

"RESOLVED THAT subject to the provisions of section 269, 198, 309 and other applicable provisions, if any of the Companies Act, 1956 read with Schedule XIII thereof as amended and all guidelines for managerial remuneration issued by the Central Government from time to time and subject to such approvals as may be necessary, Shri Abjee Patel be and is hereby reappointed as Executive Director of the company with effect from the 1st December, 2009 for a period of five years on a remuneration as set out in the explanatory statement attached to this notice with liberty to the Board of Directors to revise the remuneration from time to time within the limits provided for in the said Schedule XIII or any amendment thereof for the time being in force"

GUJARAT CONTAINERS LIMITED
DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their Seventeenth Annual Report and Audited Accounts of the Company for the year ending 31st March, 2009.

FINANCIAL RESULTS : (Rs. in Lacs)	2008-09	2007-08
Sales and Other income	2470.81	2432.82
Profit before Interest & Depreciation	236.69	139.72
Interest	124.21	77.94
Depreciation	36.76	47.39
Provision for Taxation	1.70	3.17
Net Profit	73.97	11.22
Less : Exceptional Item	242.21	NIL
Prior Period		
Balance Brought Forward from Previous Year	174.81	163.59
Balance Carried to Balance Sheet	6.57	174.81

DIVIDEND :

Your Directors do not recommend any dividend for the year ended 31st March, 2009 to plough back the fund.

DIRECTORS :

Shri Abjee Patel wholetime Director retires by rotation and eligible offers himself for re-appointment.

INSURANCE :

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

PARTICULARS OF EMPLOYEES :

The particulars of the employees 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 the Companies Act, 1956 from the Auditors to effect that their appointment 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, 2009 the applicable accounting standards has been followed and there has been no material departures from the said standards.
- ii) The directors has selected 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 company as at 31st March, 2009 and the profits of the company for the year ended on the 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, 2009 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' Report for the Year ended 31st March, 2009 is given in Annexure "A" of this Report.

ACKNOWLEDGEMENT :

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 for their dedication and loyalty.

For and on behalf of the Board,

Place : Baroda

Date : 30/06/2009

(KIRAN SHAH)

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, 2009

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 08 to 31st March '09

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

Mr. C.S. Shah Resigned as Director w.e.f. 1-2-2009

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, 2008 to 31st March, 2009 the Board of Directors met on the following dates:

Sr. No.	Date	Board Strength	No. of Directors present
1	30-6-08	4	3
2	26-7-08	4	3
3	24-10-08	4	3
4	30-1-09	4	3
5	16-2-09	4	3

II) Attendance of Directors :

Name	No. of Board Meetings held	No. of Board Meetings Attended	Attendance at the last annual general meeting	No. of Directorship in the other Board as on 31st March'2009	No. of Membership in other Board Committees as on March'2009
Kiran Shah	5	5	Present	NIL	NIL
Pravin Shah	5	5	Present	NIL	3
C. S. Shah	5	NIL	Absent	NIL	NIL
Abjee Patel	5	5	Absent	NIL	3

2) Committees of Directors:

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. Abjee Patel	Executive Director

Audit Committee meeting was held on 24-10-2008 and 30-06-2009

(B) Remuneration Committee :
I) Remuneration Committee comprised of the following Executive Directors of the Board:

Name of the Director	Status
Mr. Abjee Patel	Independent Executive Director
Mr. Pravin 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, 2009

Name of the Director		Salary	Perquisites	Total
Mr. Kiran Shah	Managing Director	7,20,000	3,74,342	10,94,342
Mr. Pravin Shah	Executive Director	3,12,024	1,77,815	4,89,839
Mr. Abjee Patel	Executive Director	6,00,000	NIL	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	31 st 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 2009 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
13th AGM	Saturday 24th Sept.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.
16th AGM	Tuesday 30th Sept. 08	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:
- Managerial Remuneration including perks Rs. 10,94,342/- is paid to Shri Kiran Shah Managing Director and Rs. 4,89,839/- to Shri Pravin Shah, Executive Director & Shri Abjee Patel Rs. 6,00,000/-.
 - The Company has hired residential accommodation owned by Mrs. Geeta Shah a relative of Mr. Kiran Shah. The Company paid rent Rs. 3,00,000/- from April '08 to March '09.
 - 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. 45,18,820/-
 - 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. 1,61,200/- in a year.
 - The Company has paid salary of Rs. 2,34,000/- to Miss Neha Shah, Marketing Manager a relative of Mr. Kiran Shah.
 - The Company has paid salary of Rs. 1,91,976/- to Mr. Neil Shah, Plant in charge a relative of Mr. Kiran Shah.
- 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 : 17th Annual General Meeting
Day and Date Wednesday the 30th September '2009
Time 5=30 p.m.
Venue Plot No. 488, Baroda-Savli Highway,
Village-Tundav, Tal.-Savli, Dist. Baroda.
Gujarat
- b) Financial Calender : 1st Quarterly Result - July 2009
1st April'09 to 31st March'2010 : 2nd Quarterly Result - Oct '2009
3rd Quarterly Result - Jan '2010
4th Quarterly Result 30th April '2010
Audited result in the month of June'2010
- c) Registered Office : Plot No. 488, Baroda-Savli Highway,
Village-Tundav, Tal.-Savli, Dist. Baroda,
Gujarat
- d) Listing on Stock Exchange : The Stock Exchange, Mumbai
PHIROZE JEEJEEBHOYTOWERS,
Dalal Street, Mumbai-400 023.
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 2008-2009 have been paid to the Stock Exchange, Mumbai and Vadodara.
- (F) Market Price data:
The equity shares of the company are not traded at The Stock Exchange, Mumbai.

G) Address of Registrars and Share transfer agent :
MCS Ltd.
Neelam Apartment, 88, Sampatrao Colony. Alkapuri, Baroda.

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 2009

Category	No. of Shares	Percent
Promoter Group (including NRI Director)	24,17,500.00	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%
Total	46,50,000.00	100.00%

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 / 2009

(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 31st March, 2009, 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:-

I.

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion, proper books of accounts as required by law have been kept by the Company, so far as it appears from our examination of the books.
- c. 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.
- d. 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.
- e. On the basis of written representation received from the directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause(g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. 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 as The liability on this account as on 31st March, 2009 as evaluated by the company is Rs. 25,97,592/- and liability upto previous Year was Rs. 18,37,645/-.
 - ii) Note No. (L) Regarding non provision of depreciation of Rs. 52,59,816/- of past years. It is the same as the previous year, as all depreciation after the previous year has been provided in the books. (Previous Year Rs. 52,59,816/-) .
 - 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 :-
 - (1) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2009.
 - (2) In the case of Profit and Loss Account, of the "PROFIT" of the Company for the year ended on that date.
 - (3) 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 been maintained in computer.
 - 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:
 - a) The inventory of the Company has been physically verified by the management at the year end. In 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 it's 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, whose outstanding is aggregating to Rs. 42,35,043/-
 - 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. 42.35 lacs, an interest of Rs.4.30 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 31st March, 2009 from the date they became payable except in case of Central Sales Tax, Rs. NIL, Gujarat Sales Tax Rs.2,52,984/- (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 utilized 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

Place : VADODARA

Date : 30/06/2009

(V.K.Shastri)

Sole Proprietor

GUJARAT CONTAINERS LIMITED
Balance Sheet As at 31st March 2009

SR. NO.	PARTICULARS	SCHE-DULE	AS ON	
			31-Mar-09 Amount (Rs.)	31-Mar-08 Amount (Rs.)
A. SOURCES OF FUNDS:				
1.	Shareholder's Funds :			
	a) Share Capital	A	46,500,000	46,500,000
	b) Reserves & Surplus	B	7,155,967	23,981,178
	Sub-Total (1)		53,655,967	70,481,178
2.	Loan Funds :	C		
	a) Secured Loans		54,292,128	50,367,782
	b) Unsecured Loans		7,915,452	3,960,950
	Sub-Total (2)		62,207,580	54,328,732
	TOTAL SOURCES (1+2)		115,863,547	124,809,909
B. APPLICATION OF FUNDS:				
1.	Fixed Assets :	D		
	a) Gross Block		76,390,972	73,594,809
	b) Less: Depreciation		36,677,042	33,059,590
	c) Net Block (a-b)		39,713,930	40,535,219
	d) Capital Work in Progress		3,167,343	2,673,956
	Sub-Total (c+d)		42,881,273	43,209,175
2.	CURRENT ASSETS, LOANS & ADVANCES :	E		
	a) Inventories		41,461,988	50,219,143
	b) Sundry Debtors		53,497,676	58,921,615
	c) Cash & Bank Balances		6,503,532	11,271,228
	d) Loans & Advances		24,266,409	21,559,033
	Sub-Total (2)		125,729,605	141,971,019
3.	LESS : CURRENT LIABILITIES & PROVISIONS :	F		
	a) Current Liabilities		53,791,044	61,471,618
	b) Provisions		6,286	182,000
	Sub-Total (3)		53,797,330	61,653,618
4.	NET CURRENT ASSETS (2-3)		71,932,275	80,317,401
5.	MISCELLANEOUS EXPENDITURE :	G		
	(To the extent not written off or adjusted)			
	a) Deterred Revenue Expenses		1,049,999	1,283,333
	b) Preliminary Expenses		-	-
	Sub-Total (5)		1,049,999	1,283,333
	TOTAL APPLICATIONS (1+4+5)		115,863,547	124,809,909
	NOTES ON ACCOUNTS	O	0	(0)

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

(V. K. SHASTRI.)
Sole Proprietor

Date : 30/06/2009
Place : Vadodara.

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

Date : 30/06/2009
Place : Vadodara.

GUJARAT CONTAINERS LIMITED
Profit & Loss Account for the Year Ending on 31st March 2009

SR. NO.	PARTICULARS	SCHE- DULE	YEAR ENDED	YEAR ENDED
			31-Mar-09 Amount (Rs.)	31-Mar-08 Amount (Rs.)
1.	INCOMES			
	Sales & Other Incomes	H	278,378,385	278,288,068
	Less: Excise Duty on Sales		30,478,680	36,115,333
	Net sales		247,899,705	242,172,735
	Increase/(Decrease) in stock	I	(818,818)	1,109,889
	TOTAL INCOMES		247,080,887	243,282,624
2.	EXPENDITURE			
	Cost of Materials Consumed	J	183,741,314	189,228,520
	Employee Benefits & Manufacturing Expenses	K	26,749,785	24,860,041
	Administrative Expenses	L	4,895,997	4,095,258
	Selling & Distribution Expenses	M	6,326,232	8,066,734
	Financial Charges	N	14,119,597	10,853,774
	Depreciation	D	3,675,840	4,739,031
	TOTAL EXPENDITURE		239,508,766	241,843,358
	PROFIT/(LOSS) BEFORE TAXATION		7,572,121	1,439,266
	LESS : Provision & Payment of Taxes		168,556	316,949
	Provision & Payment of Wealth Tax		6,286	—
	PROFIT/(LOSS) AFTER TAXATION AND BEFORE EXTRAORDINARY ITEMS		7,397,279	1,122,317
	LESS : Extraordinary Items			
	(a) Loss on Sales of Fixed Assets		97,661	—
	(b) Bad debts written off		23,306,207	—
	(c) Prior Period Items		818,622	—
	PROFIT/(LOSS) AFTER TAXATION AND EXTRAORDINARY ITEMS		(16,825,211)	1,122,317
3.	APPROPRIATIONS:			
	Balance as per last Balance Sheet		17,481,178	16,358,861
	Add/(Less): Profit/(Loss) of the year after taxation		(16,825,211)	1,122,317
	PROFIT/(LOSS) Available for Appropriation		655,967	17,481,178
	LESS : Balance Carried Forward to Balance Sheet		655,967	17,481,178
	NOTES ON ACCOUNTS	O		

As per our report of even date annexed
For V. K. SHASTRI & CO.
Chartered Accountants
(V. K. SHASTRI.)
Sole Proprietor
Date : 30/06/2009
Place : Vadodara.

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

Date : 30/06/2009
Place : Vadodara.

GUJARAT CONTAINERS LIMITED
Schedule to Balance Sheet as at 31st March 2009

SR. NO.	PARTICULARS	SCHE- DULE	AS ON 31-Mar-09 Amount (Rs.)	AS ON 31-Mar-08 Amount (Rs.)
SCHEDULE : A SHARE CAPITAL				
<u>AUTHORISED CAPITAL</u>				
	50,00,000 Equity Shares of Rs.10 Each		50,000,000	50,000,000
<u>ISSUED, SUBSCRIBED & PAID UP CAPITAL</u>				
	46,50,000 Equity Shares of Rs.10 /- each fully paid up for cash		46,500,000	46,500,000
	TOTAL (A)		46,500,000	46,500,000
SCHEDULE : B RESERVES AND SURPLUS				
a)	Share Premium account :		1,200,000	1,200,000
b)	State Subsidy :		2,500,000	2,500,000
c)	Share Forefeiture A/c.		2,800,000	2,800,000
d)	<u>Profit & Loss Account :</u> Balance transferred from Profit & Loss Appropriation Account		655,967	17,481,178
	TOTAL(B)		7,155,967	23,981,178
SCHEDULE : C LOAN FUNDS				
1. SECURED LOANS				
a.	Term Loan from Bank 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.		26,875,000	34,300,000
b.	Vehicle Loan From Finance Companies: Toward Principal Secured by Hypothecation of Vehicles under hire purchase agreement		880,867	1,281,888
c.	Working Capital facilities from Bank : Towards Principle 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.		26,536,261	14,785,894
	SUB TOTAL (1)		54,292,128	50,367,782
2. UNSECURED LOANS				
	From Directors		4,235,043	3,187,029
	From Inter Corporate Deposits		3,680,409	773,921
	SUB TOTAL (2)		7,915,452	3,960,950
	GRAND TOTAL (1+2)		62,207,580	54,328,732

GUJARAT CONTAINERS LIMITED

SCHEDULE : D FIXED ASSETS

Sr. No.	PARTICULARS OF FIXED ASSETS	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK			
		As on 1/4/2008	Additions During the Year	Deductions During the Year	As on 31/3/2009	As on 1/4/2008	Additions During the Year	Deductions During the Year	As on 31/3/2009	As on 31/3/2008	
	i	ii	iii	iv	v	vi	vii	viii	ix	x	xii
i)	Land & Land Development	1,054,394	-	-	1,054,394	-	-	-	-	1,054,394	1,054,394
ii)	Factory Building	13,890,799	-	-	13,890,799	4,807,109	463,953	-	5,271,062	8,619,737	9,083,690
iii)	Plant & Machinery	46,205,704	1,713,646	-	47,919,350	21,499,538	2,239,819	-	23,739,357	24,179,993	24,706,166
iv)	Electrification	4,629,368	282,785	-	4,912,153	2,400,157	232,584	-	2,632,741	2,279,412	2,229,211
v)	Tools, Dies & Equip.	655,353	5,410	-	660,763	350,962	31,784	-	382,746	278,017	304,391
vi)	Furniture and Fixtures	218,078	8,700	-	226,778	218,078	415	-	218,493	8,285	-
vii)	Office Equipments	1,713,252	139,732	-	1,852,984	1,291,462	180,774	-	1,472,236	380,748	421,790
viii)	Vehicles	4,954,311	906,439	260,549	5,600,201	2,433,091	522,052	58,388	2,896,755	2703446	2,521,220
ix)	Office Building	273,550	-	-	273,550	59,193	4,459	-	63,652	209,898	214,357
TOTAL		73,594,809	3,056,712	260,549	76,390,972	33,059,590	3,675,840	58,388	36,677,042	39,713,930	40,535,219
	Previous Year's Figures	72,022,874	1,592,215	20,280	73,594,809	28,320,559	4,739,031	-	33,059,590	40,535,219	43,702,315

CAPITAL WORK-IN-PROGRESS:
Advances against Capital Works

3,167,343 2,673,956

TOTAL 3,167,343 2,673,956

SR. NO.	PARTICULARS	SCHE- D'JLE	AS ON	AS ON
			31-Mar-09 Amount (Rs.)	31-Mar-08 Amount (Rs.)
SCHEDULE : E CURRENT ASSETS, LOANS AND ADVANCES				
A) INVENTORIES :				
<i>(Valued of lower of the cost or net realisable value subject to the accounting policies)</i>				
	Raw-Materials		15,338,149	23,234,841
	Stock in Process		17,028,220	18,135,907
	Finished Goods		4,103,134	3,749,495
	Waste & Scrap		1,571,550	1,636,320
	General & Consumable Stores		3,420,935	3,462,580
	Sub-Total (A)		41,461,988	50,219,143
B) SUNDRY DEBTORS :				
Unsecured : Considered Good				
a.	Debts outstanding for a period exceeding six months.		4,698,125	12,307,835
b.	Debts outstanding for less than six months.		48,799,551	36,245,676
c.	Doubtful Debts		-	10,368,104
	Sub-Total (B)		53,497,676	58,921,615
C) CASH AND BANK BALANCES :				
a.	Cash on hand.		1,363,791	1,545,151
b.	Cash at Bank :			
	-# in Current Account		339,741	335,846
	-# in Deposit Account		4,800,000	9,390,231
	Sub-Total (C)		6,503,532	11,271,228
D) LOANS AND ADVANCES :				
Unsecured : Considered Good				
<i>Advances recoverable in Cash or in kind for value to be received.</i>				
	Advances to Suppliers		18,975,425	17,398,996
	Advances to Staff & Others		419,172	189,472
	Deposits		2,171,665	1,562,162
	Interest Receivable & Prepaid Expenses		34,178	691,415
	Balance with Govt. Depts.		2,665,969	1,716,988
	Sub-Total (D)		24,266,409	21,559,033
	GRAND TOTAL (A+B+C+D)		125,729,605	141,971,019
SCHEDULE : F CURRENT LIABILITIES AND PROVISIONS				
A. CURRENT LIABILITIES				
i.	Sundry Creditors for goods and expenses		34,929,969	38,271,775
ii.	Other current liabilities.			
	- Loans & Advances		-	-
	- Advance from Customers		388,576	137,443
	- Other current liabilities.		17,721,218	22,801,132
	- Outstanding Liabilities for Exp.		751,282	261,267
	Sub-Total (A)		53,791,044	61,471,618
B. PROVISIONS				
	- Provision for Taxation		6,286	182,000
	Sub-Total (B)		6,286	182,000
	TOTAL (A+B)		53,797,330	61,653,618
SCHEDULE : G MISCELLANEOUS EXPENDITURE				
<i>(To the extent not written off or adjusted)</i>				
A.	Deferred Revenue Expenses		1,049,999	1,283,333
B.	Preliminary Expenses			
	GRAND TOTAL (A+B)		1,049,999	1,283,333

GUJARAT CONTAINERS LIMITED
Schedule to Profit & Loss Account for the year Ending on 31st March 2009

SR. NO.	PARTICULARS	SCHE- DULE	YEAR ENDED 31-Mar-09 Amount (Rs.)	YEAR ENDED 31-Mar-08 Amount (Rs.)
SCHEDULE : H SALES AND OTHER INCOMES				
a. Sales :				
	Sales -Barrels		272,298,966	267,957,249
	Sales -Waste, Scrap & Others		5,388,847	5,237,208
	Sub-Total		277,687,813	273,194,456
	Less : Excise Duty on Sales		30,478,680	36,115,333
	Sales Net of Excise Duty (a)		247,209,133	237,079,123
b. Other Incomes :				
	Jobwork & Conversion Charges		353,485	2,171,357
	Freight & Forwarding		-	2,625,092
	Interest earned		325,290	264,470
	Miscellaneous Incomes		11,797	22,619
	Provision written back		-	10,074
	Sub-Total (b)		690,572	5,093,612
	GRAND TOTAL (a+b)		247,899,705	242,172,735
SCHEDULE : I INCREASE/(DECREASE) IN STOCKS				
Stock in process :				
	Closing Stock		17,028,220	18,135,907
	Less : Opening Stock		18,135,907	17,974,090
	Increase/(Decrease)		(1,107,687)	161,817
Finished Goods :				
	Closing Stock		4,103,134	3,749,495
	Less : Opening Stock		3,749,495	2,851,343
	Increase/(Decrease)		353,639	898,152
Waste & Scrap :				
	Closing Stock		1,571,550	1,636,320
	Less : Opening Stock		1,636,320	1,586,400
	Increase/(Decrease)		(64,770)	49,920
	TOTAL - Increase/(Decrease)		(818,818)	1,109,889
SCHEDULE : J COST OF MATERIALS CONSUMED				
1. Raw Materials				
	Opening Stock		23,234,841	14,764,398
	Add : Purchases		173,279,618	192,805,826
			196,514,459	207,570,224
	Less : Closing Stock & in Transit		15,338,149	23,234,841
	Raw Material Consumed (1)		181,176,310	184,335,383
2. General & Consumable Stores :				
	Opening Stock		3,462,580	3,511,080
	Add : Purchases		2,523,359	4,844,637
			5,985,939	8,355,717
	Less : Closing Stock		3,420,935	3,462,580
	Stores Consumed (2)		2,565,004	4,893,137
	TOTAL MATERIALS CONSUMED (1+2)		183,741,314	189,228,520

GUJARAT CONTAINERS LIMITED
Schedule to Profit & Loss Account for the year Ending on 31st March 2009

SR. NO.	PARTICULARS	SCHE- DULE	YEAR ENDED 31-Mar-09 Amount (Rs.)	YEAR ENDED 31-Mar-08 Amount (Rs.)
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SCHEDULE : K EMPLOYEE BENEFITS & MANUFACTURING EXPENSES

Salary, Wages, Allowances, P.F. etc.	10,919,872	10,609,817
Staff & Labour Welfare	201,595	254,778
Directors Remuneration & Perks	2,173,357	2,168,591
Power and Fuel	8,121,185	6,737,222
Labour and Job-work Charges	4,142,228	3,763,249
Repairs & Maintenance	1,116,303	1,104,197
Lab., Testing & Other Mfg. Expenses	75,245	222,187
TOTAL	<u>26,749,785</u>	<u>24,860,041</u>

SCHEDULE : L ADMINISTRATIVE EXPENSES

Printing & Stationary	179,453	135,745
Conveyance	146,087	146,805
Travelling Expenses	638,537	715,094
Legal, Professional & Listing Charges	957,647	891,302
Vehicle Running & Maintenance	528,869	571,214
Security Service Charges	409,012	238,837
Postage, Telegram, Telephone, Fax etc.	279,014	394,944
Other Office Expenses	1,494,044	950,317
Auditor's Remuneration	30,000	30,000
Defered revenue Expenses W/off	233,334	21,000
TOTAL	<u>4,895,998</u>	<u>4,095,258</u>

SCHEDULE : M SELLING AND DISTRIBUTION EXPENSES

Sales Commission, Discount & Other Exps.	199,714	117,300
Freight Outward	6,126,518	7,949,434
TOTAL	<u>6,326,232</u>	<u>8,066,734</u>

SCHEDULE : N FINANCIAL CHARGES

Interest	12,420,647	7,793,796
Discount & Rebates	587,992	1,832,981
Bank Charges	1,110,958	1,226,997
TOTAL	<u>14,119,597</u>	<u>10,853,774</u>

GUJARAT CONTAINERS LIMITED

NOTES ON ACCOUNTS: 2008-09
SCHEDULE : 0
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 2009 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	10,000
For Other out of pocket expenses	—	—
TOTAL Rs.	30,000	30,000

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 debt	NIL	NIL
Liability in respect of bill discounted	NIL	NIL
Liability in respect of letter of Credit opened on behalf of company by bankers. (Net of Margin).	3,17,50,841	1,94,84,713
Liabilities in respect of counter Guarantees given to bankers for Guarantees given by them.	15,00,000	5,00,000

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 No provision is made for taxes on incomes; since there is loss as per books as well as per Income tax Act, 1961. However, provision is made for Fringe Benefit Tax..

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, 2009 as evaluated by the company is Rs. 25,97,592/- and upto previous Year was Rs. 18,37,645/- 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 52,59,816/-) 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. During the Last year, out of the 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. 52,59,816/-) 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 rete 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	-	Not Applicable	Not Applicable
II) Installed Capacity	Nos.	Not Applicable	Not Applicable
III) Actual Production -Steel Barrels	Nos.	1,59,593	(#)1,97,384
- Plastic Barrel/Liners	Nos.	2,79,790	1,94,475

(#) 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. 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	Nos.	-	1,81,35,907	-	1,79,74,090
General & } Stores	-	-	34,62,580	-	35,11,080
Consumable } Scrap	-	-	16,36,320	-	15,86,400
TOTAL Rs.	-	-	5,02,19,143	-	4,06,87,311

PARTICULARS	Unit of Measure	Current Year		Previous Year	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
II) Closing Stock :					
C.R.C.A. Sheet	M.T.	113.495	33,07,181	313.930	1,06,52,889
Plastic granules	M.T.	4.375	2,59,665	20.850	15,21,465
Other Raw Materials	-	-	1,17,71,303	-	1,10,60,487
Finished Goods	Nos.	4219.00	41,03,134	2921	37,49,495
Stock in Process	-	-	1,70,28,220	-	1,81,35,907
General & Cons. Stores	-	-	34,20,935	-	15,71,550
Scrap	-	-	34,62,580	-	16,36,320
TOTAL Rs.	-	-	4,14,61,988	-	5,02,19,143

PARTICULARS	Unit of Measure	Current Year		Previous Year	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
III) Sales :					
Steel Barrels	Nos.	1,60,420	16,70,08,856	1,96,883	22,28,72,737
Plastic Carboys/Barrels	Nos.	2,77,665	11,06,78,957	1,94,030	4,45,20,465
Other Sales	-	-	NIL	-	58,01,254
TOTAL Rs.	-	-	27,76,87,813	-	27,31,94,456

(*) 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.	3164.860	12,06,86,847	3877.820	12,37,08,085
Plastic Granules	M.T.	715.380	5,16,69,523	NIL	NIL
Other Raw Material	-	-	1,13,62,444	-	6,55,20,435
TOTAL Rs.	-	-	18,37,18,814	-	18,92,28,520

d) PARTICULARS OF PERCENTAGE OF IMPORTED & INDIGENOUS 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	18,37,18,814	100%	18,92,28,520	100%
TOTAL	18,37,18,814	100%	18,92,28,520	100%

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.		
Ø No. of Employees	NIL	NIL
Ø Amount of Salary & Allowance	NIL	NIL
Ø 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.		
Ø No. of Employees	NIL	NIL
Ø Amount of Salary & Allowance	NIL	NIL
Ø Value of Perquisites	NIL	NIL

Q) The Company has asked it's 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) Related Party Disclosure:-

SR. NO.	NAME OF PARTY	NATURE OF RELATION	NATURE OF	VALUE
1	Geeta K. Shah (Prop.) G.K.Roadlines (Prop) Management Aids	Wife of Managing Director	Rent Payment for goods Transport Office Rent	3,00,000/- 45,18,820/- 4,80,000/-
2	Kiran Shah	Managing Director	Loan taken by Company Director Remuneration Interest on Loans	25,13,029/- 10,92,628/- 2,40,102/-
3	Pravin Shah	Whole-Time Director	Loan taken by Company Director Remuneration	3,62,441/- 4,80,729/-
4	Jigna P. Shah	Wife of Whole-Time Director	House Rent	1,61,200/-
5	Abjeebhai Patel & Associates	Whole-Time Director	Loan taken by Company Director Remuneration Interest on Loans	13,59,573/- 6,00,000/- 1,90,000/-
6	Neha K. Shah	Daughter of Managing Director	Interest on Loans Salary	1,05,300/- 2,34,000/-
7	Neil Shah	Son of Managing Director	Salary	1,91,976/-

S) 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 2009**
 Date 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
115863.55 115863.55

Sources of Funds

Paid-up Capital Reserves & Surplus
46500.00 7155.97

Secured Loans
54292.13

Unsecured Loans
7915.45

Application of Funds

Net Fixed Assets
42881.27

Investments
NIL

Net Current Assets
71932.28

Miscellaneous Expenditure
1050.00

Accumulated losses
NIL

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

Turnover
247080.89

Total Expenditure
239508.77

+/- Profit/Loss Before Tax
(+) 7572.13

+/- Profit/Loss after tax
(+) 7397.28

(Please tick appropriate box (+) for profit (-) for Loss)

Earning Per Share in Rs.
(-) 3.62

Dividend rate %
NIL

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

Item Code No. 73090009
(ITC Code)

Product Description DRUMS AND BARRELS MADE ON IRON OR STEEL

Item Code No. 39251000
(ITC Code)

Product Description PLASTIC DRUMS AND BARRELS

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 : 30/06/2009

Place : VADODARA.
Date : 30/06/2009

GUJARAT CONTAINERS LIMITED
Cash Flow Statement for the Year Ended on 31st March 2008

SR. NO.	PARTICULARS	YEAR ENDED	YEAR ENDED
		31-Mar-09	31-Mar-08
		Amount (Rs.)	Amount (Rs.)
A. CASH FLOW ARISING FROM OPERATING ACTIVITIES :			
	Net Profit/(Loss)after Tax & ExtraordinaryItems	(16,825,211)	1,122,317
Add :	a. Depreciation Charge	3,675,840	4,739,031
	b. Interest Charge	14,119,597	10,853,774
	c. Provision for Taxation	174,842	316,949
	d. Loss on Sale of Assets/Investments	97,661	-
	e. Miscellaneous Expenses (Amortised)	233,334	137,667
	f. Bad Debts Written Off	23,306,207	-
	Sub Total (i)	24,782,270	17,169,738
Less :	a. Dividend & Interest Income	325,290	264,470
	b. Surplus on Sale of Asset/Investments	-	-
	Sub Total (ii)	325,290	264,470
	iv. Operating Profit Before Working Capital Changes-Sub-Total(iv=i-ii)	24,456,980	16,905,268
Less :	a. Increase/(Decrease) in Trade and Other Receivables	20,394,644	1,527,513
	b. Increase/(Decrease) in Inventories	(8,757,155)	9,531,832
	Sub Total (v)	11,637,489	11,059,345
Add :	a. Increase / (Decrease) in Trade Payables - (vi)	-7,828,983	34,225,245
	Cash Inflow From Operations		
	Sub Total (vii)=(iv-v+vi)	4,990,508	40,071,168
Less :	a. Interest Paid	14,119,597	10,853,774
	b. Direct Taxes Paid	202,145	134,949
	c. Deferred Revenue Expenses Incurred	-	1,400,000
	Sub Total (viii)	14,321,742	12,388,723
	Cash Inflow/(Outflow) Before Extraordinary Items		
	Sub-Total (ix)=(vii-viii)	-9,331,234	27,682,445
	ADD/(LESS): Prior Year Adjustments : -(x)		
	Net Cash Inflow/(Outflow) In Course Of Operating Activities		
	Total (A)=(ix+x)	-9,331,234	27,682,445

Cash Flow Statement (Cont'd)

B. CASH FLOW ARISING FROM INVESTMENT ACTIVITIES :**OUTFLOW :**

a. Acquisition of Fixed Assets & Capital Adv.	3,550,099	1,660,939
b. Acquisition of Investments	-	-
c. Loans/ICD to Other Companies	-	-
d. Investments in Joint Venture	-	-

Sub Total (i) 3,550,099 1,660,939

Less : INFLOW :

a. Sale of Fixed Assets	104,500	-
b. Interest & Dividend Received	130,290	78,493
c. Sale of Investments	-	-

Sub Total (ii) 234,790 78,493

Net Cash Inflow/(Outflow) In Course Of Investing Activities

Total (B)=(i-ii) (3,315,309) (1,582,446)

C. CASH FLOW ARISING FROM FINANCING ACTIVITIES :**INFLOW :**

a. Proceeds From Issue of Share Capital	-	-
b. Proceeds From Borrowings	17,699,010	6,688,344
c. Proceeds From Issue of Debentures	-	-

Sub Total (i) 17,699,010 6,688,344

Less : OUTFLOW

a. Share Issue Expenses	-	-
b. Redemption of Debentures	-	-
c. Repayment of Finance/Lease Liabilities	9,820,162	25,930,896
d. Dividend Paid	-	-
e. Debenture Issue Expenses	-	-

Sub Total (ii) 9,820,162 25,930,896

Net Cash Inflow/(Outflow) In Course Of Financing Activities

Total (C)=(i-ii) 7,878,848 (19,242,552)

**NET INCREASE/(DECREASE) IN CASH/
CASH EQUIVALENTS (A+B+C)** (4,767,695) 6,857,447

Add : Balance At The Beginning Of The Year 11,271,228 4,413,781

**CASH / CASH EQUIVALENTS AT THE
CLOSE OF THE YEAR** 6,503,533 11,271,228

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

(V. K. SHASTRI.)
Sole Proprietor

Date : 30/06/2009
Place : Vadodara.

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

Date : 30/06/2009
Place : Vadodara.

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 OF THE SHAREHOLDER: _____

ADDRESS: _____

No. of Shares Held : _____

PROXY

L. F. NO.(S) :

I hereby record my presence at the 17th Annual General Meeting of the Company held on 30th September 2009.

**PROXY SIGNATURE
OF THE SHAREHOLDER/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. hereby appoint

_____ of _____

_____ or failing him _____

of _____

as my/our proxy to vote for me/us and on my/our behalf at the 17th Annual General Meeting of the Company to be held on Wednesday, the 30th September, 2009 and at any adjournment thereof.

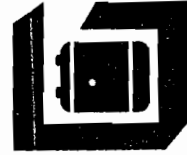
Signed this _____ day of _____ 2009 by the said _____

Affix a
15 Paise
Revenue
Stamp

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.

BOOK-POST

To, _____



If undelivered please return to :

GUJARAT CONTAINERS LIMITED

Corporate Office :

201-202, Alkapuri Arcade, 'B' Wing, Opp. Welcome Hotel,
R. C. Dutt Road, BARODA-390 005.