

**EIGHTEENTH
ANNUAL
REPORT**

2009-2010



**GUJARAT
CONTAINERS
LIMITED**



GUJARAT CONTAINERS LIMITED

EIGHTEENTH ANNUAL REPORT 2009-2010

BOARD OF DIRECTORS

: **Shri Kiran Shah**
Chairman & Managing Director

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

: **Shri Abjee Patel**
Whole-Time Director

COMPANY SECRETARY

: **N. D. Shah**

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-390 007.

REGISTERED OFFICE AND WORKS

: Plot No. 488 / 489-P,
Baroda-Savli Highway,
Village : Tundav, Tal. Savli
Dist. Vadodara-391 775.



GUJARAT CONTAINERS LIMITED

NOTICE

NOTICE is hereby given that the EIGHTEENTH ANNUAL GENERAL MEETING of the members of the Company will be held at 5.30 P.M. on Thursday, the 30th September, 2010 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, 2010 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 Pravin Shah who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

Date : 31-7-2010

By Order of the Board

Regd Office :

PLOT NO. 488/489-P

BARODA-SAVLI HIGHWAY,

VILLAGE : TUNDAV, TAL. SAVLI,

DIST. VADODARA - 391 775.

(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 on Thursday, the 30th September, 2010.

**GUJARAT CONTAINERS LIMITED****DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting their Eighteenth Annual Report and Audited Accounts of the Company for the year ending 31st March, 2010.

FINANCIAL RESULTS : (Rs. in Lacs)	2009-10	2008-09
Sales and Other income	2811.68	2470.81
Profit before Interest & Depreciation	282.02	200.30
Interest	124.12	124.21
Depreciation	38.58	36.76
Provision for Taxation	0.21	1.75
Net Profit	157.31	73.97
Less : Exceptional Item	190.80	242.21
Balance Brought Forward form Previous Year	+6.56	+174.81
Balance Carried to Balance Sheet	-36.39	+6.56

DIVIDEND :

Your Directors do not recommend any dividend for the year ended 31st March, 2010.

DIRECTORS :

Shri Pravin Shah 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 at note No. I, K, L & M notes 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, 2010 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, 2010 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, 2010 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 : 31-7-2010

(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 31 st 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, 2010

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 2009 to 31st March '2010

Name of the Director	Status
Mr. Kiran Shah	Chairman cum Managing Director
Mr. Pravin Shah	Executive Director
Mr. Abjee Patel	Independent 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, 2009 to 31st March, 2010 the Board of Directors met on the following dates:

Sr. No.	Date	Board Strength	No. of Directors present
1	30-6-09	3	3
2	10-7-09	3	3
3	27-10-09	3	3
4	21-1-10	3	3
5	31-3-10	3	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
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 30/6/2009 and 27/10/2009.

(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 :

- To recommend and review remuneration package of Managing Director / Executive Directors and Company Secretary of the Company.
- 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, 2010



Name of the Director		Salary	Perquisites	Total
Mr. Kiran Shah	Managing Director	7,20,000	3,74,342	9,85,267
Mr. Pravin Shah	Executive Director	3,12,024	1,77,815	3,47,727
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' 2009-	30th Nov' 2014

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 2010 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
15th AGM	Friday 28th Sept. 07	5.30 p.m.
16th AGM	Tuesday 30th Sept. 08	5.30 p.m.
17th AGM	Wednesday 30th Sept. 09	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. 19,32,994/- is paid to Shri Kiran Shah Managing Director Shri Pravin Shah, Executive Director & Shri Abjee Patel
 - The Company has hired residential accommodation and office owned by Mrs. Geeta Shah a relative of Mr. Kiran Shah. The Company paid rent Rs. 3,60,000/- from April '09 to March '10 for residential and for office rent Rs. 4,80,000/-.
 - 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. 55,99,125/-
 - 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. 93,600/- in a year.
 - The Company has paid salary of Rs. 2,94,000/- 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 : 18th Annual General Meeting
Day and Date : Thursday the 30th September '2010
Time : 5=30 p.m.
Venue : Plot No. 488, Baroda-Savli Highway,
Village-Tundav, Tal.-Savli, Dist. Baroda.
Gujarat-391 775.
- b) Financial Calender : 1st Quarterly Result - July 2010
1st April'10 to 31st March'2011 : 2nd Quarterly Result - Oct '2010
3rd Quarterly Result - Jan '2011
4th Quarterly Result 30th April '2011
Audited result in the month of May'2011
- c) Registered Office : Plot No. 488, Baroda-Savli Highway,
Village-Tundav, Tal.-Savli, Dist. Baroda.
Gujarat-391 775.
- d) Listing on Stock Exchange : The Stock Exchange, Mumbai
PHIROZE JEEJEEBHJOYTOWERS,
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 2009-2010 have been paid to the Stock Exchange, Mumbai.
- (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 have 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 2010

Category	No. of Shares	Percent
Promoter Group (including NRI Director)	1521500.00	32.72%
NRI / OCB	35400.00	0.76%
Bank	NIL	NIL
Bodies Corporate	47400.00	1.02%
Others	3045700.00	65.50%
Total	4650000.00	100%

- 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-391 775.

Address for Correspondence : 201-202, Alkapuri Arcade,
R.C.Dutt Road, Opp. Welcome Hotel,
Baroda-390 007.

For and on behalf of the Board.

Place : Baroda

Date : 31-7-2010

(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, 2010, 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, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 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, 2010 as evaluated by the company is Rs.31,67,956/- and liability up to previous Year was Rs.25,97,592/-.*
 - 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 provision of Deferred Tax Assets of Rs.929,457/- during the Current Year which includes Past years Deferred Tax Assets provisions of Rs. 4,80,903/-*

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, 2010.
 - (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. 46,08,197/-.
 - b) The rates of Interest and other terms and conditions of the unsecured loans from the Directors 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 aggregating to Rs. 46.08 lacs, an interest of Rs. 4.48 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 is no undisputed statutory dues outstanding for a period of more than six months as at 31st March, 2010 from the date they became payable except in case of *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 an accumulated loss of Rs. 27,04,389/-, 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 advance 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 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 loan 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 and according to the information and explanations given to us, 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 : 31-7-2010

**GUJARAT CONTAINERS LIMITED****Balance Sheet As at 31st March 2010**

SR. NO.	PARTICULARS	SCHE- DULE	AS ON	AS ON
			31-Mar-10 Amount (Rs.)	31-Mar-09 Amount (Rs.)
A.	<u>SOURCES OF FUNDS:</u>			
1.	<u>Shareholder's Funds :</u>			
	a) Share Capital	A	46,500,000	46,500,000
	b) Reserves & Surplus	B	6,500,000	6,500,000
	Sub-Total (1)		53,000,000	53,000,000
2.	<u>Loan Funds :</u>	C		
	a) Secured Loans		45,091,470	54,292,128
	b) Unsecured Loans		6,810,212	7,915,452
	Sub-Total (2)		51,901,682	62,207,580
	TOTAL SOURCES (1+2)		104,901,682	115,863,547
B.	<u>APPLICATION OF FUNDS:</u>			
1.	<u>Fixed Assets :</u>	D		
	a) Gross Block		81,027,513	76,390,972
	b) Less: Depreciation Block		40,413,549	36,677,042
	c) Net Block (a-b)		40,613,964	39,713,930
	d) Capital Work in Progress		2,545,152	3,167,343
	Sub-Total (c+d)		43,159,116	42,881,273
2.	<u>CURRENT ASSETS, LOANS & ADVANCES:</u>	E		
	a) Inventories		46,445,476	41,461,988
	b) Sundry Debtors		57,040,293	53,497,676
	c) Cash & Bank Balances		13,094,618	6,503,532
	d) Loans & Advances		6,289,800	24,266,409
	Sub-Total (2)		122,870,187	125,729,605
3.	<u>LESS: CURRENT LIABILITIES & PROVISIONS:</u>	F		
	a) Current Liabilities		64,628,398	53,791,044
	b) Provisions		20,278	6,286
	Sub-Total (3)		64,648,676	53,797,330
4.	<u>NET CURRENT ASSETS (2-3)</u>		58,22,511	71,932,275
5.	<u>MISCELLANEOUS EXPENDITURE:</u>	G		
	(To the extent not written off or adjusted)			
	a) Deferred Revenue Expenses		816,666	1,049,999
	b) Profit and Loss Account		2,704,389	(655,967)
	Sub-Total (5)		3,521,055	394,032
	TOTAL APPLICATIONS (1+4+5)		104,901,682	115,863,547
	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 : 31-7-2010
Place : Vadodara.

BY ORDER OF THE BOARD

(KIRAN SHAH)
Chairman & Managing Director

(PRAVIN SHAH)
Whole-Time Director

(N. D. SHAH)
Company Secretary

Date : 31-7-2010
Place : Vadodara.

GUJARAT CONTAINERS LIMITED

Profit & Loss Account for the Year Ending on 31st March 2010

SR. NO.	PARTICULARS	SCHE-DULE	YEAR ENDED 31-Mar-10	YEAR ENDED 31-Mar-09
			Amount (Rs.)	Amount (Rs.)
1.	<u>INCOMES</u>			
	a. Sales & Other Incomes	H	302,384,484	278,378,385
	Less: Excise Duty on Sales		22,539,858	30,478,680
	Net sales		279,844,626	247,899,705
	b. Increase/(Decrease) in stock	I	1,323,584	(818,818)
	TOTAL INCOMES		281,168,210	247,080,887
2.	<u>EXPENDITURE</u>			
	a. Cost of Materials Consumed	J	205,339,261	183,741,314
	b. Employee Benefits & Expenses	K	13,231,499	11,121,467
	c. Manufacturing, Administrative and Other Expenses	L	21,405,543	20,524,316
	d. Selling & Distribution Expenses	M	8,939,578	6,326,232
	e. Financial Charges	N	13,571,977	14,119,597
	f. Depreciation		3,857,620	3,675,840
	TOTAL EXPENDITURE (a+b+c+d+e+f)		266,345,479	239,508,766
	PROFIT/(LOSS) BEFORE TAXATION		14,822,731	7,572,121
	LESS : Provision & Payment of Taxes		21,000	168,556
	Provision & Payment of Wealth Tax		--	6,286
	Add : Provision for Deferred Tax Assets		929,457	--
	PROFIT/(LOSS) AFTER TAXATION AND BEFORE EXTRAORDINARY ITEMS		15,731,188	7,397,279
	LESS : Extraordinary Items			
	(a) Loss on Sales of Fixed Assets		48,968	97,661
	(b) Bad debts written off		18,973,486	23,306,207
	(c) Prior Period Items		57,560	818,622
	PROFIT/(LOSS) AFTER TAXATION AND EXTRAORDINARY ITEMS		(3,348,826)	(16,825,211)
	<i>Basic and Diluted Earning Per Share (in Rs.)</i>		<i>(0.72)</i>	<i>(3.62)</i>
	Nominal Value of Share Rs. 10 (Previous Year Rs. 10)			
3.	<u>APPROPRIATIONS:</u>			
	Balance as per last Balance Sheet		655,967	17,481,178
	Add/(Less): Profit/(Loss) of the year after taxation		(3,348,826)	(16,825,211)
	PROFIT/(LOSS) Available for Appropriation		(2,692,859)	655,967
	LESS : Balance Carried Forward to Balance Sheet		(2692,859)	655,967

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 : 31-7-2010
Place : Vadodara.

BY ORDER OF THE BOARD
(KIRAN SHAH) **(PRAVIN SHAH)**
Chairman & Managing Director Whole-Time Director
(N. D. SHAH)
Company Secretary

Date : 31-7-2010
Place : Vadodara.

GUJARAT CONTAINERS LIMITED

Schedule to Balance Sheet as at 31st March 2010

SR. NO.	PARTICULARS	SCHE- DULE	AS ON 31-Mar-10 Amount (Rs.)	AS ON 31-Mar-09 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				
	<u>A. Capital Reserves</u>			
a)	Share Premium account :		1,200,000	1,200,000
b)	State Subsidy :		2,500,000	2,500,000
c)	Share Forefeiture Reserve :		2,800,000	2,800,000
	TOTAL(B)		6,500,000	6,500,000
SCHEDULE: C LOAN FUNDS				
	<u>1. SECURED LOANS</u>			
a.	Term Loan from Bank Towards Principal (Includes amount of Rs. 7850,000/- Repayable within one year) 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.		18,100,000	26,875,000
b.	Term Loan From Finance Companies: Toward Principal (Includes amount of Rs. 788,201/- Repayable within one year) Secured by Hypothecation of Vehicles under hire purchase agreement		1,997,022	880,867
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.		24,994,440	26,536,261
	SUB TOTAL (1)		45,091,470	54,292,128
	<u>2. UNSECURED LOANS</u>			
	From Directors		4,608,197	4,235,043
	From Inter Corporate Deposits		2,292,015	3,680,409
	SUB TOTAL (2)		6,810,212	7,915,452
	GRAND TOTAL (1+2)		51,901,682	62,207,580

GUJARAT CONTAINERS LIMITED

SCHEDULE : D FIXED ASSETS

Sr. No.	PARTICULARS OF FIXED ASSETS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
		As on 1/4/2009	Additions During the Year	Deductions During the Year	As on 31/3/2010	As on 1/4/2009	Additions During the Year	Deductions During the Year	As on 31/3/2010	As on 31/3/2010	As on 31/3/2009
	i	ii	iii	iv	v	vi	vii	viii	ix	xi	xii
i)	Land & Land Development	1,054,394	-	-	1,054,394	-	-	-	-	1,054,394	1,054,394
ii)	Factory Building	13,890,799	284,179	-	14,174,978	5,271,062	467,036	-	5,738,098	8,436,880	8,619,737
iii)	Plant & Machinery	47,919,350	3,674,639	-	51,593,989	23,739,357	2,339,981	-	26,079,338	25,514,651	24,179,993
iv)	Electrification	4,912,153	-	-	4,912,153	2,632,741	233,327	-	2,866,068	2,046,085	2,279,412
v)	Tools, Dies & Equip.	660,763	-	-	660,763	382,746	32,386	-	415,132	245,631	278,017
iv)	Furniture and Fixtures	226,778	-	-	226,778	218,493	14,355	-	232,848	(6,070)	8,285
vii)	Office Equipments	1,852,984	164,464	-	2,017,448	1,472,236	194,278	-	1,666,514	350,934	380,748
viii)	Vehicles	5,600,201	982,340	469,081	6,113,460	2,896,755	574,106	121,113	3,349,748	2,763,712	2,703,446
ix)	Office Building	273,550	-	-	273,550	63,652	4,459	-	68,111	205,439	209,898
TOTAL		76,390,972	5,105,622	469,081	81,027,513	36,677,042	3,857,620	121,113	40,413,549	40,613,964	39,713,930
Previous Year's Figures		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

CAPITAL WORK-IN-PROGRESS :

Advances against Capital Works

	2545,152	3,167,343
TOTAL	<u>2,545,152</u>	<u>3,167,343</u>

SR. NO.	PARTICULARS	SCHE- DULE	ASON	ASON
			31-Mar-10 Amount (Rs.)	31-Mar-10 Amount (Rs.)
SCHEDULE : E CURRENT ASSETS, LOANS AND ADVANCES				
A) INVENTORIES:				
(Valued of lower of the cost or net realisable value subject to the accounting policies)				
	Raw-Materials		18,956,408	15,338,149
	Stock in Process		17,081,950	17,028,220
	Finished Goods		4,779,370	4,103,134
	Waste & Scrap		2,165,168	1,571,550
	General & Consumable Stores		3,462,580	3,420,935
	Sub-Total (A)		46,445,476	41,461,988
B) SUNDRY DEBTORS:				
	Unsecured : Considered Good			
	a. Debts outstanding for a period exceeding six months.		3,989,482	4,698,125
	b. Other Debts : i. Considered Good		53,050,811	48,799,551
	ii. Considered Doubtful		-	-
	Sub-Total (B)		57,040,293	53,497,676
C) CASH AND BANK BALANCES :				
	a. Cash on hand.		1,374,403	1,363,791
	b. Cash at Bank :			
	-# in Current Account		345,215	339,741
	-# in Deposit Account (I.largin Money Deposits)		11,375,000	4,800,000
	Sub-Total (C)		13,094,618	6,503,532
D) LOANS AND ADVANCES :				
	Unsecured : Considered Good			
	Advances recoverable in Cash or in kind for value to be received.			
	Advances to Suppliers		369,732	18,975,425
	Advances to Staff & Others		179,952	419,172
	Deposits		2 521,665	2,171,665
	Deferred Tax Assets		929,457	
	Interest Receivable & Prepaid Expenses		460,928	34,178
	Balance with Govt. Depts.		1,808,067	2,665,969
	Sub-Total (D)		6,289,801	24,266,409
	GRAND TOTAL (A+B+C+D)		122,870,188	125,729,605
SCHEDULE : F CURRENT LIABILITIES AND PROVISIONS				
A. CURRENT LIABILITIES				
	i. Sundry Creditors for goods and expenses		44,233,894	34,929,969
	ii. Other current liabilities.			
	- Advance from Customers		24,066	388,576
	- Other current liabilities.		20,072,768	17,721,218
	- Outstanding Liabilities for Exp.		297,670	751,282
	Sub-Total (A)		64,628,398	53,791,044
B. PROVISIONS				
	- Provision for Taxation		20,278	6,286
	Sub-Total (B)		20,278	6,286
	TOTAL (A+B)		64,648,676	53,797,330
SCHEDULE : G MISCLLANEOUSEXPENDITURE				
	(To the extent not written off or adjusted)			
	A. Deferred Revenue Expenses		8166,666	1,049,999
	(Deferred Expenses on account of VRS Payable to Employees)			
	B. Profit & Loss Account			
	Balance transferred from Profit & Loss Application Account		2,704,389	(655,967)
	GRAND TOTAL (A+B)		3,521,055	394,032

GUJARAT CONTAINERS LIMITED

Schedule to Profit & Loss Account for the year Ending on 31st March 2010

SR. NO.	PARTICULARS	SCHE- DULE	YEARENDED 31-Mar-10 Amount (Rs.)	YEARENDED 31-Mar-09 Amount (Rs.)
SCHEDULE : H SALES AND OTHER INCOMES				
a.	Sales :			
	Sales -Barrels		299,804,278	272,298,966
	Sales -Waste, Scrap & Others		1,159,432	5,388,847
	Sub-Total		300,963,710	277,687,813
	Less : Excise Duty on Sales		22,536,327	30,478,680
	Sales Net of Excise Duty (a)		278,427,383	247,209,133
b.	Other Incomes :			
	Freight & Forwarding		291,511	
	Interest earned (Including Rs. 36180/- TDS)		851,191	325,290
	Jobwork & Conversion Charges		-	353,488
	Miscellaneous Incomes		56,069	11,797
	Provision written back		222,003	
	Sub-Total (b)		1,420,774	690,575
	GRAND TOTAL (a+b)		279,848,157	247,899,708
SCHEDULE : I INCREASE/(DECREASE) IN STOCKS				
	Stock in process :			
	Closing Stock		17,081,950	17,028,220
	Less : Opening Stock		17,028,220	18,135,900
	Increase/(Decrease)		53,730	(1,107,680)
	Finished Goods :			
	Closing Stock		4,779,370	4,103,130
	Less : Opening Stock		4,103,134	3,749,490
	Increase/(Decrease)		676,236	353,640
	Waste & Scrap :			
	Closing Stock		2,165,168	1,571,550
	Less : Opening Stock		1,571,550	1,636,320
	Increase/(Decrease)		593,618	(64,770)
	TOTAL - Increase/(Decrease)		1,323,584	(818,810)
SCHEDULE : J COST OF MATERIALS CONSUMED				
1.	Raw Materials			
	Opening Stock		15,338,149	23,234,840
	Add : Purchases		206,813,611	173,279,610
			222,151,760	196,514,450
	Less : Closing Stock & in Transit		18,956,408	15,338,140
	Raw Material Consumed (1)		203,195,352	181,176,310
2.	General & Consumable Stores :			
	Opening Stock		3,420,935	3,462,580
	Add : Purchases		2,185,554	2,523,380
			5,606,489	5,985,960
	Less : Closing Stock		3,462,580	3,420,935
	Stores Consumed (2)		2,143,909	2,565,025
	TOTAL MATERIALS CONSUMED (1+2)		205,339,261	183,741,335

**GUJARAT CONTAINERS LIMITED****Schedule to Profit & Loss Account for the year Ending on 31st March 2010**

SR. NO.	PARTICULARS	SCHE- DULE	YEARENDED 31-Mar-10 Amount (Rs.)	YEARENDED 31-Mar-09 Amount (Rs.)
SCHEDULE: K EMPLOYEE BENEFITS & MANUFACTURING EXPENSES				
	Salary, Wages, Allowances, P.F. etc.		11,743,470	10,919,872
	Contribution to P. F. Fund and other Funds		1,148,364	-
	Staff & Labour Welfare		339,665	201,595
	TOTAL		13,231,499	11,121,467
SCHEDULE: L ADMINISTRATIVE EXPENSES				
	Auditor's Remuneration		30,000	30,000
	Conveyance		130,222	146,087
	Deferred revenue Expenses W/off		233,333	233,334
	Directors Remuneration & Perks		2,272,645	2,173,357
	Lab. Testing & Other Mfg. Expenses		282,169	75,245
	Labour and Job-work Charges		5,614,701	4,142,228
	Legal, Professional & Listing Charges		1,200,243	957,647
	Other Office Expenses		1,691,275	1,494,044
	Postage, Telegram, Telephone, Fax etc.		444,329	279,014
	Power and Fuel		6,242,328	8,121,185
	Printing & Stationary		218,463	179,453
	Repairs & Maintenance		1,041,602	1,116,303
	Security Service Charges		440,960	409,012
	Travelling Expenses		913,484	638,537
	Vehicle Running & Maintenance		649,789	528,869
	TOTAL		21,405,543	20,524,315
SCHEDULE: M SELLING AND DISTRIBUTION EXPENSES				
	Sales Promotion Expenses		90,479	-
	Kasar & Discount		153,496	-
	Sales Commission, Discount & Other Exps.		415,560	199,714
	Freight Outward		8,280,044	6,126,518
	TOTAL		8,939,579	6,326,232
SCHEDULE: N FINANCIAL CHARGES				
	Interest		12,412,429	12,420,647
	Discount & Rebates		151,105	587,992
	Bank Charges		1,008,443	1,110,958
	TOTAL		13,571,977	14,119,597

GUJARAT CONTAINERS LIMITED

NOTES ON ACCOUNTS: 2009-10

SCHEDULE : O

A) SIGNIFICANT ACCOUNTING POLICIES:-

1. ACCOUNTING CONVENTION :-

Financial statements are prepared in accordance with the generally accepted accounting principles in India under historical cost conventions on accrual basis. Except gratuity and Leave encashment, which are accounted on cash basis.

2. FIXED ASSETS AND DEPRECIATION :-

- a) Fixed assets are stated at cost less accumulated depreciation. The cost of an asset comprises of purchase price and directly attributable cost of bringing the asset to its present condition for intended use and pre-operative expenditure allocated to its respected assets less CENVAT credit taken.
- 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. INVENTORIES :-

Inventories are Valued at cost or net realisable value whichever is lower; Cost includes taxes and duties and is net of credit under CENVAT schemes. Valuation is ascertained on following basis.

- RAW MATERIAL :-

Raw materials, stores, spares and consumables on FIFO basis.

- SEMI-FINISHED GOODS/FINISHED GOODS

Lower of cost or net realizable value.

4. REVENUE RECOGNITION :-

4.1 Sales of products and services are recognized when risk and rewards of ownership of the products are passed on to the customers, which is generally on dispatch of goods. Sales are inclusive of Excise Duty but excluding sales tax / Value Added Tax.

4.2 Interest income is recognized on time proportion basis.

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 as per rules and debited to Profit and Loss account on accrual basis

7. TAXATION :-

Provision for taxation comprises of Current Tax and Deferred Tax. Current tax has provision has been made the basis of reliefs and deduction available under Income Tax Act, 1961. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax assets is recognized and carried forward only to the extent the assets can be realized in future. However, where there is unabsorbed depreciation or carry forward losses under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each Balance sheet date.

8. USE OF ESTIMATES:

The preparation of financial statement requires management of the company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosure of contingent

liabilities as at the date of financial statements and reported amounts of revenues and expenses during the period.

9. SEGMENT DISCLOSURES :

The company's business activity falls within a single primary business segment viz. Manufacturing of Barrels. As such, there are no separate reportable segments as per Accounting Standard 17. Also there being no business outside India, the entire business has been considered as single geographical segment.

10. IMPAREMENT OF ASSETS :

The company assesses at each Balance Sheet date, whether there is any indication that asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs, is less than its carrying amount, the carrying amount is adjusted to the amount of recoverable amount.

11. BORROWING COSTS :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

12. LEASES :

Finance Lease

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. The lower of fair value of asset and present minimum lease rentals is capitalized as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rentals is adjusted against the lease liability and the interest component is charged to profit and loss account.

13. CASH FLOW STATEMENT

The Cash Flow Statement is prepared under the "Indirect Method" as set out in the Accounting Standard 3 "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.

14. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Liabilities which are of contingent nature are not provided but are disclosed at their estimated amount in the notes forming parts of the accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

- 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) Balances of Depositors, Sundry Debtors, Creditors and Loans and Advances are subject to confirmation and reconciliation.
- D) Estimated amount of contracts remaining to be executed on Capital Account not provided for (net of advances) as on 31st March 2010 is Rs. NIL (Previous Year Rs. NIL).
- E) Figures have been rounded off to the nearest rupee.
- F) Previous Year figures have been regrouped and/or rearranged whenever necessary to confirm with current year's classification.
- G) Remuneration to the Auditors:-

<u>Particulars</u>	<u>Current Year</u>	<u>Previous Year</u>
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

**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	NIL
Liability in respect of letter of Credit opened on behalf of company by bankers. (Net of Margin).	3,76,80,191	3,17,50,841
Liabilities in respect of counter Guarantees given to bankers for Guarantees given by them.	15,00,000	15,00,000

I) Related Party Disclosure:-

Disclosure of related party transaction as required by Accounting Standard – 18 issued by the Institute of Chartered Accountants of India.

Key Management Personnel their relatives and Associate Company as on 31.03.2010 are as under :

Sr No.	Director	Relative
1	Kiran Shah	Geeta K Shah
2	Pravin Shah	Jigna P. Shah
3	Abjeebhai Patel & Associates	Neha K Shah
4		Neil Shah

Transactions with the Related Party.

Transaction During the year	Key Management personnel	Relatives	Total
Interest Paid on Loan	4,48,104	1,05,300	5,53,404
Managerial Remuneration	19,32,994	4,85,976	24,18,970
Loans Received	46,08,197	-	46,08,197
Services	-	55,99,125	55,99,125
Rent	-	9,33,600	9,33,600

H) 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.

- I)** During the current year, the Company has Calculated and accounted for Deferred Tax Assets/ liability in accordance with the Accounting Standard - 22 "Accounting for Taxes on Income" issued by the Council of the Institute of Chartered Accountants of India. *However, the Deferred Tax Assets provision is for two years i.e. Current year as well as past year being Rs. 4,48,553/- and Rs.4,80,903/- respectively. Further that, as the calculation of Deferred Tax Asset/liability, was not made in past years; therefore the comparable figure for the previous year is not given*
- 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.
- 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, 2010 as evaluated by the company is Rs. 31,67,956/- (upto previous Year Rs. 25,97,592/-) 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. 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) There are no entities covered Micro, Small and Medium Enterprises, as defined in Micro, Small, Medium Enterprises Development Act, 2006 to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosure have been made.

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the Auditors.

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.	2,10,025	1,59,593
- Plastic Barrel/Liners	Nos.	76,539	2,79,790

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.	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	41,03,134	2921	37,49,495
Stock in Process	Nos.		1,70,28,220		1,81,35,907
General & } Stores	—		34,20,935		34,62,580
Consumable} Scrap			15,71,550		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.)
II) Closing Stock :					
C.R.C.A. Sheet	M.T.	142.167	52,94,856	113.495	33,07,181
Plastic granules	M.T.	15.340	11,63,600	4.375	2,59,665
Other Raw Materials	-		1,24,97,953		1,17,71,303
Finished Goods	Nos.	2,362	48,33,100	4219	41,03,134
Stock in Process	-		1,70,28,220		1,70,28,220
General & Cons. Stores			34,62,580		34,20,935
Scrap	-		21,65,168		15,71,550
TOTAL Rs.	-		4,64,45,477	-	4,14,61,988

PARTICULARS	Unit of Measure	Current Year		Previous Year	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)
III) Sales :					
Steel Barrels	Nos.	2,10,572	29,27,75,967	1,60,420	16,70,08,856
Plastic Carbouys/Barrels	Nos.	44,755	81,87,743	2,77,665	11,06,78,957
Other Sales			NIL		NIL
TOTAL Rs.			30,09,63,710		27,76,87,813

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


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

Total liabilities
104,902

Total Assets
104,902

Sources of Funds

Paid-up Capital
46,500

Reserves & Surplus
6,500

Secured Loans
45,092

Unsecured Loans
6,810

Application of Funds

Net Fixed Assets
43,159

Investments
NIL

Net Current Assets
58,222

Miscellaneous Expenditure
3,521

Accumulated losses
NIL

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

Turnover
279845

Total Expenditure
284102

+/- Profit/Loss Before Tax
(-) 4,257

+/- Profit/Loss after tax
(-) 3,349

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

Earning Per Share in Rs.
(0.72)

Dividend rate %
N. A.

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

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

ON BEHALF OF THE BOARD

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

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

(**N. D. SHAH**)
Company Secretary

Date : 31-7-2010
Place : Vadodara.

Date : 31-7-2010
Place : Vadodara.



GUJARAT CONTAINERS LIMITED

Cash Flow Statement for the Year Ended on 31st March 2010

SR. NO.	PARTICULARS	YEARENDED	YEARENDED
		31-Mar-10 Amount (Rs.)	31-Mar-09 Amount (Rs.)
A	CASH FLOW ARISING FROM OPERATING ACTIVITIES:		
	Net Profit/(Loss) after Tax & Extraordinary Items	(3,348,826)	(16,825,211)
Add :	a. Depreciation Charge	3,857,620	3,675,840
	b. Interest Charge	13,571,977	14,119,597
	c. Provision for Taxation	(908,457)	174,842
	d. Loss on Sale of Assets/Investments	48,968	97,661
	e. Miscellaneous Expenses (Amortised)	233,333	233,334
	f. Bad Debts Written Off	18,973,486	23,306,207
	Sub Total (i)	32,428,101	24,782,270
Less :	a. Dividend & Interest Income	851,191	325,290
	b. Surplus on Sale of Asset/Investments	-	-
	Sub Total (ii)	851,191	325,290
	iv. Operating Profit Before Working Capital Changes-Sub-Total(iv=i-ii)	31,576,910	24,456,980
Less :	a. Increase/(Decrease) in Trade and Other Receivables	3,908,981	20,394,644
	b. Increase/(Decrease) in Inventories	4,983,488	(8,757,155)
	Sub Total (v)	8,892,469	11,637,489
Add :	a. Increase / (Decrease) in Trade Payables - (vi)	10,551,918	(7,828,983)
	Cash Inflow From Operations		
	Sub Total (vii)=(iv-v+vi)	33,236,359	4,990,508
Less :	a. Interest Paid	13,242,412	14,119,597
	b. Direct Taxes Paid	-	202,145
	c. Deferred Revenue Expenses Incurred	-	-
	Sub Total' (viii)	13,242,412	14,321,742
	Cash Inflow/(Outflow) Before Extraordinary Items		
	Sub-Total (ix)=(vii-viii)	19,993,947	(9,331,234)
	ADD/(LESS): Prior Year Adjustments : -(x)	-	-
	Net Cash Inflow/(Outflow) In Course Of Operating Activities		
	Total (A)=(ix+x)	19,993,947	(9,331,234)

Cash Flow Statement (Cont'd)



B. CASHFLOW ARISING FROM INVESTMENT ACTIVITIES:

OUTFLOW :

a. Acquisition of Fixed Assets & Capital Adv.	4,483,131	3,550,099
b. Acquisition of Investments	-	-
c. Loans/ICD to Other Companies	-	-
d. Investments in Joint Venture	-	-

Sub Total (i)	4,483,131	3,550,099
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Less : INFLOW :

a. Sale of Fixed Assets	299,000	104,500
b. Interest & Dividend Received	1,087,168	130,290
c. Sale of Investments	-	-

Sub Total (ii)	1,386,168	234,790
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Net Cash Inflow/(Outflow) In Course Of Investing Activities

Total (B)=(i-ii)	(3,096,963)	(3,315,309)
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C. CASHFLOW ARISING FROM FINANCING ACTIVITIES:

INFLOW:

a. Proceeds From Issue of Share Capital	-	-
b. Proceeds From Borrowings	379,351,349	17,699,010
c. Proceeds From Issue of Debentures	-	-

Sub Total (i)	379,351,349	17,699,010
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Less : OUTFLOW

a. Share Issue Expenses	-	-
b. Redemption of Debentures	-	-
c. Repayment of Finance/Leasbiabilities	389,657,247	9,820,162
d. Dividend Paid	-	-
e. Debenture Issue Expenses	-	-

Sub Total (ii)	389,657,247	9,820,162
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Net Cash Inflow/(Outflow) In Course Of Financing Activities

Total (C)=(i-ii)	(10,305,898)	7,878,848
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**NET INCREASE/(DECREASE) IN CASH/
CASH EQUIVALENTS (A+B+C)**

6,591,086	(4,767,695)
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Add : Balance At The Beginning Of The Year

6,503,532	11,271,228
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**CASH / CASH EQUIVALENTS AT THE
CLOSE OF THE YEAR**

13,094,618	6,503,532
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As per our report of even date annexed
For **V. K. SHASTRI & CO.**
Chartered Accountants

(V. K. SHASTRI.)
Sole Proprietor

Date : 31-7-2010
Place : Vadodara.

BY ORDER OF THE BOARD

(KIRAN SHAH) Chairman & Managing Director	(PRAVIN SHAH) Whole-Time Director
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(N. D. SHAH)
Company Secretary

Date : 31-7-2010
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 18th Annual Genarai Meeting of the Company held on 30th September 2010.

**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 18th Annual General Meeting of the Company to be held on Thursday, the 30th September, 2010 and at any adjournment thereof.

Signed this _____ **day of** _____ **2010 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-390 007.