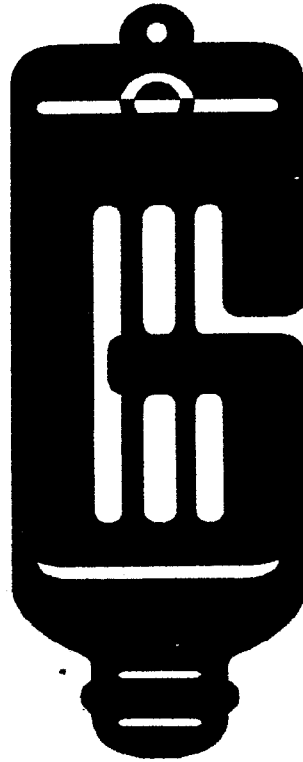


**11<sup>TH</sup> ANNUAL  
REPORT  
2001-2002**



**GUJARAT INJECT (KERALA) LIMITED**

*For GUJARAT INJECT (KERALA) LTD.*

*[Signature]*  
**Executive Director**

**BOARD OF DIRECTORS**

Shri. P. Muralidharan *Executive Director*

Ms. Dwipa Y. Mankodi *Director*

Smt. Ila Y. Mankodi *Director*

Shri. N.T. Vaishnav *Director*

*(Expired on 19.09.2002)*

Ms. Amy Y. Mankodi *Director*

*(Resigned w.e.f.2.02.02)*

**FACTORY & REGISTERED OFFICE**

Pampampallam

Pudus sery East

Palghat - 678 625

Kerala State

**CORPORATE OFFICE**

Mayo Hospital Campus

Savli Road, Hami

Baroda - 390 022.

**AUDITORS**

M/s. Krishnamoorthy & Krishnamoorthy

Charatered Accountants

XXXVI/170, T.D. Road

Cochin - 682 011

**CONTENTS**

	Page
1. Notice .....	1
2. Director's Report.....	3
3. Auditors' Report.....	8
4. Balance Sheet.....	11
5. Profit & Loss Account .....	12
6. Schedules .....	13
7. Proxy form & Attendance slip	22



## **GUJARAT INJECT (KERALA ) LIMITED**

### **NOTICE :**

Notice is hereby given that the 11th Annual General Meeting of the members of Gujarat Injunct (Kerala) Limited will be held on Tuesday, 31st December 2002 at 11.00 a.m., at the Registered Office of the company at Pampampallam, Pudukkottai, Dist-Palakkad - 678 625 to transact the following business.

### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet as at 30<sup>th</sup> June, 2002 and the Profit and Loss Account of the Company for the year ended on that date along with the Reports of Auditors and Directors thereon.
2. To appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

### **SPECIAL BUSINESS**

3. To reappoint Sri. P.Muralidharan as Addl. Director.

To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution.

"RESOLVED that Sri P.Muralidharan whose term of office as Addl. Director expires at this AGM and in respect of whom a notice u/s 257 of the Companies Act 1956 from a member proposing the candidature of Sri. P.Muralidharan for the office of the Director is received and he be and is hereby appointed as the Addl. Director of the Company".

4. To accord sanction for the re appointment of Sri. P.Muralidharan as the Executive Director of the Company.

To consider and if thought fit to pass with/without modification the following resolution as an ordinary resolution.

"RESOLVED that, pursuant to provisions of section 198, 269, 309 and schedule 13 and other applicable provisions of companies Act 1956 the approval of the members be and is hereby recorded for the appointment of Sri .P.Muralidharan as Executive Director of the Company for a period of 5 years w.e.f. 3.2.02 on the terms and conditions as set out in the explanatory statement.

### **NOTES :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.

The proxy in order to be effective, must be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Annual General Meeting.

2. The register of members and the Share Transfer Books of the company will remain closed from 29<sup>th</sup> December 2002 to 31<sup>st</sup> December 2002 (both days inclusive) in terms of section 154 of the Companies Act, 1956.

3. The members are requested to :
  - a) Intimate to the Company, changes if any, in their registered address at the earliest.
  - b) Intimate about consolidation/dubbing of different folios into one, if share holdings are under multiple folios. The members must submit all share certificate for this purpose. The folios will be dubbed and then the Share Certificate shall be returned after suitable endorsement.
  - c) To bring copies of Annual Reports and the Attendance slip duly filled in with them at the Annual General Meeting.
4. Shareholders seeking any information with regard to Accounts are requested to write to the Company atleast seven days before the 11th Annual General Meeting, so as to easiable to the management to keep the information ready.
5. Relevancy of question and order of speaking at the meeting will be decided by the Chairman.

By order of the Board of Directors of  
**GUJARAT INJECT (KERALA) LIMITED**

Palakkad  
 30.11.2002

Sd/-  
**P. Muralidharan**  
 (Executive Director)

#### **Annexure to notice**

Explanatory statement (pursuant to sec. 173(2) of the Companies Act 1956)

#### **Item No.3&4**

Sri. P.Muralidharan was appointed as Addl. Director of the company by the Board of Directors w.e.f. 3.02.02 pursuant to article 104 of the Articles of Association of the Company read with sec.260 of the Companies Act 1956. His term of office expires at this AGM.

In view of the increasing volume of activities and statutory requirements to be complied with it is essential that a whole time Director has to be made available at the Registered office of the Company at Palakkad and also under proviso(ii) of sec.2(n) of the Factories Act 1948 an occupier has to be appointed.

Sri. P.Muralidharan has long and varied experience in this Organisation in various capacities covering all areas of activities and have been working with this Organisation right from incorporation and during the last five years as Executive Director of the Company during which period the company has reached newer heights in production and the efforts for revival of the unit needs special mention.

In consideration of all the above he was re-appointed as Addl. Director and also Executive Director by the Board of Directors w.e.f.3.2.02 on a revised monthly remuneration Rs.16,970/- (to be split suitably to match applicable grade/scale) and LTA Rs.9000/- p.a and medical reimbursement minimum Rs.7500 p.a. In addition to which reimbursement/allowance of personal driver's wages with a ceiling of Rs.3000/- p.m.

His term as Addl. Director expires at this A.G.M. and proposed to be re-appointed in this A.G.M. None of the Directors of the company other than Sri. P. Muralidharan is interested in this resolution.


**GUJARAT INJECT (KERALA ) LIMITED**
**DIRECTORS REPORT :**

To

**The Members**

Your Directors have pleasure in presenting the 11th Annual Report of the company and Audited Statement of Accounts for the year ended 30<sup>th</sup> June, 2002.

**FINANCIAL RESULTS :**

	Current year from April '01 to June 2002 (Rs. In lacs)	Previous year from April '00 to March '01 (Rs. In lacs)
Sales	0	165.53
Profit/Loss before Depreciation & Tax	(-)220.23	(-) 143.73
Less : Depreciation	59.46	47.37
Less : Provision for Income tax for earlier year	---	---
(Profit /Loss) : for the year	(-) 279.69	(-)191.10
Add (Less) : Profit/Loss brought forward from previous year	(-)1404.85	(-) 1213.74
Balance carried to Balance Sheet	(-) 1684.54	(-)1404.85

**DIVIDEND :**

Since the company has not made profits during the year, your Directors do not recommend any Dividend for the financial year ended 31<sup>st</sup> March, 2001.

**REVIEW OF WORKINGS & OPERATIONS :**

The year under review was better with respect to plant capacity utilization. our company has entered into a jobwork contract with M/S Fresenius Kabi (India) Pvt. Ltd., Pune for the manufacture of IV fluids. The required working capital was funded by them.

M/S IFCI Ltd., the Operating Agency appointed by BIFR has been actively negotiating with potential investors to take over this unit. We hope the rehabilitation of the unit will be completed very soon.

**FIXED DEPOSITS :**

In terms of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules 1975, we report that your Company has not accepted or renewed Fixed Deposit during the year under review.

**INSURANCE :**

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

**DIRECTORS:**

Sri. N.T. Vaishnav who has been a Director of this organisation since inception of the company passed away on 19.9.02. Our Directors gracefully acknowledge the services & guidance rendered by Sri. N.T. Vaishnav in his official capacity and Directors once again express deep sorrow on the sudden demise of Sri.N.T.Vaishnav.

Ms. Amy .Y.Mankodi has been a Director in this organisation and has tendered her resignation w.e.f. 2.2.02 which was accepted by the Board of Directors in the meeting held on the same day. The Directors gratefully acknowledge the valuable support rendered by Ms.Amy.Y.Mankodi.

**PARTICULARS OF EMPLOYEES :**

As regards the details of remuneration paid to employees as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1988 as amended, it is submitted that there was no employee in the Company drawing remuneration above the specified limit of salary.

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

Information pursuant to section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure A to the Report and forms part of the same.

**AUDITORS' REPORT :**

The notes forming part of the accounts are self-explanatory and do not call for any further clarifications under section 217(3) of the Companies Act, 1956.

**NOTE NO.11**

During the year 97-98 promoters had decided to infuse funds by way of equity capital to tide over the financial difficulties. Accordingly the authorized capital has been enhanced by Rs. 2 Crores in the EGM. But, on sudden demise of the main Promoter Sri. Y.R. Mankodi they could not able to proceed the matter further.

**AUDITORS :**

M/s. Krishnamoorthy & Krishnamoorthy, Chartered Accountants, retiring auditors hold office upto the ensuing Annual General Meeting and are eligible for reappointment. They have submitted a certificate for their eligibility for reappointment under Section 224 (1B) of the Companies Act, 1956.



**GUJARAT INJECT (KERALA ) LIMITED**

---

**DIRECTORS' RESPONSIBILITY STATEMENT.**

Pursuant to section 217(2AA) of the Companies Act, 1956, the Directors confirm the following in respect of the audited accounts for the period ended 30<sup>th</sup> June 2002.

That in the preparation of the annual accounts, the applicable accounting standards have been followed.

1. That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state affairs of the company at the end of the financial year and the profit/loss of the company for that period.

2. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

3. That the Directors have prepared the annual accounts on a going concern basis.

**ACKNOWLEDGEMENTS :**

Your Directors gratefully acknowledge the support and service rendered to the Company by KSIDC, Bankers, Financial Institutions, Government Authorities, Shareholders and Associates.

Your Directors also gratefully acknowledge the spirit and dedication of the employees, who have in their untiring efforts to improve and strengthen the working of the Company.

**Registered Office :**  
Pampampallam Village  
Pudussery East  
Dist. Palghat (Kerala)  
Palghat - 678 625.

By order of the Board of Directors of  
**GUJARAT INJECT (KERALA) LIMITED**

Sd/-  
**P. Muralidharan**  
(Executive Director)

Palakkad  
30.11.2002

**ANNEXURE "A" TO THE DIRECTORS REPORT :**

Information regarding conservation of energy, technology absorption and foreign exchange earnings and outgo required to be furnished pursuant to the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules 1988 and forming part of the Directors Report for the year ended 31<sup>st</sup> March, 2001.

**A. CONSERVATION OF ENERGY**

- a. Energy conservation measures taken :  
Stringent standards for conservation of energy are enforced in the entire plant. Leakage of steam is minimised by making all the pipelines leak proof.
- b. Additional investment and proposals, if any, being implemented for reduction of consumption of energy
- c. Impact of the measures at (a) and (b) above for reduction of energy consumption consequent impact on the cost of Production of goods :  
Measures taken for minimising leakage of steam have resulted into maintaining the cost of steam at minimum level
- d. Total energy consumption and energy consumption per unit of production as per Form-A of the Annexures in respect of industries specified in the Schedule thereto .  
Details of total energy consumption and energy consumption per unit of production are given in Form-A hereunder :

**B. TECHNOLOGY ABSORPTION :**

Efforts made in technology absorption as Form - B :  
The relevant information is given in Form-B hereunder.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO :**

1. On the export front, the Company is making efforts to procure export orders from middle east countries.
2. Foreign exchange used and earned : Nil

**FORM - A**

Form for disclosure of particulars with respect to energy

**A. POWER AND FUEL CONSUMPTION**

	<u>2001/02</u>	<u>2000/2001</u>
1. Electricity		
a. Purchased Units	8,10,148	5,81,944
Total Amt (Rs.)	30,05,038	18,32,750
Rate/Unit (Rs.)	3.91	3.15
b. Own Generation		
(i) Through Diesel Generator	--	37600
(ii) Through steam Turbine/Generator	Nil	Nil
2. Coal (Specify quality and where used)	Nil	Nil
3. Furnace Oil		
Qty. (K.Ltrs)	2,17,244	1,52,881
Total Amt.(Rs.)	26,63,815	18,86,317
Average Rate (Rs.)	12.26	12.34
4. Other / Internal Generation	--	Nil

<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>	Standard (if any)	Current (year)	Previous year
Production (with details) Units			
(i) IV solution in disposable plastic containers	--	3421709	2713964
(ii) Haemodialysis concentrate jars	--	--	Nil
(iii) Electricity	Per Unit of IV Solution	0.54	0.60
Furnace Oil	- do -	0.55	0.47
Coal (specify Qty)	--	--	Nil
Others (specify Qty)	--	--	Nil




**GUJARAT INJECT (KERALA ) LIMITED**
**FORM - B**

For disclosure of particulars with respect to absorption, research and development

- |   |   |   |
|---|---|---|
| 1. Specify areas in which R&D carried out by the company    | : | } The company is in the process of putting up a research and Development Unit and therefore no information is available in reply of these points (1 to 4) |
| 2. Benefits as a result of the above R&D                    | : |   |
| 3. Future Plan of Action                                    | : |   |
| 4. Expenditure on R&D                                       | : |   |
| a. Capital  | : |   |
| b. Recurring  | : |   |
| c. Total  | : |   |
| d. Total R&D expenditure as a percentage of total turnover: | : |   |

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

1. Efforts in brief, made towards technology absorption, adaptation and innovation :  
The Company has been employing latest technology as used in the European countries for manufacture of intravenous transfusion fluids.
2. Benefits derived as a result of the above efforts eg. product improvement, cost reduction, product development, import substitution etc.,  
As the time span is short since the Company started commercial production, no information is available regarding the above.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished :
 

(a) Technology import	:	} Not applicable as the Company has not been using imported technology
(b) Years of import	:	
(c) Has technology been fully absorbed ?	:	
(d) If not fully absorbed, areas where this has not taken place, reasons thereof and any future plans of action	:	

For and on behalf of the Board of Directors of  
**GUJARAT INJECT (KERALA) LIMITED**

Palakkad  
 30th November, 2002

Sd/-  
**P. Muralidharan**  
 (Executive Director)

**AUDITORS' REPORT TO THE MEMBERS OF GUJARAT INJECT (KERALA) LIMITED**

We have audited the attached Balance Sheet of Gujarat Inject (Kerala) Limited as at 30<sup>th</sup> June 2002 and the Profit and Loss Account for the year ended (fifteen months) on that date annexed thereto. These financial statements are the responsibility is to express an opinion on these financial statements based on our audit.

We conduct 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 of material misstatement. An audit includes examining, on a test basis, evidences 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.

1. As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988 issue by the Company Law Board in terms of section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

2. Further to our comments in the Annexure referred to in Para. 1 above, we report that:

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

b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.

c) The Balance Sheet and the Profit and Loss Account referred to in this report are in agreement with the books of accounts.

d) In our opinion, the said balance sheet and profit and loss account comply with the accounting standard referred to in section 211 (3C) of the companies act, 1956 subject to note No.1© attached the accounts regarding non provision of depreciation on the part of fixed assets arising on fluctuation in translation of foreign currency loan, which is not in accordance with the accounting standard as – 6 and as – 11 issued by the institute of Chartered Accountants of India.

e) On the basis of written representation received from the Directors on the 30<sup>th</sup> June, 2002 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 30th June, 2002, from being appointed as a Director in terms of clause (g) of subsection – section (1) of section 274 of the companies act 1956.

f) i) *Note No.2 regarding the balances in some bank accounts, sundry debtors, creditors and loans and advances are not confirmed.*

ii) *Note No.8 regarding non-provision of interest on defaulted interest on foreign currency loan amounting to Rs.3,01,33234/-*

iii) *Note No.10 regarding non provision of increase in filing fee Rs.40,000/- and the interest thereon which is not quantifiable for the enhancement of authorised capital. Consequently the net loss is understated by that extent as stated in clause (ii) and (iii) above.*

(iv) *Although the company had incurred substantial losses in the past resulting in the erosion of its net worth, the accounts of the company are prepared on going concern basis.*

g) Subject to the above, in our opinion and to the best of our information and according to the explanations given to us and read with the other notes attached to the accounts, give the information 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 30<sup>th</sup> June,2002 and

2)In the case of Profit and Loss Account of the loss for the year ended on that date.

**GUJARAT INJECT (KERALA ) LIMITED****ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE**

1. The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets. We are informed that the fixed assets have been physically verified by the management at the end of the year and no material discrepancies were noticed on such verification.
2. None of the fixed assets have been revalued during the year.
3. as informed by the management, the stocks of finished goods, stores, spare parts and raw materials have been physically verified by the management at reasonable intervals.
4. The procedures of physical verification followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
5. The Management has certified that discrepancies noticed on verification between the physical stocks and book records were not material.
6. In our opinion, the valuation of stock is fair and proper in accordance the normally accepted accounting principles and is on the same basis as in the preceding year.
7. The company has not taken any loans secured or unsecured from companies , firms or other parties listed in the Register maintained u/s 301 of the companies act, 1956.we are informed that there are no companies under the same management as defined u/s.370(I-B) of the companies act,1956.
8. 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.
9. No loans or advances in the nature of loans have been given by company during the year except interest free advances given to its employees during the normal course of business.
10. In our opinion and according to the information and explanations given to us, there are internal control procedures with regard to purchase of stores and spares, raw materials, plant and machinery and other assets and for the sale of goods but it offers scope for improvement.
11. In our opinion and according to the information and explanations given to us, there were no transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangement entered in the register maintained u/s. 301 of the companies act, 1956 and aggregating during the year to Rs.50,000/- or more in respect of each party.
12. As per the explanations given to us, there are no unserviceable or damaged stores or finished goods or raw materials at the end of the year.
13. The company has not accepted deposits in violation of sec. 58 A of the companies act,1956.
14. The company does not have any by product. In case of scrap, reasonable records are maintained for its disposal.
15. The company has no internal audit system in vogue though it is statutorily necessary.

16. The central Government has not prescribed the maintenances of cost records u/s 209 (i) (d) of the companies act, 1956.

17. Although, the company is generally in depositing the provident fund dues and employees state insurance dues with the appropriate authorities, there were delays in some cases. Employees State Insurance dues relating to the period from September, 1997 to October 1999 amounting to Rs. 1,27,211/- which has fallen due for deposit with the appropriate authorities had not been so deposited up to 30<sup>th</sup> June, 2002.

18. According to the information and explanations given to us, except for sales tax amounting to Rs. 75,286/- there were no undisputed amounts payable in respect of Income Tax, Wealth Tax, Customs Duty and Excise Duty which were outstanding as on 30<sup>th</sup> June, 2002 for a period of more than six months from the date they become payable.

19. According to the information and explanations given to us, no personal expenses have been charged to revenue account.

20. The company is a sick industrial company within the meaning of section 3(1) (o) of the sick industrial companies (Special Provisions) Act, 1985 and reference has been made to the Board for Industrial and Financial Reconstruction (BIFR) u/s 15 of the Act. After exploring revival options and in the absence of any viable draft rehabilitation scheme the BIFR has formed the opinion that the Company be wound up on just and equitable ground which on appeal has been confirmed by the AAIFR and sent to the Hon'ble High Court of Kerala for further action.

21. In our opinion and according to the information given to us the company has reasonable system of recording receipts, issues and consumption of material and stores and allocating materials consumed to the relative jobs, commensurate with its size and nature of its business.

22. The company has system of allocating man-hours utilised to the relative jobs, commensurate with its size and nature of its business, which needs improvement.

23. The company has reasonable system of authorisation at proper levels, and an adequate system of internal control commensurate with the size of the company and the nature of its business, on issue of stores and allocation of stores and labour to jobs, However, it offers scope for improvement.

**For Krishnamoorthy & Krishnamoorthy**  
Chartered Accountants

Place : Thrissur  
Date : 30.11.02

Sd/-  
**K.J. Narayanan**  
Partner

**GUJARAT INJECT (KERALA) LIMITED****BALANCE SHEET AS AT 30.6.2002**

Particulars	Schedule	As at 30.6.2002 (Rs.)	As at 31.3.2001 (Rs.)
<b>I. SOURCE OF FUNDS</b>			
<b>1. Share Holders Funds</b>			
a) Share Capital	I	4,88,48,000	4,88,48,000
b) Share application money Pending allotment		31,25,000	31,25,000
c) Reserves & Surplus	II	20,00,000	20,00,000
<b>2. Loan Funds</b>			
a) Secured loans	III	17,68,86,190	15,23,29,864
b) Unsecured loans	IV	63,08,013	56,39,257
<b>Total</b>		<b>23,71,67,203</b>	<b>21,19,42,121</b>
<b>II. APPLICATION OF FUNDS</b>			
<b>1. Fixed Assets</b>			
Gross Block	V	108013036	10,11,80,096
Less : Depreciation		39025534	3,33,10,117
Net Block		68987502	6,78,69,979
<b>2. Investment in N.S.C. (at cost)</b>		15,000	15,000
<b>3. Current Assets</b>			
a) Inventory	VI	3326537	3612765
b) Sundry Debtors	VII	91816	26,75,353
c) Cash and Bank Balance	VIII	2,99,718	4,04,061
d) Loans and Advance	IX	13,89,733	33,64,324
e) Interest receivable		0	29,567
		<b>51,07,804</b>	<b>100,86,070</b>
Less : Current Liabilities and Provisions	X	61,96,225	78,83,360
Net current assets		(-)1088421	22,02,710
<b>4. Miscellaneous Expenditure</b> (To the extent not written off)	XI	7,98,972	13,69,667
<b>5. Profit &amp; Loss Account</b>		16,84,54,150	14,04,84,765
		<b>23,71,67,203</b>	<b>21,19,42,121</b>

Note Forming Part of Accounts XVII  
As per our report of even date attached

**For Krishnamoorthy & Krishnamoorthy**  
**Chartered Accountants**

Sd/-  
**K.J. Narayanan**  
Partner

Place : Thrissur  
Date : 30.11.02

For and on behalf of the Board of Directors of  
**GUJARAT INJECT (KERALA) LTD**

Sd/-  
**Dwipa .Y. Mankodi**  
Director

Sd/-  
**Muralidharan .P**  
Executive Director

Place : Palakkad  
Date : 30.11.02




**GUJARAT INJECT (KERALA ) LIMITED**
**SCHEDULES FORMING PART OF THE ACCOUNTS**

Schedule	As at 30.6.2002 (Rs.)	As at 31.3.2001 (Rs.)
<b>I. SHARE CAPITAL</b>		
<b>Authorised :</b>		
70,00,000 Equity shares of Rs.10/- each	<u>7,00,00,000</u>	<u>7,00,00,000</u>
<b>Issued, Subscribed and paid up :</b>		
48,99,00 Equity shares of Rs.10/- each	4,89,90,000	4,89,90,000
Less : Calls in arrears	1,42,000	1,42,000
	<u><b>4,88,48,000</b></u>	<u><b>4,88,48,000</b></u>
<b>II. RESERVES &amp; SURPLUS</b>		
Capital Investment subsidy from Govt. of Kerala	<u>20,00,000</u>	<u>20,00,000</u>
<b>III. SECURED LOANS</b>		
i) Term Loan from Industrial Finance Corporation of India :		
Foreign Currency loan(1915175DM)	4,70,21,852	4,04,86,800
Rupee Loan	1,00,00,000	1,00,00,000
Interest accrued and due on above	10,91,16,174	9,33,63,887
	<u><b>16,61,38,026</b></u>	<u><b>14,38,50,687</b></u>
ii) Cash Credit from the Federal Bank Ltd., Palakkad	1,07,48,164	84,79,177
	<u><b>17,68,86,190</b></u>	<u><b>15,23,29,864</b></u>

Note : (i) Term loan from the Industrial Finance Corporation of India Ltd., is secured by the hypothecation of whole of the moveable assets (save and except Book debts subject prior charge on the specified moveable assets in favour of the Company's Bankers) and also by equitable mortgage on all the Immoveable Properties of Company situated at Village Pampampallam P.O., Dist. Palakkad (Kerala) and guaranteed by the Promoter Directors of the Company. The loan is also guaranteed by the Corporate Guarantee of Gujarat Inject Limited.

(ii) Cash credit facility is secured by hypothecation of tangible moveable assets including stocks, book debts, etc. and personal guarantees of the Promoter Directors of the Company.

**IV. UNSECURED LOANS**

Short term loan from Kerala State Industrial Development Corpn Ltd	26,88,465	26,88,465
Interest accrued on above	36,19,548	29,50,792
	<u><b>63,08,013</b></u>	<u><b>56,39,257</b></u>

**FIXED ASSETS**

Name of the Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON 1.04.01	ADDIT- IO NS	Adjustme nt(deletio ns)	As on 31.6.2002	Upto 31.03.01	For the year	Deletio ns	As on 30.06.02	As on 30.06.02	As on 31.03.00
Freehold land	731529	0	0	731529	0	0	0	0	731529	731529
Building	18180252	0	0	18180252	4232620	758610	0	4991230	13189022	13947632
Plant & Machinery	75210051	19894	6535052	81764997	26532926	4726539	0	31259465	50505532.3	48677125
Laboratory equipment	785873	193604	0	979477	256105	54507	0	310612	668865	529768
Elec.Installation	5100754	76170	0	5176924	1669690	306281	0	1975971	3200953	3431064
Office Equipment	490378	214920	0	705298	149191	39297	0	188488	516810	341187
Vehicle	249895	0	-249895	0	206115	24716	230831	0	0	43780
Furniture & Fixture	431364	43195	0	474559	263470	36298	0	299768	174791	167894
<b>Total</b>	<b>101180096</b>	<b>547783</b>	<b>6285157</b>	<b>108013036</b>	<b>33310117</b>	<b>5946248</b>	<b>230831</b>	<b>39025534</b>	<b>68967502</b>	<b>67869979</b>
Previous year	101354348	132176	(-)306428	101180096	28572591	4737520	0	33310117	67869979	72781751

Note: Adjustment (Previous year(-) Rs.3887827/-) to the Plant & Machinery represents fluctuation in Foreign Currency loans taken from IFCI for purchase of Bottle Pack Machine as on 31.03.2001

**VI. INVENTORY**

(As taken, valued & certified by the Management)

Stores and spares	24,28,528	27,66,707
Furnace oil & Diesel	1,79,377	1,03,197
Raw materials	7,866	32,095
Packing Materials	4,37,554	4,37,554
Work in process	-----	-----
Finished Goods	2,73,212	2,73,212
<b>Total</b>	<b>33,26,537</b>	<b>36,12,765</b>

**VII. SUNDRY DEBTORS**

(Unsecured, considered good unless stated otherwise)

Debts outstanding for a period exceeding 6 months	91,816	14,18,649
Other debts	0	12,56,704
	-----	-----
<b>91,816</b>	<b>26,75,353</b>	




**GUJARAT INJECT (KERALA ) LIMITED**
**VIII. CASH AND BANK BALANCES**

Cash on hand	51,293	81
Balance with scheduled banks :		
in current accounts	2,21,840	3,77,395
Balance with co-operative bank		
in current accounts	26,585	26,585
	<b>2,99,718</b>	<b>4,04,061</b>

**IX. LOANS AND ADVANCES (Unsecured, Considered good)**

Advance recoverable in Cash or in kind		
or for value to be received	2,97,474	7,49,155
Income tax paid /Income tax deducted at source	6,92,547	3,65,743
Deposits	3,66,123	3,66,123
Advance to suppliers	33,588	18,83,303
	<b>13,89,733</b>	<b>33,64,324</b>

**X. CURRENT LIABILITIES & PROVISIONS**

Sundry Creditors	22,48,025	25,20,139
Creditors for expenses	24,80,343	26,33,902
Other liabilities	12,84,122	25,73,267
Advance from customers	1,62,676	1,56,052
	<b>61,96,225</b>	<b>78,83,360</b>

**XI. MISCELLANEOUS EXPENDITURE**

(To the extent not written off)		
Preliminary exp.	34,509	59,159
Share issue	7,64,463	13,10,508
	<b>7,98,972</b>	<b>13,69,667</b>

**XII. SALES**

Domestic	-----	1,65,53,470
Less Returns	-----	-----
	-----	<b>1,65,53,470</b>

**XIIa. OTHER INCOME**

Sale of Scrap	6,83,676	3,08,719
One time receipt KSEB power	-----	6,84,153
Insurance Claim	21,071	-----
Profit on sale of vehicle	68937	-----
	<b>7,73,684</b>	<b>9,92,872</b>

**XIIb. INCREASE/DECREASE IN STOCK**

Opening Stock	2,73,212	6,68,561
Closing Stock	2,73,212	2,73,212
	<b>Nil</b>	<b>(-) 3,95,349</b>

**XIII. MANUFACTURING, ADMINISTRATIVE,  
SELLING & DISTRIBUTION EXPENSES**

Salaries and Wages	4635493	3504559
Employer cont. to statutory funds	306549	252225
Staff & Labour welfare expenses	297335	291004
Packing material consumed (including packing charges)	881409	2568049
Stores and spares	588662	892656
Power and fuel	5851521	3856567
Rent, rates and taxes	83828	46126
Insurance charges	260529	214358
Repairs and maintenance		
Building	146823	33749
Plant & Machinery	428708	336761
Others	153801	170975
Travelling expenses	410050	271269
Auditors Remuneration :		
Audit fees	16000	15000
Tax audit fee	4000	3000
Out of pocket expenses	2089	4998
Legal and professional charges	32350	336400
Printing, Stationery, Postage & telephone	393280	290407
Freight and forwarding charges	106657	68080
Bank charges and commission	16782	8198
Advertisement and sales promotion	61000	2729306
Sitting fees	3750	3000
General expenses	446215	159088
Testing and development expenses	174507	110599
Misc. expenses written off	570695	456556
Security service charges	347295	263724
Central Excise duty paid	---	2925
Irrecoverable Amount written off	1264001	---
Prior period exp.	470346	131266
	<b>18001508</b>	<b>17020845</b>

**XIV. INTEREST**

Interest on Term Loans (IFCI & KSIDC)	16421043	11789377
Interest on Cash Credit	2268637	1477773
	<b>18689680</b>	<b>13267150</b>


**GUJARAT INJECT (KERALA ) LIMITED**
**XV. NOTES FORMING PART OF ACCOUNTS**
**1. Significant Accounting Policies**
**i. General**

The Financial Statements are prepared under historical cost convention on accrual basis in accordance with the applicable Accounting Standards and on a going concern basis.

The Company has changed its accounting period from 12 months to 15 months ended 30<sup>th</sup> June with effect from 2001-2002.

**ii. Fixed Assets**

Fixed Assets are valued at cost less depreciation. All expenses attributable to fixed assets are capitalised and are allocated to assets on the completion of work

**iii. Depreciation**

Depreciation on all fixed assets have been provided on straight line method at the rates specified in Schedule XIV of the Companies Act 1956, on pro-rata basis of the period of usage and on opening balance provided for the whole year. No depreciation has been considered on the part of the Fixed Assets arising on fluctuation in translation of Foreign Currency Loan availed for acquiring those assets.

**iv. Foreign Exchange Translation**

Fluctuations in translation of foreign currency loan as on 31.3.2001 from IFCI have been accounted for Profit of Rs. 65,35,052/- (Previous Year : profit Rs. 3,06,428/-) on translation of the loan has been adjusted to the Plant and Machinery for which the loan was availed.

**v. Inventories**

Inventory of finished goods, work-in process, raw materials, stores & spares and packing materials are valued at lower of cost or net realizable. Cost for the purpose of valuation in respect of raw materials, stores & spares and packing materials are on the basis of FIFO method.

**vi Amortization of Miscellaneous Expenditure**

1/10 of the preliminary expenses and share issue expenses has been written off during the year.

**vii Retirement benefits**

Gratuity has been provided for in the account by calculating the liability using the method based on the assumption that such benefits are payable to all employees at the end of the accounting year.

2. (a) The balances appearing under the head Sundry Creditors, Sundry Debtors, Loans and Advances (including certain group companies) are subject to confirmation.
- (b) Some of the Bank balances (Rs. 2,11,150/-) are subject to confirmation.
3. The accounts pertaining to share allotment and refund accounts relating to issue of shares to public have not been reconciled since 1991-92..

Notes forming part of accounts.

## 5. CONTINGENT LIABILITY

Contingent liabilities not provided for Rs.Nil. (previous year –Nil)

(a) Remuneration to the Executive Director paid/payable during the year is as under :-

Particulars	Current Year 2001-02 (Rs.)	Previous Year 2000-01 (Rs.)
Salary	1,46,250	1,17,000
House Rent Allowance	41,850	33,480
Medical Reimbursement / LTA paid	11,250	9,000
	<b>1,99,350</b>	<b>1,59,480</b>

b) Re-appointment of Sri. P.Muralidharan as Executive Director w.e.f. 3.2.2002 is subject to the approval of the members at the General Meeting.

6. Since the Financial Institutions have recalled Secured Term Loan and Unsecured loan, the entire loans outstanding are payable.
7. Share application money received in the year 1996-97 is still pending for allotment.
8. The company has not provided for interest on defaulted interest amounting to Rs.3,01,33,234/- for Foreign currency term loan and Rupee term loan from the IFCL.
9. Based on information available with the company regarding the status of suppliers amount outstanding Rs.1 lakh overdue for a period exceeding 30 days are remaining unpaid to small scale and/or Ancillary industrial suppliers are given below:

	<u>2001-02</u> (Rs.)	<u>2000-01</u> (Rs.)
M/S Calicut Packagings	335279	335279
M/S Quality containers	<u>157484</u>	<u>157484</u>
	<b>492763</b>	<b>492763</b>

10. The filing fee of Rs.60000/- Payable to the Registrar of Companies consequent to the enhancement of Authorised Share Capital in 1997-98 has not been remitted for which provision has been made in the accounts. However, the increase of filing fee vide notification No.F1/15/91-CL V w.e.f. 1.5.2000 of Govt. of India, Ministry of Finance (Dept. of Company Affairs) amounting to Rs.40,000/- in respect of the above enhancement of authorized capital has not been provided for.
11. The Company is engaged in the manufacture of Intravenous Fluid (presently on job work basis) and has only one business segment, hence the Accounting Standard (ASS) 17 in respect of Segment Reporting are presently not applicable to the company.
12. Disclosure in respect of Related Parties pursuant to Accounting Standards (AS) 18

### List of Related Parties

Parties where control exists:	Nature of relationship	Nature of transaction	Amount (Rs. in lakhs)
a. Gujarat Insect Limited., & subsidiaries- Baroda	Promoters holding 28.4% shares	----	138.7
b. Kerala State Industrial Development corp.	Holding 22.6% Shares	----	110.4
Other related parties with whom the company has entered into transactions during the year			
P.Muralidharan	Executive Director	Remuneration	Rs.1,99,350/-


**GUJARAT INJECT (KERALA) LIMITED**

13. As per Accounting Standard (AS) 20 in respect of Earnings per share, the Basic Earnings Per Share (EPS) of face value of Rs.10/- each is calculated as under:

	<u>2001-02</u>	<u>2000-01</u>
	Rs.	Rs.
Net Profit /(Loss) for the year	(-)27969385	(-)19110460
Number of Equity shares	4899000	4899000
Basic EPS	(-) 5.64	(-)3.90

Note: Calls in arrears to the tune of Rs.1,42,000/- are not considered for the above calculation of EPS)

14. Consequent to the adoption of Accounting Standard (AS) 22 regarding Accounting for Taxes on Income, the deferred tax asset (net) has however not been recognised in the accounts, as a matter of prudence to be inline with the requirement of the said standard.
15. Advances recoverable in cash or in kind or for value to be received includes Rs.16,847/- due from the Directors. (Previous year Rs.1,17,068/-)
16. Balance in Sundry Debtors account Rs.7,39,660/- and advances to various suppliers Rs.5,24,341/- have been written off during the year as the same are irrecoverable despite of the maximum efforts taken by the company.

17. Details of Prior Period Items:-

a) Travelling exp.-Directors	214107	
b) Foreign Tour exp. ED	54578	
c) Bonus & Ex-Gratia	185670	
d) CST Diff. 2 % paid	28188	
e) Mark Engineers	37427	
f) Filtech Phamalab	35557	
g) American President Lines	34490	
h) Others	284954.42	820393.42

Details of Excess Provision for Exp.w/off (LESS)

a) Concept communications	25907.41	
Dynamatrix	17118	
Emerald packagings Pvt. Ltd	13079	
Vandana Travels	35495	
Visvia Packaging	20360	
Bindu Printing Press	15687.5	
Indian Petrochemical Corpn.	24186.5	
Immecco Cleaning & Welding Equipments	63012.4	
Others	135201.48	350047.29

Net Amounts

**470346.13**

18. Previous year figures have been re grouped/rearranged, wherever necessary.  
All figures have been rounded off to the nearest rupee.

19. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF SCHEDULE VI OF THE COMPANIES ACT, 1956:

A) Licensed and Installed Capacity and Actual Production

Products	Licensed Capacity	Installed Capacity	Actual Production
I .V solutions in disposable plastic bottles previous year	70 lakhs (70 lakhs)	70 lakhs (70 lakhs)	54,90,148 (3,354,404)

Note: Total production includes 5490148 btis. produced on job work basis. (Previous year: 1154319 btis)

B) Sales : Manufactured Goods

	Opening Stock		Closing Stock		Turnover	
	Qty. Nos	Value Rs.	Qty. Nos	Value Rs.	Qty. Nos	Value Rs.
I.V. fluids in plastic bottles	40900 (99959)	273212 668551	40900 (40900)	273212 (273212)	0 (2259144)	0 (16553470)

**C) Consumption of Raw materials**

Sl.No	Items	Units	Qty.		Value(Rs.)
1.	LDPE/HDPE granules	Kgs	0	(86651)	0
2.	Dextrose	Kgs	0	(53074)	18849
3.	Other Chemicals		55		5380
					-----
					24229
					-----

**Break-up of Consumption**

	Percentage to total consumption		Value (Rs.)
Imported	--	Nil	Nil
Indigenous	--	(100)	0
			(4863583)

**D) Consumption of Stores, Components and Chemicals**

	Percentage to total consumption		Value (Rs.)
Imported	66.27	(45.15)	300604
Indigenous	33.73	(64.58)	172146
			(334004)
			(547944)
		-----	-----
	100	100	510325
			(848548)
		-----	-----

**E) 1. Value of imports on CIF basis in respect of :**

Capital Equipment	Nil	(previous year Rs. Nil)
Raw materials	Nil	(previous year Rs. Nil)
Imported Spares	Nil	(previous year Rs. Nil)
2. Exchange Foreign currency in respect of Travelling expenses	Nil	(previous year Rs. Nil)
3. Remittance of dividend to NRI shareholders	Nil	(previous year Rs. Nil)
4. Earning in foreign currency : FOB value of Exports	Nil	(previous year Rs. Nil)

**15. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:****I. Registration Details :**

Registration No : 05926      State Code : 09      Balance Sheet Date : 31\* March 2001

**II. Capital Raised During The Year (Rs. in Thousands)**

Public Issue : Nil    Right Issue : Nil    Bonus : Nil    Private Placement : Nil

**GUJARAT INJECT (KERALA) LIMITED****CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET AS ON 30TH JUNE 2002**

	2001-2002	2000-01
	Rs.	Rs.
<b>A. Cash Flow from operating activities :</b>		
Profit before tax and extraordinary items		
	-27969385	-19110460
Adjustments for depreciation	5946248	4737520
Misc. expenditure w/of	570695	456556
Interest/ Dividend	16421043	11789377
	2937986	16983453
Operating profit before working		
Capital changes	(-) 5031399	(-) 2127007
Adjustments for :		
Trade and other Receivable	4587695	858985
Inventory	286228	850700
Trade payable	(-)1687135	(-)924605
Profit on sale of Fixed Assets(vehicle)	(-)68937	
	3117851	785080
	<b>(-) 1913548</b>	<b>(-) 1341927</b>
Cash generated from operations	---	---
Interest paid	---	---
Cash flow before extraordinary items	---	---
Net cash from operating activities	---	---
<b>B. Cash Flow From Investing Activities</b>		
Purchase of fixed Assets	- 547783	-132176
Sale of fixed assets (vehicle)	88001	
Net cash used in investing activities	- 2373330	(-) 1474103
<b>C. Cash Flow From Financing Activities</b>		
Investment subsidy	--	
Increase in bank borrowings	2268987	1477903
<b>D. Cash used in financing activities</b>		
Increase/Decrease in cash or cash equivalents	(-)104343	3800
Paid cash equivalent as at 31.3.2001	404061	400261
Paid cash equivalent as at 30.6.2002	299718	404061

For Krishnamoorthy & Krishnamoorthy  
Chartered Accountant

For and on behalf of the Board of Directors of  
**GUJARAT INJECT (KERALA) LTD**

Sd/-  
**K.J. Narayanan**  
Partner

Sd/-  
**Dwipa. Y. Mankodi**  
Director

Sd/-  
**P. Muralidharan**  
Executive Director

Place : Thrissur  
Date : 30.11.2002

Place : Palakkad  
Date :

**Auditors's Report :** We have verified the attached Cash Flow statement of Gujarat Inject (Kerala) Limited, derived from audited financial statements and books and records maintained by the Company for the year ended 30th June 2002 and found the same in agreement therewith.

**For Krishnamoorthy & Krishnamoorthy**  
Chartered Accountants

Place : Thrissur  
Date : 30.11.02

Sd/-  
**K.J. Narayanan**  
Partner

**GUJARAT INJECT (KERALA) LIMITED**

Regd. Office : Village Pampanipallam, Pudukkottai, Dist. Palakkad, Kerala.

**PROXY FORM**

I/ We ----- of ----- in the district of -----  
----- being Member(s) of the above named Company hereby appoint -----  
of in the district of ----- or failing him ----- of in the district  
of ----- as my / our proxy to attend and vote on a poll for me/us and on my/our behalf  
at the 11th Annual General Meeting of the Company to be held on Tuesday, 31st December 2002 at 11 a.m. and  
at any adjournment thereof.

Signed at ----- this ----- day of ----- 2002

Ledger Folio No. -----

Number of Equity Shares held -----



- Notes : (i) The proxy need not be a member  
(ii) The proxy form duly signed across 30 paise revenue stamp should reach the Registered  
Office of the Company, not less than 48 hours before the time fixed for the meeting.

-----Tear here-----

**GUJARAT INJECT (KERALA) LIMITED**

Regd. Office : Village Pampanipallam, Pudukkottai, Dist. Palakkad, Kerala.

**ATTENDANCE SLIP**

I hereby record my presence at the 11th Annual General Meeting of the Company held at the Factory  
Premises, Village Pampanipallam, Pudukkottai, Dist. Palakkad, Kerala on Tuesday, 31<sup>st</sup> December 2002 at 11.00  
a.m.

- (1) Full Name of the Member -----  
(in Block Letters)  
(2) Ledger Folio No. ----- (3) No. of Equity Shares held -----  
(4) To be used only when First named member is not attending;  
Please give full name of 1st Joint Holder -----  
(5) Signature of the Member or Proxy attending : ----- (Member/Proxy)  
(Name of the Proxy attending, if any: ----- )

Note: Please fill in this attendance slip completely and hand it over at the ENTRANCE.



BOOK POST

To

---

---

---

---

*If undelivered please return to :*

**REGD. OFFICE & PLANT  
VILLAGE PAMPAMPALLAM  
KANJIKODE, COIMBATORE – PALAKKAD HIGHWAY  
NATIONAL HIGHWAY –47  
PALAKKAD - KERALA**