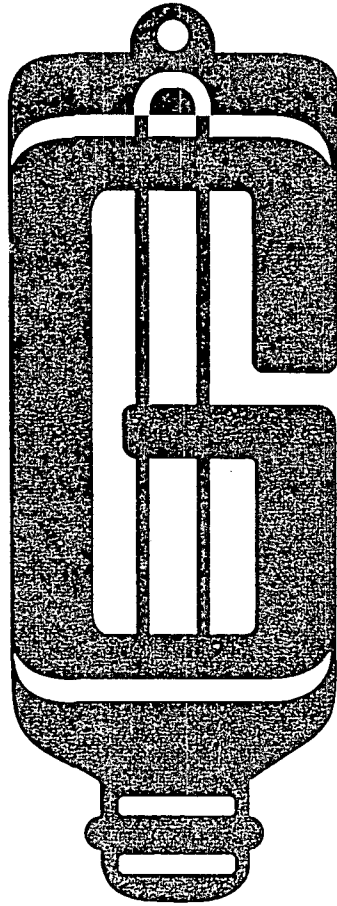


**12<sup>th</sup> ANNUAL REPORT**  
**2002 - 03**



**GUJARAT INJECT (KERALA) LTD.**

## **BOARD OF DIRECTORS**

Shri. P. Muralidharan - Executive Director \*

Ms. Dwipa Y. Mankodi - Director

Smt. Illa Y. Mankodi - Director

Ms. Amy Y. Mankodi - Director

\* Expired on 07-06-03

## **FACTORY & REGISTERED OFFICE**

Pampampallam, Pudussery East

Palakkad - 678 625

Kerala State

## **CORPORATE OFFICE**

Mayo Hospital Campus

Savli Road, Hami

Baroda - 390 022

## **AUDITORS**

M/s. Krishnamoorthy & Krishnamoorthy

Chartered Accountants

XXXVI / 170, T.D. Road

Cochin 682 011

## **CONTENTS**

	Page
1 Notice.....	1
2 Director's Report .....	3
3 Auditor's Report .....	7
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 12th Annual General Meeting of the members of Gujarat Inject (Kerala) Limited will be held on Saturday 27<sup>th</sup> December 2003 at 11.00 a.m., at the Registered Office of the company at Pampampallam, Pudussery East, 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, 2003 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 a director in place of Ms.Dwipa Y. Mankodi who retired by rotation and being eligible offers herself for reappointment
3. 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 authorize the Board to fix their remuneration.

**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 24th December 2003 to 27th December 2003(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/clubbing 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 clubbed 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 at least seven days before the 12th Annual General Meeting, so as to enable 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  
30.10.2003

Sd/-  
Dwipa Y Mankodi  
( Director)


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

To

**The Members**

Your Directors have pleasure in presenting the 12th Annual Report of the company and Audited Statement of Accounts for the year ended 30<sup>th</sup> June, 2003.

**FINANCIAL RESULTS :**

	Current year from July.2002 to June 2003 (Rs. in lacs)	Previous year from April '01 to June '02 (Rs. in lacs)
Profit/Loss before Depreciation & Tax	(-)159.77	(-)220.23
Less : Depreciation	47.51	59.46
Less : Provision for Income tax for earlier year	----	----
(Profit /Loss) : for the year	(-)207.28	(-) 279.69
Add (Less) : Profit/Loss brought forward from previous year	(-)1684.54	(-)1404.85
Balance carried to Balance Sheet	(-)1891.82	(-) 1684.54

**DIVIDEND :**

Since the company has not made profits during the year, your Directors do not recommend any Dividend for the financial year ended 30<sup>th</sup> June, 2003.

**REVIEW OF WORKINGS & OPERATIONS :**

The year under review was better with respect to plant capacity utilization. our company has entered into a job work contract with M/S Fresenius Kabi (India) Pvt. Ltd., Pune for the manufacture of IV fluids. The required Raw materials and other inputs are supplied 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. P.Muralidharan who has been an Executive Director of this organization passed away on 07.06.2003. Our Directors gracefully acknowledge the services & guidance rendered by Sri. P.Muralidharan in his official capacity and Directors once again express deep sorrow on the sudden demise of Sri.P.Muralidharan

**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.10**

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**

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**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 2003.

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed.
2. 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.
3. 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.
4. 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.

Palakkad  
30.10.2003

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

Sd/-  
Dwipa Y Mankodi  
( Director)

**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 30<sup>th</sup> June, 2003.

**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 minimized 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 minimizing 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 Annexure 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 make 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**

	2002/03	2001/2002
1. Electricity		
a. Purchased Units	847980	810148
Total Amt (Rs.)	3367236	3005038
Rate/Unit (Rs.)	3.97	3.91
b. Own Generation		
(i) Through Diesel Generator	52800	33600
(ii) Through steam Turbine/Generator	Nil	Nil
2. Coal (Specify quality and where used)	Nil	Nil
3. Furnace Oil		
Qty. (K.Ltrs)	224321	217244
Total Amt.(Rs.)	3238192	2663815
Average Rate (Rs.)	14.44	12.26
4. Other / Internal Generation	--	Nil

**B. CONSUMPTION PER UNIT OF PRODUCTION**

	Standard (if any)	Current (year)	Previous year
Production (with details) Units			
(i) IV solution in disposable plastic containers	--	5591563	5334776
(ii) Haemodialysis concentrate jars	--	--	Nil
(iii) Electricity	Per Unit of IV Solution	0.60	0.56
Furnace Oil	- do -	0.58	0.49
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 e.g. 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 October, 2003

Sd/-  
Dwipa Y Mankodi  
( 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 2003 and the Profit and Loss Account and the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed 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 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 issued 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 Paragraph 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, Profit and Loss Account and Cash Flow Statement 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 Standards referred to in section 211 (3C) of the companies act, 1956 subject to note No.1© attached to 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, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 30th June, 2003, from being appointed as a Director in terms of clause (g) of subsection (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.3,07,66,032/-*

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 Authorized 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, 2003 and

2) In the case of Profit and Loss Account of the loss 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.



**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, the Company has regular procedure for the determination of unserviceable or damaged stores or finished goods or raw materials . Adequate provision has been made in the accounts for the loss arising the items so determined , if significant.
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, 2003.

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, 2003 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 utilized to the relative jobs, commensurate with its size and nature of its business, which needs improvement.

23. The company has reasonable system of authorization 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

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

Place : Thrissur  
Date : 30.10.03

**GUJARAT INJECT (KERALA) LIMITED**  
**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**a) Registration Details :**

Registration No.	05926
Balance sheet date	30.6.2003

State code	09
------------	----

**b) Capital raised during the year : (Rs. In thousands)**

Public Issue	Nil
Bonus Issue	Nil

Rights issue	Nil
Private Placement	Nil

**c) Position of Mobilization and Deployment of Funds.**

(Rs. in thousands)

Total Liabilities	257971
-------------------	--------

Total Assets	257971
--------------	--------

**SOURCES OF FUNDS :**

Paid up capital	48848
Reserves & Surplus	2000
Secured Loans	1972 19

Share Application Money Pending Allotment	3125
Unsecured Loans	6778

**APPLICATION OF FUNDS**

Net Fixed Assets	68905
Net current assets	- 473
Profit & Loss Account balance	189182

Investments	15
Miscellaneous Expenditure	342

**d) Performance of the Company:**

(Rs. In Thousands)

Turnover	Nil
Processing charges and other Income	17078
Profit before Tax	(-)20728
Earnings per share in Rupees	(-)4.23

Total Expenditure	37806
Profit after Tax	(-) 20728
Dividend rate percentage	0

**e) Generic Names of Three Principal products/ Services of Company**

Product Description	Intravenous Fluids
---------------------	--------------------

Item code No.	304
---------------	-----

As per our report of even date  
 For Krishnamoorthy & Krishnamoorthy  
 Chartered Accountants

For and on behalf of the Board of Directors  
 Gujarat Inject (Kerala) Limited

(K.J.Narayanan)  
 Partner

Ila Y Mankodi  
 (Director)

Dwipa Y.Mankodi  
 (Director)

Place : Thrissur  
 Date : 30.10 .03

**GUJARAT INJECT (KERALA) LIMITED****BALANCE SHEET AS AT 30.6.2003**

Particulars	Schedule	As at 30.6.2003 (Rs.)	As at 30.6.2002 (Rs.)
<b>I. SOURCE OF FUNDS</b>			
<b>1. Share Holders Funds</b>			
a) Share Capital	I	48848000	48848000
b) Share application money			
Pending allotment		3125000	3125000
c) Reserves & Surplus	II	2000000	2000000
<b>2. Loan Funds</b>			
a) Secured loans	III	197219341	176886190
b) Unsecured loans	IV	6778494	6308013
<b>Total</b>		<b>257970835</b>	<b>237167203</b>
<b>II. APPLICATION OF FUNDS</b>			
<b>1. Fixed Assets</b>			
Gross Block	V	112681724	108013036
Less : Depreciation		<u>43776892</u>	<u>39025534</u>
Net Block		68904831	68987502
<b>2. Investment in N.S.C. (at cost)</b>		15000	15000
<b>3. Current Assets</b>			
a) Inventory	VI	2670609	332653
b) Sundry Debtors	VII	202031	91816
c) Cash and Bank Balance	VIII	414514	299718
d) Loans and Advance	IX	2176194	1389733
		<b>5463348</b>	<b>5107804</b>
Less : Current Liabilities and Provisions	X	5936608	6196225
Net current assets		-473260	(-)1088421
<b>4. Miscellaneous Expenditure</b>		342416	798972
(To the extent not written off)			
<b>5. Profit &amp; Loss Account</b>		189181847	168454150
		<b>257970835</b>	<b>237167203</b>

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

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

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

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

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

Place : Thrissur  
Date : 30.10.03

Place : Palakkad  
Date : 30.10.03

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE 2003**

Particulars	Schedule	As at 30.6.2003 (12 months ) (Rs.)	As at 30.6.2002 ( 15 months ) (Rs.)
<b>INCOME</b>			
1. Processing Charges		16520932	13894367
2. Other Income	XII a	694050	773684
3. Increase/Decrease in Stocks		-136610	0
<b>Total</b>		<b>17078372</b>	<b>14668051</b>
<b>EXPENDITURE</b>			
1. Manufacturing, Processing Administrative and other exp.	XIV	16863176	18001508
2. Interest	XV	16191534	18689680
3. Depreciation	V	4751358	5946248
<b>Total</b>		<b>37806069</b>	<b>42637436</b>
Profit/(Loss) for the Year		-20727697	-27969385
Balance brought forward from previous year		(-)168454150	(-)140484765
Profit&(Loss) Acco Carried to Balance sheet		<b>(-) 189181847</b>	<b>(-)168454150</b>

**Notes 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: 30.10.2003

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

Sd/-  
**Ila Y Mankodi**  
Director

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

Place: Palakkad  
Date : 30.10.2003.


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

Schedule	As at 30.6.2003 (Rs.)	As at 30.6.2002 (Rs.)
<b>I. SHARE CAPITAL</b>		
<b>Authorised :</b>		
70,00,000 Equity shares of Rs.10/- each	<u>70000000</u>	<u>70000000</u>
<b>Issued, Subscribed and paid up :</b>		
48,99,00 Equity shares of Rs.10/- each	48990000	48990000
Less : Calls in arrears	142000	142000
	<u><b>48848000</b></u>	<u><b>48848000</b></u>
<b>II. RESERVES &amp; SURPLUS</b>		
Capital investment subsidy from Govt. of Kerala	<u>2000000</u>	<u>2000000</u>
<b>III. SECURED LOANS</b>		
i) Term Loan from Industrial Finance Corporation of India :		
Foreign Currency loan(1915175DM)	51633950	47021852
Rupee Loan	10000000	10000000
Interest accrued and due on above	122737277	109116174
	<u><b>184371227</b></u>	<u><b>166138026</b></u>
ii) Cash Credit from the Federal Bank Ltd., Palakkad	12848114	10748164
	<u><b>197219341</b></u>	<u><b>176886190</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	2688465	2688465
Interest accrued on above	4090029	3619548
	<u><b>6778494</b></u>	<u><b>6308013</b></u>
	=====	=====

**V. FIXED ASSETS**

Name of the Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON 1.07.2002	ADDIT- IO NS	Adjustme nt(deletio ns)	As on 30.6.2003	Upto 30.06.02	For the year	Deletio ns	As on 30.06.03	As on 30.06.03	As on 31.06.02
Freehold land	731529	0	0	731529	0	0	0	0	731529	731529
Building	18180252	0	0	18180252	4991230	607220	0	5598450	12581802	13189022
Plant & Machinery	81764997	9590	4612098	86386685	31259465	3787134	0	35046599	51340086	50505532
Laboratory equipment	979477	0	0	979477	310612	46525	0	357137	622340	668865
Elec.Installation	5176924	0	0	5176924	1975971	245904	0	2221875	2955049	3200953
Office Equipment	705298	19500	0	724798	188488	33669	0	222157	502641	516810
Furniture & Fixture	474559	27500	0	502059	299768	30907	0	330675	171384	174791
<b>Total</b>	<b>108013036</b>	<b>56590</b>	<b>4612098</b>	<b>112681724</b>	<b>39025534</b>	<b>4751358</b>	<b>0</b>	<b>43776892</b>	<b>68904831</b>	<b>68987502</b>
Previous year	101180096	547783	6285157	108013036	33310117	5946248	230831	39025534	68987502	67869979

Note: Adjustment Rs.46,12,098/- (Previous year(-) Rs.65,35,052/-) to the Plant & Machinery represents fluctuation in Foreign Currency loans taken from IFCI Ltd for purchase of Bottle Pack Machine as on 30.06.2003.

**VI. INVENTORY**

(As taken, valued & certified by the Management)

Stores and spares	2191803	2428528
Furnace oil & Diesel	119494	179377
Raw materials	3936	7866
Packing Materials	218774	437554
Work in process	---	---
Finished Goods	136602	273212

<b>Total</b>	<b>2670609</b>	<b>3326537</b>
	=====	=====

**VII. SUNDRY DEBTORS**

(Unsecured, considered good unless stated otherwise)

Debts outstanding for a period exceeding 6 months	0	91816
Other debts	202031	0
	-----	-----
	<b>202031</b>	<b>91816</b>
	=====	=====




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

Cash on hand	32871	51293
Balance with scheduled banks : in current accounts	355058	221840
Balance with co-operative bank in current accounts	26585	26585
	<b>414514</b>	<b>299718</b>

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

Advance recoverable in Cash or in kind or for value to be received	541925	297475
Income tax deducted at source	975798	692547
Deposits	624883	366123
Advance to suppliers	33588	33588

**2176194      1389733**

**X. CURRENT LIABILITIES & PROVISIONS**

Sundry Creditors	1735207	1830767
Creditors for expenses	2944878	2918660
Other liabilities	1255377	1284122
Advance from customers	1147	162676

**5936608      6196225**

**XI. MISCELLANEOUS EXPENDITURE**

(To the extent not written off)

Preliminary expenses	14789	34509
Share issue expenses	327627	764463

**342416      798972**

**XII. OTHER INCOME**

Sale of Scrap	668028	683676
Insurance Claim	26022	21071
Profit on sale of vehicle	0	68937

**694050      773684**

**XIII. INCREASE/DECREASE IN STOCK**

Opening Stock	273212	273212
Closing Stock	136602	273212

**-136610      0**

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

Salaries and Wages	4298229	4635493
Employer cont. to statutory funds	392621	306549
Staff & Labour welfare expenses	168993	297335
Packing material consumed (including packing charges)	1095410	881409
Stores and spares	571759	588662
Power and fuel	6878746	5851521
Rent, rates and taxes	75319	83828
Insurance charges	354545	260529
Repairs and maintenance		
Building	61233	146823
Plant & Machinery	235506	428708
Others	24999	153801
Travelling expenses	401447	457882
Auditors Remuneration :		
Audit fees	17500	16000
Tax audit fee	4500	4000
Out of pocket expenses	10140	2089
Legal and professional charges	244988	32350
Printing, Stationery, Postage & telephone	219713	393280
Freight and forwarding charges	115050	106657
Bank charges and commission	14814	16782
Advertisement and sales promotion	7292	61000
Sitting fees	3000	3750
General expenses	405714	446215
Testing and development expenses	103198	174507
Misc. expenses written off	456556	570695
Security service charges	287757	347295
Irrecoverable Amount written off	222710	1264001
Prior period exp.	191436	470346

<b>16863176</b>	<b>18001508</b>
-----------------	-----------------

**XIV. INTEREST**

Interest on Term Loans (IFCI & KSIDC)	14091584	16421043
Interest on Cash Credit	2099950	2268637

<b>16191534</b>	<b>18689680</b>
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**GUJARAT INJECT (KERALA ) LIMITED**

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**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.

**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 30.6.2003 from IFCI have been accounted for loss of Rs. 46,12,098/- (Previous Year : profit Rs. 65,35,052/-) 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 value. 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 2002-03 (Rs.)	Previous Year 2001-02 (Rs.)
Salary	156420	117000
House Rent Allowance	35370	33480
Medical Reimbursement / LTA paid	39010	9000
	<b>230800</b>	<b>159480</b>

=====

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.3,07,66,032/- (previous year Rs.3,01,35,234/-) 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 and are remaining unpaid to small scale and/or Accilliary industrial suppliers are given below:

	2002-03 (Rs.)	2001-02 (Rs.)
M/S Calicut Packagings	335279	335279
M/S Quality containers	157484	157484
	<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 (AS) 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

### I List of Related Parties where control exists

Parties where control exists:	Nature of relationship	Nature of transaction	Amount (Rs. in lakhs)
a. Gujarat Inject Limited., & subsidiaries- Baroda	Promoters holding 28.4% shares	----	138.7
b. Kerala State Industrial Development corpn.	Holding 22.6% Shares	----	110.4
II Other related parties with whom the company has entered into transactions during the year			
P.Muralidharan	Executive Director	Remuneration	Rs.2,30,800/-


**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>2002-03</u>	<u>2001-02</u>
	<u>Rs.</u>	<u>Rs.</u>
Net Profit /(Loss) for the year	(-)20727697	(-) 19562397
Number of Equity shares	4899000	4899000
Basic EPS	(4.23)	(4.00 )

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 - 22 regarding Accounting for Taxes on Income, the deferred tax comprising of tax effect of timing difference between taxable and accounting income for the period in respect of deferred tax asset (net) has however not been recognized in the accounts, as a matter of prudence to be in line with the requirement of the said standard.

15. Previous years figures have been regrouped, rearranged and reclassified wherever necessary . All the figures have been rounded off to the nearest rupee.

16. Since the current years accounts are for a period of twelve months as against fifteen months in the previous year, figures are not exactly comparable.

**17. 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)	55,91,563 (53,34,776)

Note: The production of 5591563 btl.s. produced on job work basis. (Previous year: 5334776 btl.s)

**B) Sales : Manufactured Goods**

	<u>Opening Stock</u>		<u>Closing Stock</u>		<u>Turnover</u>	
	Qty. Nos	Value Rs.	Qty. Nos	Value Rs.	Qty. Nos	Value Rs.
I.V. fluids in plastic bottles	40900	273212	40900	136602	0	0
	(40900)	273212	(40900)	(273212)	0	0

## Consumption of Raw materials

Sl.No	Items	2002 - 03		2001 - 02	
		Qty.	Value(Rs.)	Qty.	Value(Rs.)
a.	LDPE/HDPE granules	Nil	Nil	Nil	Nil
b.	Dextrose	Nil	Nil	Nil	Nil
c.	Other Chemicals	Nil	Nil	Nil	Nil

## Break-up of Consumption

	Percentage to total consumption	Value(Rs.)	Percentage to total consumption	Value(Rs.)
Import	Nil	Nil	Nil	Nil
Indigenous	Nil	Nil	Nil	Nil

## D) Consumption of Stores, Components and Chemicals

	Percentage to total consumption		Value (Rs.)	
Imported	51.07	(66.27)	236725	(338179)
Indigenous	48.93	(33.73)	226822	(172146)
	100	100	463547	(510325)

( ) Previous years figures

## 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 : 30th June 2003

## 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 2003**

	2002-2003	2001-02
	Rs.	Rs.
<b>A. Cash Flow from operating activities :</b>		
Profit before tax and extraordinary items		
	-20727697	-27969385
Adjustments for depreciation	4751358	5946248
Misc. expenditure w/of	456556	570695
Interest/ Dividend	14091584	16421043
	19299499	22937986
Operating profit before working		
Capital changes	(-) 1428198	(-) 5031399
Adjustments for :		
Trade and other Receivable	(-) 896677	4587695
Inventory	655928	286228
Trade payable	(-) 259617	(-)1687135
Profit on sale of Fixed Assets(vehicle)	0	(-)68937
	(-)500366	3117851
	<b>(-)1928564</b>	<b>(-) 1913548</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	- 56590	- 547783
Sale of fixed assets (vehicle)	0	88001
Net cash used in investing activities	-1985154	- 2373330
<b>C. Cash Flow From Financing Activities</b>		
Investment subsidy	--	
Increase in bank borrowings	2099950	2268987
<b>D. Cash used in financing activities</b>		
Increase/Decrease in cash or cash equivalents	114796	(-)104343
Paid cash equivalent as at 30.6.2002	299718	404061
Paid cash equivalent as at 30.6.2003	414514	299718

For Krishnamoorthy & Krishnamoorthy  
Chartered Accountant

Sd/-

**K.J. Narayanan**  
Partner

Place : Trissur  
Date : 30.10.2003

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

Sd/-

Ila Y Mankodi  
Director

Sd/-

**Dwipa. Y. Mankodi**  
Director

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 2003 and found the same in agreement therewith.

**For Krishnamoorthy & Krishnamoorthy**  
Chartered Accountants

Place : Thrissur  
Date : 30.10.03

Sd/-

**K.J. Narayanan**  
Partner

**GUJARAT INJECT (KERALA) LIMITED**

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

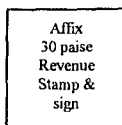
**PROXY FORM**

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 12th Annual General Meeting of the Company to be held on Saturday, 27th December 2003 at 11 a.m.  
and at any adjournment thereof.

Signed at ----- this ----- day of ----- 2003

Ledger Folio No. -----

Number of Equity Shares held -----



- Notes : (i) The proxy need not be a member  
(ii) The proxy form duly signed across one rupee 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 Pampampallam, Pudukkottai, Dist. Palakkad, Kerala.

**ATTENDANCE SLIP**

I hereby record my presence at the 12th Annual General Meeting of the Company held at the Factory Premises, Village Pampampallam, Pudukkottai, Dist. Palghat, Kerala on Saturday, 27th December 2003 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 Ist 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,

.....

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.....

STAMP

*If undelivered please return to :*

REGD. OFFICE & PLANT  
VILLAGE PAMPAMPALLAM  
KANJIkode, COIMBATORE - PALAKKAD HIGHWAY  
NATIONAL HIGHWAY - 47  
PALAKKAD, KERALA. INDIA