
GUJARAT INJECT (KERALA) LIMITED

PAMPAMPALLAM (PO), PALAKKAD-25



**16TH
ANNUAL REPORT
2006 - 2007**

BOARD OF DIRECTORS

Ms. Dwipa Y. Mankodi	- Director
Smt. Ila Y. Mankodi	- Director
Ms. Ami Y. Mankodi	- Director

FACTORY & REGISTERED OFFICE

Pampampallam, Pudusery East

Palakkad-678 625

Kerala State

AUDITORS

M/s. Krishnamoorthy & Krishnamoorthy

Chartered Accountants

XXX VII/ 170, T.D. Road

Cochin 682 011

CONTENTS

1. Notice	3
2. Director's Report	4
3. Auditor's Report	7
4. Balance Sheet	21
5. Profit & Loss Account	22
6. Schedules	24
7. Proxy form & Attendance Slip	34

NOTICE :

Notice is hereby given that the 16th Annual General Meeting of the members of Gujarat Injekt (Kerala) Limited will be held on Thursday 27th September 2007 at 11.00 a.m., at the Registered Office of the company at Pampampallam, Pudukkottai East, Dist.Palakkad - 678 625 to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2007 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 25th September 2007 to 27th September 2007(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.

NOTICE :

Notice is hereby given that the 16th Annual General Meeting of the members of Gujarat Inject (Kerala) Limited will be held on Thursday 27th September 2007 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 31st March, 2007 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 25th September 2007 to 27th September 2007(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 16th 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.
6. Members are requested to avail demat facility.

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

Palakkad
16th Aug 2007

Sd/-
Dwipa Y Mankod(Director)

DIRECTORS REPORT :

To

The Members

Your Directors have pleasure in presenting the 16th Annual Report of the company and Audited Statement of Accounts for the year ended 31st March, 2007.

FINANCIAL RESULTS :	Current year	Previous year
	from April.2006 to March 2007 (Rs. in lacs)	from July.2005 to June 2006 (Rs. in lacs)
Profit/Loss before Depreciation & Tax	19.27	18.15
Less : Depreciation	48.04	36.74
Less : Provision for Income tax for earlier year	0.20	0.41
(Profit /Loss) : for the year)	(-)28.97	(-)19.00
Add (Less) : Profit/Loss brought forward from previous year }	(-)2335.19	(-)2316.19*
Balance carried to Balance Sheet	(-)2364.16	(-)2335.19

DIVIDEND :

Since the company has not made profits during the year, your Directors do not recommend any Dividend for the financial year ended 31st March, 2007.

REVIEW OF WORKINGS & OPERATIONS :

The year under review with respect to the plant capacity utilization achieved at 83% of the installed capacity. The Company had added one more Bottle pack Machine supplied by M/s. Fresenius Kabi (india) Pvt.Ltd., Pune for production of I.V.Fluids in 100 ml bottles last year and achieved a capacity utilisation of 64% during this financial year.

The total production of (500ml & 100 ml) is 80 lac bottles which has enabled company to earn total income of Rs. 2,45,02,819 for a period ended 31st March 07 (Previous year Rs. 1, 97, 29, 314 for a period of 9 months) and generated operational profit of Rs. 19.27 lacs.

However, the Company has not been able to generate net profit for the period ended 31.03.2007 after providing the depreciation.

The company had submitted a restructuring scheme to IFCl in the month of May 2006. IFCl did not find it comfortable to consider a rehabilitation proposal based on long term servicing and instead suggested for reduced time frame, preferably settlement.

The company had started negotiation with M/s Fresenius-Kabi India Pvt Ltd for a revised settlement proposal as required by IFCl., In the meantime, the winding up petition pending before the Hon'ble High Court of Kerala was listed for final hearing.

The company has submitted a 5 years cash flow to the High Court based on the additional revenue generation expected from the capacity enhancement proposed by Fresenius-Kabi as per their Affidavit filed before the Hon'ble High Court a/w company's affidavit. Hon'ble High Court vide its order dated 6th March 07 has remanded the matter back to BIFR with a direction to review the proposal filed by the company.

Accordingly the company will submit a rehabilitation scheme before the BIFR authorities for approval. In the meantime, all legal proceedings shall be suspended till final disposal of the matter by BIFR.

In view of the restructuring proposal submitted to IFCl earlier as well as the cash flow submitted to Hon'ble High Court seeking complete waiver of simple Interest, Compound interest and liquidated damages accumulated upto 31.03.07. The company has decided not to provide the interest on its secured loan for the period under review.

The DRT matter is under adjudication with the appropriate Courts.

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.

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, no employee in the Company drawing remuneration above the specified limit of salary and hence not provided.

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.

DIRECTORS:

During the year under review, Dwipa Mankodi retires by rotation and being eligible offers herself for reappointment.

DEMATERIALISATION OF SHARES:

As on 31.03.2007 1585750 equity shares have been dematerialized, out of which 1316648 shares have been dematerialized with NSDL and 269102 with CDSL.

AUDIT COMMITTEE:

During the year the audit committee meetings were conducted as per the provisions of listing agreement with stock exchange. The details about Role, power etc. of audit committee enumerated in corporate governance report forming part of this report.

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. 09 During the year 97-98 promoters had decided to infuse funds by way of equity capital to tied 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.

Non – Provision of Interest :- It is to be mentioned that with respect to the auditor's note on Non provision of interest for the current book balances of secured lenders, the same has been explained in the notes to accounts. To avoid duplication, the same has not been explained here..

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.

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 31st March 2007.

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 judgments 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.

By the order of the Board of Directors of

GUJARAT INJECT (KERALA) LIMITED

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

Sd/-

Palakkad
16-8-2007

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 31st March, 2007-.

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

- 1.Exports - Nil
- 2.Foreign exchange used and earned : Nil

FORM - A

Form for disclosure of particulars with respect to energy

A. POWER AND FUEL CONSUMPTION

	<u>2006/07</u>	<u>2005/06</u>
1. Electricity		
a. Purchased Units	1048848	837720
Total Amt (Rs.)	4133052	3271231
Rate/Unit (Rs.)	3.94	3.91
b. Own Generation		
(i) Through Diesel Generator	98580	76997
(ii) Through steam Turbine/Generator	Nil	Nil
2. Coal (Specify quality and where used)	Nil	Nil
3. Furnace Oil		
Qty. (K.Ltrs)	255560	208190
Total Amt.(Rs.)	5661827	4168430
Average Rate (Rs.)	22.15	20.05
4. Other / Internal Generation	Nil	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 (100 & 500 ml)		8039020	6963057
(ii) Haemodialysis concentrate jars	—	—	—
(iii) Electricit	Per Unit of	0.51	0.47
	IV Solution		
Furnace Oil	- do -	0.71	0.60
Coal (specify Qty)	—	—	—
Others (specify Qty)	—	—	—

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 : _____
2. Benefits as a result of the above R&D : The company is facing severe cash crunch and
3. Future Plan of Action : no plan of putting up a research & development Unit and therefore no information
4. Expenditure on R&D : is available in reply of these
 - a. Capital : points (1 to 4)
 - 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 : _____
 - (b) Years of import : Not applicable as the Company
 - (c) Has technology been fully absorbed? : has not been using imported
 - (d) If not fully absorbed, areas where this technology 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

Sd/-
Dwipa Y Mankodi
(Director)

Palakkad
16-8-2007

REPORT ON CORPORATE GOVERNANCE**1. Company's Philosophy on Code of Corporate Governance**

The Company firmly believes in and has consistently endeavoured to practice good Corporate Governance. The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, professionalism and accountability, in all faces of its operation, and in all its interactions with its stake holders, including shareholders, employees, the government and lenders. The Company will endeavour to improve on these aspects on ongoing basis.

2. Board of Directors

The Board of Directors consists of Three Directors

1. Ms. Dwipa Y. Mankodi – Promoters Director
2. Smt. Ila Y. Mankodi - Promoters Director
3. Ms. Ami Y. Mankodi - Promoters Director

3. Number of Board Meetings held and the date on which held

Four Board Meetings were held during the year. The dates on which the meetings were held are as follows:

- | | |
|----------------------------------|--------------------------------|
| 1. 28 th July , 2006 | 3. 24th January 2007 |
| 2. 29 th October 2006 | 4. 27 th April 2007 |

The maximum time gap between any two meetings was not more than four calendar months..

4. Audit Committee : Terms of reference of Audit Committee is as per the recommended term referred in Clause 49(II)(D) of the listing Agreement viz. To review, the Statutory Auditors Report on the financial statements, to generally interact with the statutory Auditors, to review weakness in internal controls, to select and establish accounting policies and to review financial statement before submission to Board.

5. Remuneration Committee: No remuneration is paid to any director of the company. No remuneration committee has been formed as the same is not mandatory.

6. Shareholder/Investor Grievance Committee

This committee (i) approves and monitors transfers, transmission, splitting and consolidation of securities and issue of duplicate Certificates by the company and (ii) looks into various issues relating to shareholders including redressal of complaints from shareholders relating to transfer of shares, non receipt of Balance Sheet, etc. the Committee consists of two directors.

The Board has designated Shri. A.Sivaramakrishnan, General Manager (F&A), as the Compliance Officer.

No. of Shareholders complaints received during the year : 25

No. of complaints not resolved to the satisfaction of shareholders : Nil

No. of pending share transfers : Nil

7. General Body Meetings:

4.1 Location and time for last three Annual General Meetings held:

Year	Location	Date	Day	Time
2003-04	GIKL, Pampampallam, Palakkad	30.12.2004	Thursday	03.30 A.M
2004-05	GIKL, Pampampallam, Palakkad	22.12.2005	Thursday	11.00 A.M
2005-06	GIKL, Pampampallam, Palakkad	28.09.2006	Thursday	11.00 A.M

No special resolution was passed during the previous three Annual General Meetings. Even no special resolution was passed last year through postal ballot.

The company is not proposing to pass any special resolution through postal ballot.

The company has complied with all the mandatory requirements as prescribed under revised clause 49 of the listing agreement.

None of the non mandatory requirements has been adopted by the company.

8. Other Disclosures:- The company being a sick company has not paid the listing fees payable to the Stock Exchanges except the Stock Exchange Mumbai.

9. Means of Communication:-

(a) Whether half-yearly report sent to each household of shareholders : No.

(b) Quarterly results:

(i) Which newspapers normally published : New Indian Express
Local editions &
Madhyamam Daily

(ii) Any website displayed : No.

© Whether Management Discussion & Analysis

Report is a part of Annual Report or notes : No.

10. General Shareholder information

a) Annual General Meeting:

Date and Time : 27th September 2007 at 11.00 A.M
Venue : Regd. Office: Pampampallam P.O.
Palakkad.
Pin : 678 625.

b) Financial Calendar(tentative)

Annual General Meeting	: 27th September 2007
Results for quarter ending 30 th June.07	: Last week of July.2007
Results for quarter ending 30 th Sept .07	: Last week of Oct. 2007
Results for Quarter ending 31 st Dec.07	: Last week of Jan.2008
Results for Year ending 31st March.08	: Last week of Apr.2008

c) Book closure date : 25th Sept. to 27th Sept.2007

d) Dividend payment date : Nil

e) Listing of Equity shares
on Stock Exchange

1. The Stock Exchange, Mumbai
2. The Cochin Stock Exchange Ltd,
3. Vadodara Stock Exchange

f) (i) Stock code : Scrip Code No.

Bombay Stock Exchange : 524 238

Trading Symbol-NSE : N.A

(ii) Demat ISIN Nos. & CDL for equity shares : INE 659F01014

g) Stock Prices Data for the period April 2006 to 31st March.2007 traded in
Stock Exchange, Mumbai

Months	High Rates	Low Rates
April 2006	4.15	3.34
May 2006	4.35	3.60
June 2006	4.66	4.28
July 2006	4.16	3.79
August 2006	4.16	3.77
September 2006	4.01	2.96
October 2006	3.00	1.85
November 2006	4.25	1.95
December 2006	4.32	3.41
January 2007	4.22	3.42
February 2007	4.42	3.36
March 2007	3.46	3.14

- h) Registrar and Transfer Agents : M/s.Bigshare Services PvtLtd
(Share Transfer and communication E/2, Ansa Industrial Estate,
regarding Share Certificate, Dividends Sakivihar Road,Sakinaka,
and change of address) Andheri(East), BOMBAY-72

Share transfer system:

Share transfer would be registered and return within a period of 30 (thirty) days from the date of receipt. The share transfer committee meets on 20/25 days gap depending upon number of transfer received.

i) Dematerialisation of shares and Liquidity

The shares of the company are compulsorily traded in DEMAT form by all categories of investors with effect from 14th August 2002. The Company has arrangements with both National Securities Depositories Limited(NSDL) and Central Depository Services (India) Limited (CDCL) to establish electronic connectivity of our shares for scripless trading. As on 31st March 2007, 32% shares of the company were held in Dematerialised form.

j) Distribution of shareholding as on 31st March .2007

Group of shares	No.of shareholders	No.of share held	% to Total shares
Upto 500	9446	1761525	35.96%
501 - 1000	661	524400	10.70%
1001 - 2000	173	264574	5.40%
2001 - 3000	56	135502	2.77%
3001 - 4000	29	90852	1.85%
4001 - 5000	30	133100	2.72%
5001 - 10000	40	276581	5.65%
10001 & ABOVE	15	1712466	34.96%
Total	10450	4899000	100%

k) Share holding pattern as at 31st March. 2007

Category	No.of Shares Held	% of shar holding
Promoters - Indian	1840046	37.56
Non Promoters - Indian	2742654	55.98
NRIs/OCBs	316300	6.46
Grand Total	4899000	100

Liquidity of Shares:

The Shares of the company are frequently traded in Bombay Stock Exchange
Plant Location and Investor correspondence : Gujarat Inject (Kerala) Ltd

Pudussery east,
Pampallam P.O
Palakkad – 678 625

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

TO

The Members of Gujarat Inject (Kerala) Ltd., Palakkad

We have reviewed the implementation of compliance of conditions of corporate governance by “M/s.Gujarat Inject(Kerala) Limited” for the year ended 31st March 2007, as stipulated in clause 49 of the Listing agreement of the said company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanation given to us. We certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the Shareholders/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For Krishnamoorthy & Krishnamoorthy
Chartered Accountants

K.J. Narayanan.

Partner

Membership No: 202844

Thrissur

16-8-2007

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

1. We have audited the attached Balance Sheet of Gujarat Insect (Kerala) Limited as at 31st March, 2007 and the Profit and Loss Account and the Cash Flow Statement for the period 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.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub - section (4A) of Section 227 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.
4. Further to our comments in the Annexure referred to in para 3 above, we report that:
 - (i) 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;
 - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books, *subject to note No. 7 regarding interest payable to Financial Institutions are accounted on cash basis;*
 - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the said accounts comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 subject to *Note No. 1 (c) 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 Standards AS - 6 and AS - 11 issued by the Institute of Chartered Accountants of India.*
 - (v) 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 31st March 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

- (vi) (a) Note No.2 regarding the balances in some bank accounts, sundry creditors and loans and advances are not confirmed.
(b) Note No. 7 regarding non-provision of interest on Loans to Financial institutions amounting to Rs.82139253/-
(c) Note No. 9 regarding non-provision of increase in filing fee of 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 (b) and (c) above.
(d) 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.
- (vii) Subject to the above in our opinion and to the best of our information and according to the explanations given to us, the said 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;
- a) in the case of the balance sheet, of the state of affairs of the Company as at 31st March, 2007;
- b) in the case of the profit and loss account, of the loss for the year ended on that date; and
- c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For Krishnamoorthy & Krishnamoorthy
Chartered Accountants

K.J. Narayanan.
Partner
Membership No: 202844

Thrissur.
16-8-2007

**ANNEXURE REFERRED TO IN PARAGRAPH [3] OF
OUR REPORT OF EVEN DATE****Re: Gujarat Inject (Kerala) Limited.**

- (i) (a) The Company has maintained proper record showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets were physically verified by the management during the year. In our opinion, the frequency of physical verification is reasonable having regard to the size of the company and nature of its business. As informed, no material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) As informed, the Company has not grant any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) The Company has not taken any loan, secured or unsecured, from the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) According to the information and explanations, provided by the management, we are of the opinion that there are no transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
- (vi) The Company has not accepted any deposit from the public.
- (vii) *The company has no internal audit system in vogue though it is statutorily necessary.*
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.

- (ix) (a) According to the information and explanation given to us and as per the records of the Company, the Company has been regular in depositing undisputed statutory dues on account of Provident Fund, Employees State Insurance, Income Tax and Sales Tax with the appropriate authorities during the year. Except for the following, no other undisputed amounts of statutory dues were outstanding for a period more than six months from the date they become payable as at 31.03.2007:

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the Amount relates	Due Date	Date of Payment
Employees State Insurance Act	E S I	1,27,211	Sept. 1997 to Oct. 1999	-do-	Not paid
KGST Act, 1963	Sales Tax	75,280	March 1993 -- 94	March 1994	Not paid

There are no amounts to be deposited towards Investor Education and Protection Fund, Wealth Tax, Customs Duty, Excise duty, Service tax and Cess.

- (b) According to the records of the Company, there are no dues outstanding of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty, Service tax and Cess on account of any dispute.
- (x) *The accumulated losses at the end of the financial year are more than fifty percent of its net worth and the company has incurred cash losses in the financial year covered by our audit and the immediately preceding financial year.*
- (xi) Based on our audit procedures and on the information and explanations given by the management we are of the opinion that the Company has defaulted in repayment of dues to the following (excluding interest not provided for upto 31.3.2007):

Name of the Institution	Amount Due (Rs in lakhs)	Period
IFCI Limited	2134.04	Since 1994
KSIDC Limited	75.04	Since 1994
The Federal Bank Limited.	180.35	Since 1997

We have been informed that the Company has not issued any debentures during the year.

- (xii) According to the information and explanations given to us and based on the documents and records provided to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) The Company is not dealing or trading in shares, securities, debentures or other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions
- (xvi) The Company has not availed any term loans during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed by us for expressing our opinion on these financial statements and information and explanations given to us by the management, no fraud on or by the Company has been noticed or reported during the course of our audit.

For Krishnamoorthy & Krishnamoorthy
Chartered Accountants

K.J. Narayanan.
Partner

Membership No: 202844

Thrissur.
16-8-2007

BALANCE SHEET AS AT 31.3.2007

Particulars	Shedule	As at 31.3.2007 (Rs)	As at 31.3.2006 (Rs)
I. SOURCE OF FUNDS			
1. Share Holders Funds			
a) Share Capital	I	48848000	48848000
b) Share application money			
Pending allotment		3125000	3125000
c) Reserves & Surplus	II	2000000	2000000
2. Loan Funds			
a) Secured loans	III	231438618	231438618
b) Unsecured loans	IV	7504456	7504456
Total		292916074	292916074
II. APPLICATION OF FUNDS			
1. Fixed Assets			
Gross Block	V	114648345	114293977
Less : Depreciation		61770837	56966567
Net Block		52877508	57327410
2. Investment in N.S.C. (at cost)		15000	15000
3. Current Assets			
a) Inventory	VI	1725579	1782241
b) Sundry Debtors	VII	2603183	1944059
c) Cash and Bank Balance	VIII	310300	633685
d) Loans and Advance	IX	4292737	3355748
		8931799	7715732
Less : Current Liabilities and Provisions	X	532 4422	5661342
Net current assets		3607377	2054390
4. Profit & Loss Account		236416189	233519274
		292916074	292916074

Note Forming Part of Accounts XVII

As per our report of even date attached

For Krishnamoorthy & Krishnamoorthy
Chartered AccountantsFor and on behalf of the Board of Directors of
GUJARAT INJECT (KERALA) LTD

Sd/-

K.J. Narayanan
Partner

Sd/-

Ila .Y. Mankodi
Director

Sd/-

Dwipa Y Mankodi
DirectorPlace : Thrissur
Date : 16-8-2007

Place : Palakkad

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2007

Particulars	Schedule	As at 31.3.2007 (Rs.)	As at 31.3.2006 (Rs.)
INCOME			
1. Processing		23268451	18664785
2. Other Income	XI	1234368	1064529
Total		24502819	19729314
EXPENDITURE			
1. Manufacturing, Processing Administrative and other exp.	XII	22575716	17543473
2. Interest	XIII	0	370349
3. Depreciation	V	4804270	3674177
Total		27379986	21587999
Profit before Tax		(2877167)	(1858685)
Provision for Income Tax		-	-
Current Tax		-	-
Fringe Benefit Tax		19749	41546
Total Tax Expense		19749	41546
Net Profit after Tax (loss)		(2896916)	(1900231)
Balance brought forward from previous year		(233519274)	(231619043)
Balance carried to Balance Sheet		(236416189)	(233519274)

Notes Forming Part Of Accounts XVII

As per our report of even date attached

For Krishnamoorthy & Krishnamoorthy
Chartered AccountantsFor and on behalf of the Board of Directors of
GUJARAT INJECT (KERALA) LTDSd/-
K.J. Narayanan
PartnerSd/-
Ila Y Mankodi
DirectorSd/-
Dwipa. Y. Mankodi
DirectorPlace: Thrissur
Date: 16-8-2007Place: Palakkad
Date: 16-8-2007

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET AS AT 31ST MARCH 2007

	2006-2007 Rs.	2005-2006 Rs.
A. Cash Flow from operating activities :		
Profit before tax and extraordinary items	(2877167)	(1858685)
Adjustments for depreciation	4804270	3674177
Interest/ Dividend	0	0
Operating profit before working Capital changes	1927103	(1815492)
Adjustments for :		
Trade and other Receivable	(1596113)	(1664044)
Inventory	56662	72334
Trade payable	336920	275256
Cash generated from operations	50732	498938
Interest paid)	0	0
Fritch Benefit Tax Paid	(19749)	(41546)
Net cash from operating activities	30983	457392
B. Cash Flow From Investing Activities		
Purchase of fixed Assets)	(354368)	(86750)
Net cash from investing activities	(354368)	(86750)
C. Cash Flow From Financing Activities		
Loan Repayment (KSIDC)	0	(107500)
Increase in bank borrowings	0	0
Cash generated from financing activities	0	(107500)
Increase/Decrease in cash or cash equivalents(A+B+C)	(323385)	263142
Cash & Cash equivalents at the beginning of the year	633685	370543
Cash & Cash equivalents at the end of the year	310300	633685
Components of cash and cash equivalents as at		
Cash in hand	41602	46030
With Scheduled banks in Current Accounts	242113	561071
With Co-Operative banks in Current Accounts	26585	26585

Note :i) The above Cash Flow Statement has been prepared under the "Indirect Method " as stated in Accounting Standard (AS) - 3 on cash Flow Statement.

AUDITORS' CERTIFICATE.

We have verified the above cash flow statement of M/s. Gujarat Inject (Kerala) Limited, Palakkad for the year ended 31.03.2007. The statement has been prepared by the company in accordance with the requirements of the listing agreement Clause 32 with Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss account and Balance Sheet covered by our Report of even date to the members of the company.

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/-
Ila Y Mankodi
Director

Sd/-
Dwipa. Y. Mankodi
Director

Place : Palakkad
Date : 16-8-2007

SCHEDULES FORMING PART OF THE ACCOUNTS**Schedules**As at 31.3.2007
(Rs.)As at 31.3.2006
(Rs.)**I. SHARE CAPITAL**

Authorised :

70,00,000 Equity shares

of Rs.10/- each

7000000070000000

Issued, Subscribed and paid up :

48,99,00 Equity shares

of Rs.10/- each

48990000

4899000

Less : Calls in arrears

142000

142000

4884800048848000**II. RESERVES & SURPLUS**

Capital investment subsidy

from Govt. of Kerala

20000002000000**III. SECURED LOANS**

i) Term Loan from Industrial Finance

Corporation of India :

Foreign Currency loan (1915175DM)

52779630

52779630

Rupee Loan

10000000

10000000

Interest accrued and due on above

150624373150624373213404003213404003

ii) Cash Credit from The Federal

Bank Ltd., Palakkad

18034615

18034615

231438618231438618

Note : 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.

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

2488465

2488465

Interest accrued on above

5015991501599175044567504456

V. FIXED ASSETS

Rupees in Lakhs

Name of the Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON 1.04.2006	ADDITI ONS	Adjustments/ (Deletions)	AS ON 31.03.2007	Upto 31.03.06	During the year	Addition/ Deletions	As on 31.03.2007	As on 31.03.2007	As on 31.03.06
Freehold land	731529	0	0	731529	0	0	0	0	731529	731529
Building	18283302	82773	0	18366075	7274359	612999	0	7887358	104787717	11008943
Plant & Machinery	87684654	85659	0	87770313	45469391	3795109	0	49264500	38505813	42215263
Laboratory Equipment	1066976	86988	0	1153964	494808	52300	0	547108	606856	572168
Elec.Installation	5233889	31763	0	5265652	2900240	252559	0	3152799	2112853	2333649
Office Equipment	613434	0	0	613434	275268	29038	0	304306	309128	338166
Furniture & Fixture	543679	5674	0	547353	443209	36670	0	479879	67474	100470
Computers	136514	63511	0	200025	109292	25595	0	134887	65138	27222
Total	114293977	354368	0	114648345	56966567	4804270	0	61770837	52877508	57327410
Previous Year	112830243	86750	1376984	114293977	53305890	3674177	-13500	56966567	57327410	59524353

VI. INVENTORY

(As taken, valued & certified by the Management)

Stores and spares	1352182	1498869
Furnace oil & Diesel	264010	173985
Packing Materials	109387	109387
Total	1725579	1782241

VII. SUNDRY DEBTORS

(Unsecured, considered good unless stated otherwise)

Debts outstanding for a period exceeding 6 months	290131	223837
Other debts	2313052	1720222
	2603183	1944059

VIII. CASH AND BANK BALANCES

Cash on Hand	41602	46030
Balance with scheduled banks : in current accounts	242113	561070
Balance with co-operative bank in current accounts	26585	26585
	310300	633685

IX. LOANS AND ADVANCES

(Unsecured, Considered good)

Advance recoverable in Cash or in kind or for value to be received	2177149	1343807
Income tax deducted at source	1177417	1036557
Deposits	833053	827943
Advance to suppliers	105118	147441
	4292737	3355748

X. CURRENT LIABILITIES & PROVISIONS

Sundry Creditors	1772247	1819034
Creditors for expenses	3140907	3443606
Other liabilities	385279	357156
Provision for Fringe Benefit Tax	25989	41546

XI. OTHER INCOME

Sale of Scrap	1217131	1035264
Insurance Claim	0	27965
Interest received	17237	0
Profit in Sale of Asset	0	1300
	1234368	1064529

XII. MANUFACTURING, ADMINISTRATIVE, AND PROCESSING EXPENSES

Salaries and Wages	5799063	4318022
Employer cont. to statutory funds	541824	385529
Staff & Labour welfare expenses	274241	223164
Packing charges	2095679	1682598
Stores and spares	722479	606200
Power and fuel	10253497	7913647
Rent, rates and taxes	56293	66482
Insurance charges	246375	182214
Repairs and maintenance		
Building	59024	52388
Plant & Machinery	315369	306133
Others	69141	108571
Travelling expenses	537703	449322
Auditors Remuneration :		
Audit fees	19500	14625
Tax audit fee	5500	4125
Out of pocket expenses	4944	8728
Legal and professional charges	251749	142390
Sitting fees to the directors	3000	2750
Printing and stationary	82736	76373
Postage and telephone charges	239716	193067
Freight and forwarding charges	134544	101977
Advertisement expenses	23871	1500
Testing and development expenses	219363	189116
Bank charges and commission	39766	21702
Security service charges	329438	242991
General expenses	185235	131510
Irrecoverable Amount written off	1036	45271
Prior period exp.	64630	73079
	22575716	17543473

XIII. INTEREST

Interest on Others	0	370349
	0	370349

XV. NOTES TO ACCOUNTS**1. Significant Accounting Policies****a. Accounting Convention**

The Financial Statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The Financial Statements have been prepared under the historical cost convention on accrual basis. The accounting policies applied by the Company are consistent with those used in the previous year.

b. Fixed Assets

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

c. 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. 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.

d. Foreign Exchange Translation

Fluctuations in translation of foreign currency loan as on 31.03.2007 from IFCI Ltd amounted to Rs.4024570/- has not been considered for adjustments in the accounts during the year.

e. Inventories

Inventories of finished goods, , 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.

f. 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.

g. Taxes on Income

In the absence of taxable income, no provision has been made for Income Tax under normal rates, as well as under Minimum Alternate Tax under section 115 JB of the Income Tax Act, 1961.

The company has unabsorbed and carried forward losses under the Tax Laws. In absence of virtual certainty of sufficient future taxable income, net deferred tax assets has not been recognized in view of prudence and in accordance with accounting Standard (AS) 22. "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.

Notes forming part of accounts

The net Deferred Tax Asset as on 31.03.2007 comprises the following.

	<u>2006 – 07</u>	<u>2005 – 06</u>
Depreciation	-13638471	-16103267
Accumulated losses And Allowances	24871761	28264746
Disallowance U/s 43B	48065492	52358719
Total	<u>59298782</u>	<u>64520198</u>

h. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions except those disclosed elsewhere in the notes to the financial statements, are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

2. a The balances appearing under the head Sundry Creditors, Loans and Advances are subject to confirmation.
b Some of the Bank balances (Rs. 192196/-) 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..

4. CONTINGENT LIABILITY

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

5. Entire amount outstanding in all secured and unsecured loans shown in the Balance Sheet have fell due for repayment since the financial institutions and banks have recalled the loans.
6. Share application money received in the year 1996-97 is still pending for allotment.
7. The company has not provided for interest amounting to Rs.16077008/- and default interest for Rs. 63663503/- for Foreign Currency Term Loan and Rupee term loan from the IFCI.Ltd., No provision has been made in the accounts for interest amounting to Rs. 2398742/- on cash credit account from The Federal BankLtd.

8. Based on the information available with the company regarding the status of suppliers amount outstanding and are remaining unpaid to small scale and/or Ancillary industrial suppliers are given below:

	2006 - 07 (Rs.)	2005-06 (Rs.)
M/S Calicut Packagings	132779	170279
M/S Quality containers	114484	137484
	<u>247263</u>	<u>307763</u>

9. The filing fee of Rs.60000/- Payable to the Registrar of Companies consequent to the enhancement of Authorized 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.

10. The Company is engaged in the manufacture of Intravenous Fluid (presently on job work basis) and the activity primarily falls within a single business. The Company does not have any operations in economic environments with different risks and returns. Hence, it is considered to be operating in a single geographical segment. Thus, there are no additional disclosures to be provided under Accounting standard - 17 in respect of Segment Reporting.

11. Disclosure in respect of Related Parties pursuant to Accounting Standards (AS) 18

I List of Related Parties where control exists

	List of Related Parties where control exists	Nature of Relationship	Nature of transaction	Amount (Rs.in lakhs)
A	Herman Services (P) Ltd., and Subsidiaries, Baroda.	Promoters holding 28.4% shares.	—	138.70
B	Kerala State Industrial Development Corporation Ltd.	Holding 22.6% Shares	—	110.40

12. 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:

	2006-07 Rs.	2005-06 Rs.
Net Profit /(Loss) for the year	-2896916	-8783206
Number of Equity shares	4899000	4899000
Basic EPS	(0.59)	(1.79)

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

13. The current year's accounts are prepared for a period of twelve months as against a period of nine months previous year for. Hence, the figures for the current year and the previous year are not exactly comparable.

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

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

A) Licensed and Installed Capacity and Actual Production

Products:-

I.V. Solutions in disposable plastic bottles		Licensed Capacity	Installed Capacity	Actual Production
500 ml bottles	Current Year	70 lakhs	70 lakhs	5784411
	Previous Year	(70 lakhs)	(70 lakhs)	(4929715)
100 ml bottles	Current Year	35 lakhs	35 lakhs	2254609
	Previous Year	35 lakhs	35 lakhs	(2033342)
3000ml bottles	Current Year			43007

Note: The production of 8039020 btl. produced on job work basis. (Previous year: 6963057 btl.)

B) Sales : Manufactured Goods

	Opening Stock		Closing Stock		Turnover	
	Qty. Nos	Value Rs	Qty. Nos	Value Rs	Qty. Nos	Value Rs
I.V. Sets	NIL	0	0	0	0	0
Previous Year	NIL	0	0	0	0	0

Consumption of Raw materials

Sl.No	Items	2006 - 07		2005 - 06	
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

		2006 - 07		2005 - 06	
		Percentage to total consumption	Value(Rs.)	Percentage to total consumption	Value(Rs.)
	Imported	Nil	Nil	Nil	Nil
	Indigenous	Nil	Nil	Nil	Nil

D) Consumption of Stores, Components and Chemicals

	2006 - 07		2005 - 06	
	Percentage to total consumption	Value (Rs.)	Percentage to total consumption	Value (Rs.)
Imported	20.00	146687	48.31	162985
Indigenous	80.00	575792	51.69	174377
	100.00	722479	100	337362

E) Value of imports on CIF basis in respect of :

- a. Capital Equipment
Raw materials Nil (previous year Rs. Nil)
Imported Spares Nil (previous year Rs. Nil)
- b. Exchange Foreign currency in respect of
Traveling expenses Nil (previous year Rs. Nil)
- c. Remittance of dividend
to NKL shareholders Nil (previous year Rs. Nil)
- d. Earning in foreign currency :
FOB value of Exports Nil (previous year Rs. Nil)

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
Director

Sd/-
Dwipa. Y. Mankodi
Director

Place: Thrissur
Date: 16-8-2007

Place: Palakkad
Date: 16-8-2007

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

a) Registration Details :

Registration No.	05926
Balance sheet date	31.03.2007

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	292916		292916
-------------------	--------	--	--------

SOURCES OF FUNDS :

Paid up capital	48848
Reserves & Surplus	2000
Secured Loans	231439

Share Application Money	
Pending Allotment	3125
Unsecured Loans	7504

APPLICATION OF FUNDS

Net Fixed Assets	52878
Net current assets	3607
Accumulated Losses	236416

Investments	15
Miscellaneous	
Expenditure	0

d) Performance of the Company:

Turnover including other income	24503	Total Expenditure	27380
Profit before Tax	2877	Profit after Tax	2897
Earnings per share in Rupees	0.59	Dividend rate percentage	0

e) Generic Names of Three Principal products/ Services of the 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 : 16-8-2007

Place : Palakkad
Date : 16-8-2007

GUJARAT INJECT (KERALA) LIMITED

Regd. Office : Village Pampampallam, Pudussery East, 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 16th Annual General Meeting of the Company to be held on
Thursday, 27th September 2007 at 11 a.m. and at any adjournment thereof.

Signed at _____ this _____ day of _____ 2007

Affix
1 Rupee
Revenue
Stamp & sign

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, Pudussery East, Dist. Palakkad, Kerala.

ATTENDANCE SLIP

I hereby record my presence at the 16th Annual General Meeting of the Company held at the Factory
Premises, Village Pampampallam, Pudussery East, Dist. Palghat, Kerala on Thursday, 27th September
2007 at 11 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 his attendance slip completely and hand it over at the ENTRANCE.