

## GUJARAT CONTAINERS LIMITED

### NOTICE

NOTICE is hereby given that the EIGHTEENTH ANNUAL GENERAL MEETING of the members of the Company will be held at 5.30 P.M. on Thursday, the 30th September, 2010 at the Registered Office situated at Plot No. 488/489-P, Baroda-Savli Highway, Village : Tundav, Tal. Savli, Dist. Baroda to transact the following business :

#### ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2010 and the Profit & Loss Account for the year ended on that date and the Directors' and Auditor's Report thereon.
2. To appoint a Director in place of Shri Pravin Shah who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

Date : 31-7-2010

By Order of the Board

Regd Office :

PLOT NO. 488/489-P  
BARODA-SAVLIHIGHWAY,  
VILLAGE : TUNDAV, TAL. SAVLI,  
DIST. VADODARA - 391 775.

(Kiran Shah)  
Managing Director

#### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Members desiring any information as regard to accounts are requested to write to the Company at least one week in advance of the Annual General Meeting so as to enable the Management to keep the information ready.
3. Members are requested to notify the Company immediately the Change, in their address if any, in full quoting their Folio Number.
4. Members are requested to bring their copy of Annual Report at the meeting.
5. The Register of Members and Share Transfer Books will remain closed on Thursday, the 30th September, 2010.

## GUJARAT CONTAINERS LIMITED DIRECTORS' REPORT

**Dear Shareholders,**

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

| <b>FINANCIAL RESULTS : (Rs. in Lacs)</b>   | 2009-10 | 2008-09 |
|--|---------|---------|
| Sales and Other income                     | 2811.48 | 2470.81 |
| Profit before Interest & Depreciation      | 310.76  | 236.69  |
| Interest                                   | 124.12  | 124.21  |
| Depreciation                               | 38.58   | 36.76   |
| Provision for Taxation                     | 0.21    | 1.75    |
| Net Profit                                 | 147.85  | 73.97   |
| Less : Exceptional Item                    | 190.80  | 242.21  |
| Balance Brought Forward form Previous Year | +6.56   | +174.81 |
| Balance Carried to Balance Sheet           | -36.39  | +6.57   |

**DIVIDEND :**

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

**DIRECTORS :**

Shri Pravin Shah wholetime Director retires by rotation and eligible offers himself for re-appointment.

**INSURANCE :**

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

**PARTICULARS OF EMPLOYEES :**

The particulars of the employees as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended is NIL.

**AUDITORS :**

M/s. V. K. Shastri & Co. Chartered Accountants, the present Auditors of the Company, retires and being eligible, offer themselves for reappointment.

The Company has obtained a certificate under Section 224 (1B) of the Companies Act, 1956 from the Auditors to effect that their appointment if made, would be within the prescribed limit in the said Section.

**AUDITOR'S REPORT :**

Observation of Auditors in their report if any, is explained in note to the accounts at note No. I, K, L & M notes to the accounts.

**DIRECTOR'S RESPONSIBILITY STATEMENT :**

Your Board States that

- i) In the preparation of the annual accounts for the year ended on 31st March, 2010 the applicable accounting standards has been followed and there has been no material departures from the said standards.
- ii) The directors has selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2010 and the profits of the company for the year ended on the day.
- iii) The directors had taken proper and sufficient care for the maintenance of adequate accounting statement in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) The directors have prepared the annual accounts for the year ended on 31st March, 2010 on a going concern basis.

**CORPORATE GOVERNANCE REPORT :**

Corporate Governance Report as per Clause 49 of the Listing Agreement with the Stock Exchange is annexed herewith.

**PERTICULARS OF CONSERVATION OF ENERGY, ETC. :**

Information in accordance with Clause (e) of Sub-Section (1) of Section 217 of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules - 1988 and forming part of the Directors' Report for the Year ended 31st March, 2009 is given in Annexure "A" of this Report.

**ACKNOWLEDGEMENT :**

Your Directors acknowledge with gratitude the co-operation and assistance given by the Government, and Banks at all levels during the year under review. Your Directors deeply acknowledge the trust and confidence you have placed in this Company. The Directors also wish to place on record their deep appreciation for the services rendered by the officers, staff and workers of the Company at all levels for their dedication and loyalty.

For and on behalf of the Board,

Place : Baroda

Date : 31-7-2010

(KIRAN SHAH)

Chairman & Managing Director

## ANNEXURE "A"

### FORMING PART OF THE DIRECTORS' REPORT

Information in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2006.

#### A. CONSERVATION OF ENERGY :

1. Energy Conservation measures taken :
  - i) Maintained high power factor throughout the year.
2. Additional investment and proposals, if any, being implemented for reduction and consumption of Energy :
 

– NIL –
3. Impact of measures at (1) and (2) above for reduction of Energy Consumption and consequent impact on the production of goods.
  - i) Reduction in power consumption.
4. Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the rules in respect of industries specified in the Schedule therefor.

– N. A. –

#### B. TECHNOLOGY ABSORPTION :

- |  |               |
|--|---------------|
| (I) 1. Specific area in which R & D carried out by the Company :                       | NIL           |
| 2. Benefits derived as a result of the R & D :   | NIL           |
| 3. Future Plan of Action :   | NIL           |
| 4. Expenditure on R & D  | (Rs. in Lacs) |
| a) Capital   | NIL           |
| b) Recurring   | NIL           |
| c) Total   | NIL           |
| d) Total R & D expenditure as percentage of<br>Gross Turnover                          | NIL           |
| Net Turnover   | NIL           |
| (II) Technology Absorption, Adaption & Innovation :                                    |               |
| 1. Efforts, in brief, made towards technology<br>absorption, adaption and innovation : | NIL           |
| 2. Benefits derived as a result of the above efforts :                                 | NIL           |
| (III) Technology imported :  |               |
|  | NIL           |

## REPORT ON CORPORATE GOVERNANCE

The Corporate Governance Code introduced by Securities and Exchange Board of India ("SEBI") as adopted by incorporating a new clause no. 49 in the Listing Agreement of The Stock Exchange and also by applicable provision of the Companies (Amendments) Act, 2000, has been implemented by the Company effective from 31 st March, 2002.

The company has taken necessary steps to comply with all the requirement of the guidelines on Corporate Governance as would be applicable to it.

### 1) Board of Directors as on 31st March, 2010

The Board comprised of Directors, of whom one is. Managing Director, two are Executive Director and two are Non-Executive Directors. The Chairman of the Board is Managing Director.

#### A) Composition of the Board for the period from 1st April 2009 to 31st March '2010

| Name of the Director | Status                         |
|----------------------|--------------------------------|
| Mr. Kiran Shah       | Chairman cum Managing Director |
| Mr. Pravin Shah      | Executive Director             |
| Mr. Abjee Patel      | Independent Executive Director |

### B) Board Meeting :

The meetings of the Board of Directors are scheduled well in advance. The notice convening the meeting and the detailed agenda is sent at least seven days in advance to all the Directors. The Board meets at least once a quarter to review the quarterly performance and financial results.

#### I) Number of Board Meeting :

During the year from 1st April, 2009 to 31st March, 2010 the Board of Directors met on the following dates:

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

#### II) Attendance of Directors :

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

**2) Committees of Directors:**

The Board has accordingly formed Committees which comply with the requirements of Clause 49 of the Listing Agreement with the Stock Exchange and other applicable provisions of the Companies (Amendment) Act, 2000.

**(A) Audit Committee :**

Audit Committee comprised of the following Executive Directors of the board as per section 292A of the Companies Act, 1956 :

| Name of the Director | Status                         |
|----------------------|--------------------------------|
| Mr. Pravin Shah      | Independent Executive Director |
| Mr. Abjee Patel      | Executive Director             |

Audit Committee meeting was held on 30/6/2009 and 27/10/2009.

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

| Name of the Director | Status                         |
|----------------------|--------------------------------|
| Mr. Abjee Patel      | Independent Executive Director |
| Mr. Pravin Shah      | Executive Director             |

**II) Remuneration Policy :**

The Company follows a market linked remuneration policy, which is aimed at enabling the Company to attract and retain the best talent. The Company does not have an Employee Stock Option Policy.

**III) Board Terms of reference of the Remuneration Committee :**

- a) To recommend and review remuneration package of Managing Director / Executive Directors and Company Secretary of the Company.
- b) To present report to the Board on Remuneration package of Directors and Company Secretary.

**IV) Details of remuneration paid to the Managing Director and Executive Director during the year ended 31st March, 2010**

| Name of the Director |                    | Salary   | Perquisites | Total    |
|----------------------|--------------------|----------|-------------|----------|
| Mr. Kiran Shah       | Managing Director  | 7,20,000 | 3,74,342    | 9,85,267 |
| Mr. Pravin Shah      | Executive Director | 3,12,024 | 1,77,815    | 3,47,727 |
| Mr. Abjee Patel      | Executive Director | 6,00,000 | NIL         | 6,00,000 |

The above Managing Director and Executive Director have not been given any package of stock option, pension etc.

**Terms of Contract:**

| Name of the Director | Date of Appointment | Expiry of the Contract |
|----------------------|---------------------|------------------------|
| Mr. Kiran Shah       | 01st April 2007     | 31 st March 2012       |
| Mr. Pravin Shah      | 01st April 2007     | 31st March 2012        |
| Mr. Abjee Patel      | 01st Dec' 2009      | 30th Nov' 2014         |

The above Managing Director / Executive Directors are required to give 3 months notice period for resignation as Managing Director / Executive Director. If before expiry of service contract, their tenure of office of the Executive Directors is determined, they will be entitled compensation as per section 318 of the Companies Act 1956.

**A) Non-Executive Directors :**

No sitting fee is paid to Non-Executive Directors.  
No Remuneration committee meeting was held during the year

**C) Shareholders/ Investors' grievances Committee :**

This committee, comprises of the following Executive Director and Non Executive Director, reviewing Shareholder's complaints and resolution thereof.

| Name of the Director | Status                         |
|----------------------|--------------------------------|
| Mr. Pravin Shah      | Executive Director             |
| Mr. Abjee Patel      | Independent Executive Director |

No Shareholders / Investors' Grievances Committee Meeting was held during the year ended 31st March 2010 as the Company did not receive any letter of major grievances from the shareholders/investors.

**4) General Body Meetings :**

The last three Annual General Meetings (AGMs) of the Company were held on the following dates and time at Plot No. 488, Baroda-Savli Highway, Village - Tundav, Taluka - Savli, Dist - Baroda, Gujarat.

| AGM      | Day and Date            | Time      |
|----------|-------------------------|-----------|
| 15th AGM | Friday 28th Sept. 07    | 5.30 p.m. |
| 16th AGM | Tuesday 30th Sept. 08   | 5.30 p.m. |
| 17th AGM | Wednesday 30th Sept. 09 | 5.30 p.m. |

- (B) Whether special resolutions were put through postal ballot last year? NO  
Generally all the resolutions in the General Body Meetings are passed through show of hands.
- (C) Details of resolutions passed through Postal Ballot : NIL
- (D) Area proposed to be conducted through postal ballot and procedure ?  
The Company proposed to pass resolution of General Body Meetings through postal ballot paper and follow the procedure given under the Companies Act 1956.
- (5) Disclosure:
- (A) Disclosures on material significant related party transactions i.e. Transaction of the Company of material nature, with its promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large:
- Managerial Remuneration including perks Rs. 19,32,994/- is paid to Shri Kiran Shah Managing Director Shri Pravin Shah, Executive Director & Shri Abjee Patel
  - The Company has hired residential accommodation and office owned by Mrs. Geeta Shah a relative of Mr. Kiran Shah. The Company paid rent Rs. 3,60,000/- from April '09 to March '10 for residential and for office rent Rs. 4,80,000/-.
  - The Company has availed transport services for inward and outward of Materials of M/S. G.K. Roadlines, proprietor, Mrs. Geeta Shah a relative of Mr. Kiran Shah of total value of Rs. 55,99,125/-
  - The Company has hired residential accommodation owned by Mrs. Jigna P. Shah a relative of Mr. Pravin H. Shah. The Company has paid rent of Rs. 93.600/- in a year.
  - The Company has paid salary of Rs. 2,94,000/- to Miss Neha Shah, Marketing Manager a relative of Mr. Kiran Shah.
  - The Company has paid salary of Rs. 1,91,976/- to Mr. Neil Shah, Plant in charge a relative of Mr. Kiran Shah.
- B) Details of non-compliance by the Company, penalties, structure imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years : NO



- 6) Means of Communication:
- A) Quarterly / Half yearly Financial results of the company are forwarded to the Stock Exchange, Mumbai, Jaipur and Vadodara, where the shares of the Company are listed. Further, the same is published in English and Gujarati news papers.
- Half yearly reports are not sent to each household of Shareholders as the results of the company are published in the newspapers.
- B) Company has not made any presentations to any institutional investors / analyst during the period.
- C) All items required to be covered in the Management Discussion & Analysis have been included in the Directors' Report to Members.

7) General Shareholders information :

- a) Annual General Meetings : 18th Annual General Meeting  
Day and Date Thursday the 30th September '2010  
Time 5=30 p.m.  
Venue Plot No. 488, Baroda-Savli Highway,  
Village-Tundav, Tal.-Savli, Dist. Baroda.  
Gujarat-391 775.
- b) Financial Calender : 1st Quarterly Result - July 2010  
1st April'10 to 31st March'2011 : 2nd Quarterly Result - Oct '2010  
3rd Quarterly Result - Jan '2011  
4th Quarterly Result 30th April '2011  
Audited result in the month of May'2011
- c) Registered Office : Plot No. 488, Baroda-Savli Highway,  
Village-Tundav, Tal.-Savli, Dist. Baroda.  
Gujarat-391 775.
- d) Listing on Stock Exchange : The Stock Exchange, Mumbai  
PHIROZE JEEJEEBHOY TOWERS,  
Dalal Street, Mumbai-400 023.  
Tel.: 022-22721234

The Company has already applied for delisting of its shares at the Ahmedabad Stock Exchange in 1998 and Vadodara Stock Exchange in 2003. However the same has not been delisted by the Ahmedabad Stock Exchange & Vadodara Stock Exchange.

- (E) Stock Code :  
The Stock Exchange, Mumbai  
Listing fees for the year 2009-2010 have been paid to the Stock Exchange, Mumbai.
- (F) Market Price data:  
The equity shares of the company are not traded at The Stock Exchange, Mumbai.

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

H) The Company's shares have traded in the Stock Exchanges and shares in physical mode which are lodged for transfer are processed and returned to the shareholders within the stipulated time.

I) Distribution of shareholding as on 31st March 2010

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

J) Outstanding GDR'S/ADR'S Warrants of any Convertible instruments, conversion date and likely impact on equity: Not Applicable

K) Plant Locations:

The Company's Plant is located at : Plot No. 488, Baroda-Savli Highway,  
Village-Tundav, Tal.-Savli, Dist. Baroda.  
Gujarat-391 775.

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

For and on behalf of the Board.

Place : Baroda

Date : 31-7-2010

(KIRAN SHAH)  
CHAIRMAN & MANAGING DIRECTOR

## AUDITOR'S REPORT

To,  
The Members,  
GUJARAT CONTAINERS LIMITED

We have audited the attached Balance Sheet of GUJARAT CONTAINERS LIMITED as at 31<sup>st</sup> March, 2010, the Profit and Loss Account and also the Cash Flow Statement of the Company for the year ended on that date, annexed thereto, read with the notes thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion and we report that:-

- I.
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion, proper books of accounts as required by law have been kept by the Company, so far as it appears from our examination of the books.
  - c. The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by Report, comply with the accounting standards referred to in Section 211 (1C) of the Companies Act, 1956 except as referred to in para (f) below and Notes to accounts.
  - e. On the basis of written representation received from the directors, as on 31<sup>st</sup> March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as a director in terms of clause(g) of sub-section (1) of section 274 of the Companies Act.1956.
  - f. In our opinion and to the best of our information and according to the explanations to us the said accounts, read together notes thereon, and in particular the following mentioned notes :-
    - i) *Note No. (K) Regarding non provision of gratuity as The liability on this account as on 31<sup>st</sup> March, 2010 as evaluated by the company is Rs.31,67,956/- and liability up to previous Year was Rs.25,97,592/-.*
    - ii) *Note No. (L) Regarding non provision of depreciation of Rs. 52,59,816/- of past years. It is the same as the previous year, as all depreciation after the previous year has been provided in the books. (Previous Year Rs. 52,59,816/-) .*
    - iii) *Note No.(I) Regarding provision of Deferred Tax Assets of Rs.929,457/- during the Current Year which includes Past years Deferred Tax Assets provisions of Rs. 4,80,903/-*

give the information as required by the Companies Act, 1956, in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India :-

- (1) In the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2010.
  - (2) In the case of Profit and Loss Account, of the "**PROFIT**" of the Company for the year ended on that date.
  - (3) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date
- II. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks of

and records of the as were considered appropriate and as per the information and explanations given to us during the course of our audit, we further report on the matters specified in Para 4 & 5 of the said order as under:-

1. In respect of its fixed assets:-
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. Fixed assets Register has been maintained in computer.
  - b) The management has physically verified fixed assets of the Company during the year. No material discrepancies were noticed on such physical verification.
  - c) As a substantial part of fixed assets has not been disposed off during the year, the question of sale of substantial part of fixed assets affecting going concern does not arise.
2. In respect of its inventories:
  - a) The inventory of the Company has been physically verified by the management at the year end. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventory and there were no material discrepancies noticed on physical verification having regard to the size of the operations of the Company. *However, as stated in Note No. (M) of Notes on Accounts the slow moving, obsolete and defective stock of Rs. 297.72 lacs have continued to report at its original value in the books and diminution in their value is not considered.*
3. In respect of loans, secured or unsecured, granted or taken by the Company, to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956, according to the information and explanations given to us:
  - a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained U/s 301 of the Companies Act, 1956. However, the company has taken unsecured loans from Three Directors, *whose outstanding is aggregating to Rs. 46.08,197/-.*
  - b) The rates of Interest and other terms and conditions of the unsecured loans from the Directors are not prejudicial to the interests of the Company. The repayment of the loans and interest payment schedule is not stipulated by the Company, in respect of loans from Directors, hence the question of overdue does not arise. However, in respect of Unsecured Deposits from Directors aggregating to Rs. 46.08 lacs, an interest of Rs. 4.48 lacs is provided and accrued in books, to be paid on maturity date as per terms of Depsoit.
4. In our opinion and according to the information and explanation given to us there is adequate internal control procedure commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods.
5. In our opinion and according to the explanations given to us the Company has entered the transaction that needs to be entered in the register maintained U/s 301 of the Companies Act, 1956 and these transactions have been made at prices which are reasonable having regard to the prevailing market prices at time of the transaction.
6. The Company has accepted deposits from public within the meaning of Section 58A of the Companies Act, 1956 and rules framed there under. In our opinion and according to the explanations given to us, the company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A of the Companies Act, 1956 and the rules made there under in respect of the Fixed Deposit accepted *except that the company has not yet filed the return of Fixed Deposit for last year.*
7. The internal audit of the Company has been conducted by company's own staff. In our opinion, the internal audit system is commensurate with the size and nature of its business, but the system requires to be strengthened.

8. The Central Government has not prescribed maintenance of cost records, under section 209 (1) (d) of the Companies Act, 1956 in respect of the industry to which the company belongs. Hence, the Company has not maintained such records.
9. According to the information and explanations given to us in respect of statutory dues:
- a) The Company has been depositing the undisputed statutory dues including provident fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other statutory dues (which are applicable) with the appropriate authorities during the year. However, there is no undisputed statutory dues outstanding for a period of more than six months as at 31<sup>st</sup> March, 2010 from the date they became payable except in case of *Investor Education and Protection Fund due, for which the company is liable in respect of depositing the Excess Share Application money of Rs. 3,16,149/-* lying in separate bank account of the Company with the Banker who have not yet submitted the reconciled list of outstanding due to refund holders.
- b) There are no disputed dues that have not been deposited in respect of Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess or any other matters which is disputed and pending with the relevant forum:
10. In our opinion, the company has an accumulated loss of Rs. 27,04,389/-, as at the year-end; and that the company has not incurred Cash Loss in the current financial year as well in the immediately past financial year.
11. On the basis of the information and explanations given to us, by the management, the Company has not defaulted in repayment of dues to banks during the year. The Company has no dues to any financial institutions or debenture holders during the year.
12. On the basis of information and explanations given to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The nature of the Company's activities during the year is such that clauses (xiii) and (xiv) of paragraph 4 of the Companies (Auditors Report) Order, 2003 are not applicable to the Company for the year.
14. According to information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
15. On the basis of examination of books of accounts, we would like to state that the Company has not availed any Term Loans during the year.
16. On the basis of information and explanations given to us and on an overall examination of the Balance Sheet and the Cash Flow Statement of the Company, we report that the Company has not *prima facie*, used the funds raised on short term basis during the year, for long term investment and as explained, Long term funds have been partly utilized to finance core working capital.
17. The Company has not made any preferential allotment of shares during the year.
18. The Company has not issued any debentures during the year.
19. The Company has not raised any money by public issue during the year.
20. To the best of our knowledge and belief an according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

**For V. K. SHASTRI & CO.**  
Chartered Accountants

Place : VADODARA  
Date : 31-7-2010

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



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

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

**NOTES ON ACCOUNTS**

O

As per our report of even date annexed

**For V. K. SHASTRI & CO.**

Chartered Accountants

**(V. K. SHASTRI.)**

Sole Proprietor

Date : 31-7-2010

Place : Vadodara.

**BY ORDER OF THE BOARD**
**(KIRAN SHAH)**

Chairman &amp; Managing Director

**(N. D. SHAH)**

Company Secretary

Date : 31-7-2010

Place : Vadodara.

**GUJARAT CONTAINERS LIMITED**  
**Schedule to Balance Sheet as at 31st March 2010**

| SR. NO.  | PARTICULARS  | SCHE-<br>DULE | AS ON<br>31-Mar-10<br>Amount (Rs.) | AS ON<br>31-Mar-09<br>Amount (Rs.) |
|--|--|---------------|------------------------------------|------------------------------------|
| <b>SCHEDULE : A SHARE CAPITAL</b>                      |  |               |                                    |                                    |
| <b><u>AUTHORISED CAPITAL</u></b>                       |  |               |                                    |                                    |
|  | 50,00,000 Equity Shares of Rs.10 Each  |               | 50,000,000                         | 50,000,000                         |
| <b><u>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</u></b> |  |               |                                    |                                    |
|  | 46,50,000 Equity Shares of Rs.10 /-<br>each fully paid up for cash   |               | 46,500,000                         | 46,500,000                         |
|  | <b>TOTAL (A)</b>   |               | <b>46,500,000</b>                  | <b>46,500,000</b>                  |
| <b>SCHEDULE : B RESERVES AND SURPLUS</b>               |  |               |                                    |                                    |
| <b><u>A. Capital Reserves</u></b>                      |  |               |                                    |                                    |
| a)   | Share Premium account :  |               | 1,200,000                          | 1,200,000                          |
| b)   | State Subsidy :  |               | 2,500,000                          | 2,500,000                          |
| c)   | Share Forefeiture Reserve :  |               | 2,800,000                          | 2,800,000                          |
|  | <b>TOTAL(B)</b>  |               | <b>6,500,000</b>                   | <b>6,500,000</b>                   |
| <b>SCHEDULE : C LOAN FUNDS</b>                         |  |               |                                    |                                    |
| <b><u>1. SECURED LOANS</u></b>                         |  |               |                                    |                                    |
| a.   | Term Loan from Bank<br>Towards Principal<br>(Includes amount of Rs. 7850,000/- Repayable within one year)<br>Secured by first charge by way of Hypothecation of<br>Plant & Machinery and other movable fixed assets of the<br>company and further secured by first charge on immovable<br>Properties of the company by way Equitable Mortgage by<br>deposit of title deeds and personally guaranteed<br>by the Directors of the Company. |               | 18,100,000                         | 26,875,000                         |
| b.   | Term Loan From Finance Companies:<br>Toward Principal<br>(Includes amount of Rs. 788,201/- Repayable within one year)<br>Secured by Hypothecation of Vehicles<br>under hire purchase agreement   |               | 1,997,022                          | 880,867                            |
| c.   | Working Capital facilities from Bank :<br>Towards Principle<br>Secured by first charge by way of Hypothecation of<br>stock of Raw Materials, work in process, finished goods,<br>stores and spares and receivables, Plant & Machinery<br>and other movable fixed assets of the company by<br>way Equitable by deposit of title deeds and personally<br>garanteed by the directors of the company.  |               | 24,994,440                         | 26,536,261                         |
|  | <b>SUB TOTAL (1)</b>   |               | <b>45,091,470</b>                  | <b>54,292,128</b>                  |
| <b><u>2. UNSECURED LOANS</u></b>                       |  |               |                                    |                                    |
|  | From Directors   |               | 4,608,197                          | 4,235,043                          |
|  | From Inter Corporate Deposits  |               | 2,292,015                          | 3,680,409                          |
|  | <b>SUB TOTAL (2)</b>   |               | <b>6,810,212</b>                   | <b>7,915,452</b>                   |
|  | <b>GRAND TOTAL (1+2)</b>   |               | <b>51,901,682</b>                  | <b>62,207,580</b>                  |



## GUJARAT CONTAINERS LIMITED

### SCHEDULE : D FIXED ASSETS

| Sr. No.                        | PARTICULARS OF FIXED ASSETS | GROSS BLOCK    |                 |                           |                            | DEPRECIATION BLOCK |                           |                            |                 | NET BLOCK       |                 |
|--------------------------------|-----------------------------|----------------|-----------------|---------------------------|----------------------------|--------------------|---------------------------|----------------------------|-----------------|-----------------|-----------------|
|                                |                             | As on 1/4/2009 | As on 31/3/2010 | Additions During the Year | Deductions During the Year | As on 1/4/2009     | Additions During the Year | Deductions During the Year | As on 31/3/2010 | As on 31/3/2010 | As on 31/3/2009 |
|                                | <b>i</b>                    | <b>ii</b>      | <b>iii</b>      | <b>iv</b>                 | <b>v</b>                   | <b>vi</b>          | <b>vii</b>                | <b>viii</b>                | <b>ix</b>       | <b>x</b>        | <b>xii</b>      |
| i)                             | Land & Land Development     | 1,054,394      | 1,054,394       | -                         | -                          | -                  | -                         | -                          | -               | 1,054,394       | 1,054,394       |
| ii)                            | Factory Building            | 13,890,799     | 14,174,978      | 284,179                   | -                          | 5,271,062          | 467,036                   | -                          | 5,738,098       | 8,436,880       | 8,619,737       |
| iii)                           | Plant & Machinery           | 47,919,350     | 51,593,989      | 3,674,639                 | -                          | 23,739,357         | 2,339,981                 | -                          | 26,079,338      | 25,514,651      | 24,179,993      |
| iv)                            | Electrification             | 4,912,153      | 4,912,153       | -                         | -                          | 2,632,741          | 233,327                   | -                          | 2,866,068       | 2,046,085       | 2,279,412       |
| v)                             | Tools, Dies & Equip.        | 660,763        | 660,763         | -                         | -                          | 382,746            | 32,386                    | -                          | 415,132         | 245,631         | 278,017         |
| iv)                            | Furniture and Fixtures      | 226,778        | 226,778         | -                         | -                          | 218,493            | 14,355                    | -                          | 232,848         | (6,070)         | 8,285           |
| vii)                           | Office Equipments           | 1,852,984      | 2,017,448       | 164,464                   | -                          | 1,472,236          | 194,278                   | -                          | 1,666,514       | 350,934         | 380,748         |
| viii)                          | Vehicles                    | 5,600,201      | 6,113,460       | 982,340                   | 469,081                    | 2,896,755          | 574,106                   | 121,113                    | 3,349,748       | 2,763,712       | 2,703,446       |
| ix)                            | Office Building             | 273,550        | 273,550         | -                         | -                          | 63,652             | 4,459                     | -                          | 68,111          | 205,439         | 209,898         |
| <b>T O T A L</b>               |                             | 76,390,972     | 81,027,513      | 5,105,622                 | 469,081                    | 36,677,042         | 3,857,620                 | 121,113                    | 40,413,549      | 40,613,964      | 39,713,930      |
| <b>Previous Year's Figures</b> |                             | 73,594,809     | 76,390,972      | 3,056,712                 | 260,549                    | 33,059,590         | 3,675,840                 | 58,388                     | 36,677,042      | 39,713,930      | 40,535,219      |

#### CAPITAL WORK-IN-PROGRESS :

Advances against Capital Works

2545,152

3,167,343

TOTAL

2,545,152

3,167,343

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

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

| SR. NO.   | PARTICULARS                                 | SCHE-<br>DULE | YEARENDED<br>31-Mar-10<br>Amount (Rs.) | YEARENDED<br>31-Mar-09<br>Amount (Rs.) |
|---|---|---------------|--|--|
| <b>SCHEDULE : H SALES AND OTHER INCOMES</b>       |   |               |  |  |
| <b>a. Sales :</b>                                 |   |               |  |  |
|   | Sales -Barrels                              |               | 299,804,278                            | 272,298,966                            |
|   | Sales -Waste, Scrap & Others                |               | 1,159,432                              | 5,388,847                              |
|   | <b>Sub-Total</b>                            |               | <b>300,963,710</b>                     | <b>277,687,813</b>                     |
|   | Less : Excise Duty on Sales                 |               | 22,536,327                             | 30,478,680                             |
|   | <b>Sales Net of Excise Duty (a)</b>         |               | <b>278,427,383</b>                     | <b>247,209,133</b>                     |
| <b>b. Other Incomes :</b>                         |   |               |  |  |
|   | Freight & Forwarding                        |               | 291,511                                | -                                      |
|   | Interest earned (Including Rs. 36180/- TDS) |               | 851,191                                | 325,290                                |
|   | Jobwork & Conversion Charges                |               | -                                      | 353,485                                |
|   | Miscellaneous Incomes                       |               | 56,069                                 | 11,797                                 |
|   | Provision written back                      |               | 222,003                                | -                                      |
|   | <b>Sub-Total (b)</b>                        |               | <b>1,420,774</b>                       | <b>690,572</b>                         |
|   | <b>GRAND TOTAL (a+b)</b>                    |               | <b>279,848,157</b>                     | <b>247,899,705</b>                     |
| <b>SCHEDULE : I INCREASE/(DECREASE) IN STOCKS</b> |   |               |  |  |
| <b>Stock in process :</b>                         |   |               |  |  |
|   | Closing Stock                               |               | 17,081,950                             | 17,028,220                             |
|   | Less : Opening Stock                        |               | 17,028,220                             | 18,135,907                             |
|   | <b>Increase/(Decrease)</b>                  |               | <b>53,730</b>                          | <b>(1,107,687)</b>                     |
| <b>Finished Goods :</b>                           |   |               |  |  |
|   | Closing Stock                               |               | 4,779,370                              | 4,103,134                              |
|   | Less : Opening Stock                        |               | 4,103,134                              | 3,749,495                              |
|   | <b>Increase/(Decrease)</b>                  |               | <b>676,236</b>                         | <b>353,639</b>                         |
| <b>Waste &amp; Scrap :</b>                        |   |               |  |  |
|   | Closing Stock                               |               | 2,165,168                              | 1,571,550                              |
|   | Less : Opening Stock                        |               | 1,571,550                              | 1,636,320                              |
|   | <b>Increase/(Decrease)</b>                  |               | <b>593,618</b>                         | <b>(64,770)</b>                        |
|   | <b>TOTAL - Increase/(Decrease)</b>          |               | <b>1,323,584</b>                       | <b>(818,818)</b>                       |
| <b>SCHEDULE : J COST OF MATERIALS CONSUMED</b>    |   |               |  |  |
| <b>1. Raw Materials</b>                           |   |               |  |  |
|   | Opening Stock                               |               | 15,338,149                             | 23,234,841                             |
|   | Add : Purchases                             |               | 206,813,611                            | 173,279,618                            |
|   |   |               | 222,151,760                            | 196,514,459                            |
|   | Less : Closing Stock & in Transit           |               | 18,956,408                             | 15,338,149                             |
|   | Raw Material Consumed (1)                   |               | <b>203,195,352</b>                     | <b>181,176,310</b>                     |
| <b>2. General &amp; Consumable Stores :</b>       |   |               |  |  |
|   | Opening Stock                               |               | 3,420,935                              | 3,462,580                              |
|   | Add : Purchases                             |               | 2,185,554                              | 2,523,359                              |
|   |   |               | 5,606,489                              | 5,985,939                              |
|   | Less : Closing Stock                        |               | 3,462,580                              | 3,420,935                              |
|   | Stores Consumed (2)                         |               | 2,143,909                              | 2,565,004                              |
|   | <b>TOTAL MATERIALS CONSUMED (1+2)</b>       |               | <b>205,339,261</b>                     | <b>183,741,314</b>                     |

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

| SR. NO.  | PARTICULARS                                | SCHE-<br>DULE | YEARENDED<br>31-Mar-10<br>Amount (Rs.) | YEARENDED<br>31-Mar-09<br>Amount (Rs.) |
|--|--|---------------|--|--|
| <b>SCHEDULE : K EMPLOYEE BENEFITS &amp; MANUFACTURING EXPENSES</b> |  |               |  |  |
|  | Salary, Wages, Allowances, P.F. etc.       |               | 11,743,470                             | 10,919,872                             |
|  | Contribution to P. F. Fund and other Funds |               | 1,148,364                              | -                                      |
|  | Staff & Labour Welfare                     |               | 339,665                                | 201,595                                |
|  | <b>TOTAL</b>                               |               | <b>13,231,499</b>                      | <b>11,121,467</b>                      |
| <b>SCHEDULE : L ADMINISTRATIVE EXPENSES</b>                        |  |               |  |  |
|  | Auditor's Remuneration                     |               | 30,000                                 | 30,000                                 |
|  | Conveyance                                 |               | 130,222                                | 146,087                                |
|  | Deferred revenue Expenses W/off            |               | 233,333                                | 233,334                                |
|  | Directors Remuneration & Perks             |               | 2,272,645                              | 2,173,357                              |
|  | Lab. Testing & Other Mfg. Expenses         |               | 282,169                                | 75,245                                 |
|  | Labour and Job-work Charges                |               | 5,614,701                              | 4,142,228                              |
|  | Legal, Professional & Listing Charges      |               | 1,200,243                              | 957,647                                |
|  | Other Office Expenses                      |               | 1,691,275                              | 1,494,044                              |
|  | Postage, Telegram, Telephone, Fax etc.     |               | 444,329                                | 279,014                                |
|  | Power and Fuel                             |               | 6,242,328                              | 8,121,185                              |
|  | Printing & Stationary                      |               | 218,463                                | 179,453                                |
|  | Repairs & Maintenance                      |               | 1,041,602                              | 1,116,303                              |
|  | Security Service Charges                   |               | 440,960                                | 409,012                                |
|  | Travelling Expenses                        |               | 913,484                                | 638,537                                |
|  | Vehicle Running & Maintenance              |               | 649,789                                | 528,869                                |
|  | <b>TOTAL</b>                               |               | <b>21,405,543</b>                      | <b>20,524,315</b>                      |
| <b>SCHEDULE : M SELLING AND DISTRIBUTION EXPENSES</b>              |  |               |  |  |
|  | Sales Promotion Expenses                   |               | 90,479                                 | -                                      |
|  | Kasar & Discount                           |               | 153,496                                | -                                      |
|  | Sales Commission, Discount & Other Exps.   |               | 415,560                                | 199,714                                |
|  | Freight Outward                            |               | 8,280,044                              | 6,126,518                              |
|  | <b>TOTAL</b>                               |               | <b>8,939,579</b>                       | <b>6,326,232</b>                       |
| <b>SCHEDULE : N FINANCIAL CHARGES</b>                              |  |               |  |  |
|  | Interest                                   |               | 6,441,051                              | 12,420,647                             |
|  | Discount & Rebates                         |               | 6,122,483                              | 587,992                                |
|  | Bank Charges                               |               | 1,008,443                              | 1,110,958                              |
|  | <b>TOTAL</b>                               |               | <b>13,571,977</b>                      | <b>14,119,597</b>                      |

## **GUJARAT CONTAINERS LIMITED**

**NOTES ON ACCOUNTS: 2009-10**

**SCHEDULE : O**

**A) SIGNIFICANT ACCOUNTING POLICIES:-**

**1. ACCOUNTING CONVENTION :-**

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

**2. FIXED ASSETS AND DEPRECIATION :-**

- a) Fixed assets are stated at cost less accumulated depreciation. The cost of an asset comprises of purchase price and directly attributable cost of bringing the asset to its present condition for intended use and pre-operative expenditure allocated to its respected assets less CENVAT credit taken.
- b) Depreciation on fixed assets is related to the period of use of the assets and is provided on the Straight line method at the rates prescribed in Schedule XIV to the Companies Act, 1956 as amended till date. Pro-rata depreciation is provided on all addition to fixed assets.

**3. INVENTORIES :-**

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

**- RAW MATERIAL:**

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

**- SEMI-FINISHED GOODS/FINISHED GOODS**

Lower of cost or net realizable value.

**4. REVENUE RECOGNITION :-**

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

**4.2** Interest income is recognized on time proportion basis.

**5. EXCISE DUTY :-**

The Company has followed a system whereby the Excise Duty is included in the Sales Value and the Value of Closing Stock as required by the Guidance Note of the Institute of Chartered Accountants of India. The actual excise duty paid is shown as expenditure and the excise duty unpaid and included in finished goods is shown as liability payable under the head other current liabilities.

**6. GRATUITY AND LEAVE ENCASHMENT :-**

Gratuity payable as per Payment of Gratuity Act is not provided for in books of accounts, but shown separately in notes to accounts. As regards Leave Encashment, the company has made a policy that all employees should avail the leave he or she is entitled and hence no provision is made for Leave Encashment. As regards Provident Fund, it is paid by the Company to the Employees Provident Fund Department as per rules and debited to Profit and Loss account on accrual basis

**7. TAXATION :-**

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

**8. USE OF ESTIMATES:**

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

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

**9. SEGMENT DISCLOSURES :**

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

**10. IMPAREMENT OF ASSETS :**

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

**11. BORROWING COSTS :**

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

**12. LEASES :**

**Finance Lease**

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

**13. CASH FLOW STATEMENT**

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

**14. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

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

**B)** In the opinion of the Board, Debtors, Loans and Advances and other Current Assets are of the value as stated in the Balance Sheet, if realised in the ordinary course of the business.

**C)** Balances of Depositors, Sundry Debtors, Creditors and Loans and Advances are subject to confirmation and reconciliation.

**D)** Estimated amount of contracts remaining to be executed on Capital Account not provided for (net of advances) as on 31<sup>st</sup> March 2010 is Rs. NIL (Previous Year Rs. NIL).

**E)** Figures have been rounded off to the nearest rupee.

**F)** Previous Year figures have been regrouped and/or rearranged whenever necessary to confirm with current year's classification.

**G)** Remuneration to the Auditors:-

| <b>Particulars</b>                  | <b>Current Year</b> | <b>Previous Year</b> |
|-------------------------------------|---------------------|----------------------|
| For Audit Fees                      | 20,000              | 20,000               |
| For Income Tax & Other Consultation | 10,000              | 10,000               |
| For Other out of pocket expenses    | —                   | —                    |
| <b>TOTAL Rs.</b>                    | <b>30,000</b>       | <b>30,000</b>        |

**H) Contingent Liabilities:**

| <b>Particulars</b>  | <b>Current Year</b> | <b>Previous Year</b> |
|---|---------------------|----------------------|
| · Claims against the company not acknowledge as debts.  | NIL                 | NIL                  |
| · Liability in respect of bill discounted   | NIL                 | NIL                  |
| · Liability in respect of letter of Credit opened on behalf of company by bankers. (Net of Margin). | 3,76,80,191         | 3,17,50,841          |
| · Liabilities in respect of counter Guarantees given to bankers for Guarantees given by them.       | 15,00,000           | 15,00,000            |

**I) Related Party Disclosure:-**

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

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

| <b>Sr No.</b> | <b>Director</b>              | <b>Relative</b> |
|---------------|------------------------------|-----------------|
| 1             | Kiran Shah                   | Geeta K Shah    |
| 2             | Pravin Shah                  | Jigna P. Shah   |
| 3             | Abjeebhai Patel & Associates | Neha K Shah     |
| 4             |                              | Neil Shah       |

**Transactions with the Related Party.**

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

**H) Remuneration to Directors:-**

Remuneration to Managing Director and Whole time Directors have been paid as per schedule XIII of the Companies Act, 1956, and in according resolution passed by the company in Annual General Meeting.

- I)** During the current year, the Company has Calculated and accounted for Deferred Tax Assets/ liability in accordance with the Accounting Standard - 22 "Accounting for Taxes on Income" issued by the Council of the Institute of Chartered Accountants of India. *However, the Deferred Tax Assets provision is for two years i.e. Current year as well as past year being Rs. 4,48,553/- and Rs.4,80,903/- respectively. Further that, as the calculation of Deferred Tax Asset/liability, was not made in past years; therefore the comparable figure for the previous year is not given*
- J)** Current Tax: During the year No provision is made for taxes on incomes, since there is loss as per books as well as per Income tax Act,1961.
- K)** Due to insufficient profits *the company has not made provision for Gratuity as required by Accounting Standard AS - 15 of the Institute of C.A. of India. The liability on this account as on 31<sup>st</sup> March, 2010 as evaluated by the company is Rs. 31,67,956/- ( upto previous Year Rs. 25,97,592/-) Since the Company follows a policy that all employees avail their leave compulsorily, no provision is made on this account for leave encashment. To the extent of this amount the profit of current year and previous year is shown more.*
- L)** *Due to insufficient profits during the earlier years the company had not made provision for Depreciation of Rs. 52,59,816/- (Previous Year 52,59,816/- ) in total, for the F.Y. 2002-03 and F.Y. 2003-04, on it's fixed assets as per straight line method of Depreciation regularly followed by the Company. This unprovided Depreciation will be provided in Year in which the Company has sufficient profits. The Depreciation, if provided would result in further loss to company and to that extent profit of the company as shown in profit & loss account is more and the value of Net Block in Balance Sheet are shown higher.*

**M)** The management of the company has found slow moving, obsolete and defective stock which relate to year 2002-03 and earlier periods, of Rs.297.72 lacs but have continued to show the same at it's original value in the books of accounts since then. *These stocks are valued at Rs. 20.00 lacs approx. at scrap value as per valuation of auditors and due to this the total value of inventory is higher.* The Company is in process of disposing off the same to it's optimum value so that the loss is minimised. As the result of non-providing of diminution in value of these items the Profit is higher and also the value of the inventory is higher by that amount.

**N)** There are no entities covered Micro, Small and Medium Enterprises, as defined in Micro, Small ,Medium Enterprises Development Act,2006 to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosure have been made.

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

**O)** Additional information pursuant to para 3 to 4 of part II of Schedule VI of the Companies Act, 1956.

**a.) PARTICULARS OF CAPACITY AND PRODUCTION:-**

| <b>PARTICULARS</b>                    | <b>Unit of Measurement</b> | <b>Current Year</b> | <b>Previous Year</b> |
|---------------------------------------|----------------------------|---------------------|----------------------|
| I) Licenced Capacity                  | -                          | Not Applicable      | Not Applicable       |
| II) Installed Capacity                | Nos.                       | Not Applicable      | Not Applicable       |
| III) Actual Production -Steel Barrels | Nos.                       | 2,10,025            | 1,59,593             |
| - Plastic Barrel/Liners               | Nos.                       | 76,539              | 2,79,790             |

**b.) PARTICULARS OF OPENING STOCK, CLOSING STOCK AND SALES :-**

| <b>PARTICULARS</b>        | <b>Unit of Measure</b> | <b>Current Year</b> |                    | <b>Previous Year</b> |                    |
|---------------------------|------------------------|---------------------|--------------------|----------------------|--------------------|
|                           |                        | <b>Quantity</b>     | <b>Value (Rs.)</b> | <b>Quantity</b>      | <b>Value (Rs.)</b> |
| <b>I) Opening Stock :</b> |                        |                     |                    |                      |                    |
| C.R.C.A. Sheet            | M.T.                   | 113.495             | 33,07,181          | 313.930              | 1,06,52,889        |
| Plastic granules          | M.T.                   | 4.375               | 2,59,665           | 20.850               | 15,21,465          |
| Other Raw Materials       | -                      | -                   | 1,17,71,303        | -                    | 1,10,60,487        |
| Finished Goods            | Nos.                   | 4219                | 41,03,134          | 2921                 | 37,49,495          |
| Stock in Process          | Nos.                   | -                   | 1,70,28,220        | -                    | 1,81,35,907        |
| General & } Stores        | —                      | -                   | 34,20,935          | -                    | 34,62,580          |
| Consumable} Scrap         | -                      | -                   | 15,71,550          | -                    | 16,36,320          |
| <b>TOTAL Rs.</b>          | <b>-</b>               | <b>-</b>            | <b>4,14,61,988</b> | <b>-</b>             | <b>5,02,19,143</b> |

| <b>PARTICULARS</b>         | <b>Unit of Measure</b> | <b>Current Year</b> |                    | <b>Previous Year</b> |                    |
|----------------------------|------------------------|---------------------|--------------------|----------------------|--------------------|
|                            |                        | <b>Quantity</b>     | <b>Value (Rs.)</b> | <b>Quantity</b>      | <b>Value (Rs.)</b> |
| <b>II) Closing Stock :</b> |                        |                     |                    |                      |                    |
| C.R.C.A. Sheet             | M.T.                   | 142.167             | 52,94,856          | 113.495              | 33,07,181          |
| Plastic granules           | M.T.                   | 15.340              | 11,63,600          | 4.375                | 2,59,665           |
| Other Raw Materials        | -                      | -                   | 1,24,97,953        | -                    | 1,17,71,303        |
| Finished Goods             | Nos.                   | 2,362               | 48,33,100          | 4219                 | 41,03,134          |
| Stock in Process           | -                      | -                   | 1,70,28,220        | -                    | 1,70,28,220        |
| General & Cons. Stores     | -                      | -                   | 34,62,580          | -                    | 34,20,935          |
| Scrap                      | -                      | -                   | 21,65,168          | -                    | 15,71,550          |
| <b>TOTAL Rs.</b>           | <b>-</b>               | <b>-</b>            | <b>4,64,45,477</b> | <b>-</b>             | <b>4,14,61,988</b> |

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

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



**c.) PARTICULARS OF CONSUMPTION OF RAW-MATERIALS:-**

| PARTICULARS          | Unit of Measure | Current Year |                     | Previous Year |                     |
|----------------------|-----------------|--------------|---------------------|---------------|---------------------|
|                      |                 | Quantity     | Value (Rs.)         | Quantity      | Value (Rs.)         |
| <b>Consumption :</b> |                 |              |                     |               |                     |
| C.R.C.A. Sheet       | M.T.            | 4905.906     | 16,49,99,941        | 3164.860      | 12,06,86,847        |
| Plastic Granules     | M.T.            | 218.299      | 1,41,57,157         | 715.380       | 5,16,69,523         |
| Other Raw Material   |                 |              | 2,61,82,163         |               | 1,13,62,444         |
| <b>TOTAL Rs.</b>     |                 |              | <b>20,53,39,261</b> |               | <b>18,37,18,814</b> |

**d.) PARTICULARS OF PERCENTAGE OF IMPORTED & INDIGENEOUS MATERIAL, SPARE-PARTS AND COMPONENTS CONSUMED:-**

| PARTICULARS  | Current Year        |             | Previous Year       |             |
|--|---------------------|-------------|---------------------|-------------|
|  | Value               | Percentage  | Value               | Percentage  |
| i) Value of imported spare-parts, materials and components consumed.           | NIL                 | NIL         | NIL                 | NIL         |
| ii) Value of indigenous spares, materials, Components & trading goods consumed | 20,53,39,261        | 100%        | 18,37,18,314        | 100%        |
| <b>TOTAL</b>   | <b>20,53,39,261</b> | <b>100%</b> | <b>18,37,18,314</b> | <b>100%</b> |

**e.) PARTICULARS OF EARNING AND EXPENDITURE IN FOREIGN CURRENCY:-**

| PARTICULARS                         | Current Year | Previous Year |
|-------------------------------------|--------------|---------------|
| i) Earning in foreign currency      | NIL          | NIL           |
| ii) Expenditure in foreign currency | NIL          | NIL           |

**P) Particulars of Expenditure on Employees:-**

| PARTICULARS  | Current Year | Previous Year |
|--|--------------|---------------|
| i) In case of Employees who were in Employment with the company for the whole year and receiving remuneration aggregating to Rs. 24,00,000/- or more per annum.  |              |               |
| ◆ No. of Employees   | NIL          | NIL           |
| ◆ Amount of Salary & Allowance   | NIL          | NIL           |
| ◆ Value of Perquisites   | NIL          | NIL           |
| ii) In case of Employees who were in Employment with the Company for part of the year and receiving remuneration aggregating to Rs.2,00,000/- or more per month. |              |               |
| ◆ No. of Employees   | NIL          | NIL           |
| ◆ Amount of Salary & Allowance   | NIL          | NIL           |
| ◆ Value of Perquisites   | NIL          | NIL           |

**R) ADDITIONAL INFORMATION PURSUANT TO PART-IV OF SCHEDULE-VI OF THE COMPANIES ACT, 1956.**

**PART-IV**

Balance Sheet Abstract and Company's General Business Profile.

**I) Registration Details: -**

Registration No. **U28120GJ1992PLC017081** State Code **04**  
 Balance Sheet **31 03 2010**  
 Date Date Month Year

**II) Capital Raised during the Year (Amount in Rs. Thousands)**

|              |                    |
|--------------|--------------------|
| Public Issue | Rights issue       |
| <b>NIL</b>   | <b>NIL</b>         |
| Bonus issue  | Preferential issue |
| <b>NIL</b>   | <b>NIL</b>         |

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

|                             |                           |
|-----------------------------|---------------------------|
| Total liabilities           | Total Assets              |
| <b>104,902</b>              | <b>104,902</b>            |
| <b>Sources of Funds</b>     |                           |
| Paid-up Capital             | Reserves & Surplus        |
| <b>46,500</b>               | <b>6,500</b>              |
| Secured Loans               | Unsecured Loans           |
| <b>45,092</b>               | <b>6,810</b>              |
| <b>Application of Funds</b> |                           |
| Net Fixed Assets            | Investments               |
| <b>43,159</b>               | <b>NIL</b>                |
| Net Current Assets          | Miscellaneous Expenditure |
| <b>58,222</b>               | <b>3,521</b>              |
| Accumulated losses          |                           |
| <b>NIL</b>                  |                           |

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

|   |                           |
|---|---------------------------|
| Turnover  | Total Expenditure         |
| <b>279845</b>   | <b>284102</b>             |
| +/- Profit/Loss Before Tax                                | +/- Profit/Loss after tax |
| <b>(-) 4,257</b>  | <b>(-) 3,349</b>          |
| (Please tick Appropriate box (+) for profit (-) for Loss) |                           |
| Earning Per Share in Rs.                                  | Dividend rate %           |
| <b>(0.72)</b>   | <b>N. A.</b>              |

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

|                     |  |
|---------------------|--|
| Item Code No.       | <b>73090009</b>                                |
| (ITC Code)          |  |
| Product Description | <b>DRUMS AND BARRELS MADE ON IRON OR STEEL</b> |
| Item Code No.       | <b>39251000</b>                                |
| (ITC Code)          |  |
| Product Description | <b>PLASTIC DRUMS AND BARRELS</b>               |

T) Schedule A to Q form and integral part of the Balance Sheet and Profit and Loss Account and are hereby duly authenticated.

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

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

ON BEHALF OF THE BOARD

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

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

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

Date : 31-7-2010  
Place : Vadodara.

Date : 31-7-2010  
Place : Vadodara.

**GUJARAT CONTAINERS LIMITED**  
**Cash Flow Statement for the Year Ended on 31st March 2010**

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

Cash Flow Statement (Cont'd)

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

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

|                      |                  |                  |
|----------------------|------------------|------------------|
| <b>Sub Total (i)</b> | <b>4,483,131</b> | <b>3,550,099</b> |
|----------------------|------------------|------------------|

**Less : INFLOW :**

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

|                       |                  |                |
|-----------------------|------------------|----------------|
| <b>Sub Total (ii)</b> | <b>1,386,168</b> | <b>234,790</b> |
|-----------------------|------------------|----------------|

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

|                         |                    |                    |
|-------------------------|--------------------|--------------------|
| <b>Total (B)=(i-ii)</b> | <b>(3,096,963)</b> | <b>(3,315,309)</b> |
|-------------------------|--------------------|--------------------|

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

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

|                      |                    |                   |
|----------------------|--------------------|-------------------|
| <b>Sub Total (i)</b> | <b>379,351,349</b> | <b>17,699,010</b> |
|----------------------|--------------------|-------------------|

**Less : OUTFLOW**

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

|                       |                    |                  |
|-----------------------|--------------------|------------------|
| <b>Sub Total (ii)</b> | <b>389,657,247</b> | <b>9,820,162</b> |
|-----------------------|--------------------|------------------|

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

|                         |                     |                  |
|-------------------------|---------------------|------------------|
| <b>Total (C)=(i-ii)</b> | <b>(10,305,898)</b> | <b>7,878,848</b> |
|-------------------------|---------------------|------------------|

**NET INCREASE/(DECREASE) IN CASH/  
CASH EQUIVALENTS (A+B+C)**

|                  |                    |
|------------------|--------------------|
| <b>6,591,086</b> | <b>(4,767,695)</b> |
|------------------|--------------------|

*Add : Balance At The Beginning Of The Year*

|           |            |
|-----------|------------|
| 6,503,532 | 11,271,228 |
|-----------|------------|

**CASH / CASH EQUIVALENTS AT THE  
CLOSE OF THE YEAR**

|                   |                  |
|-------------------|------------------|
| <b>13,094,618</b> | <b>6,503,532</b> |
|-------------------|------------------|

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

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

 Date : 31-7-2010  
 Place : Vadodara.

**BY ORDER OF THE BOARD**

|   |   |
|---|---|
| <b>(KIRAN SHAH)</b><br>Chairman & Managing Director | <b>(PRAVIN SHAH)</b><br>Whole-Time Director |
|---|---|

|  |
|--|
| <b>(N. D. SHAH)</b><br>Company Secretary |
|--|

 Date : 31-7-2010  
 Place : Vadodara.

**EIGHTEENTH  
ANNUAL  
REPORT**

**2009-2010**



**GUJARAT  
CONTAINERS  
LIMITED**

**GUJARAT CONTAINERS LIMITED**  
**EIGHTEENTH ANNUAL REPORT 2009-2010**

|                                    |          |   |
|------------------------------------|----------|---|
| <b>BOARD OF DIRECTORS</b>          | <b>:</b> | <b>Shri Kiran Shah</b><br>Chairman & Managing Director  |
|                                    | <b>:</b> | <b>Shri Pravin Shah</b><br>Whole-Time Director  |
|                                    | <b>:</b> | <b>Shri Abjee Patel</b><br>Whole-Time Director  |
| <b>COMPANY SECRETARY</b>           | <b>:</b> | <b>N. D. Shah</b>   |
| <b>AUDITORS</b>                    | <b>:</b> | <b>V. K. Shastri &amp; Co.</b><br>Gayatri Krupa,<br>9, Manisha Society,<br>Old Padra Road, BARODA.                            |
| <b>BANKERS</b>                     | <b>:</b> | <b>State Bank of India</b><br>Specialised Commercial Branch<br>2nd Floor, Trident Complex,<br>Race Course,<br>BARODA-390 023. |
| <b>CORPORATE OFFICE</b>            | <b>:</b> | 201-202, Alkapuri Arcede,<br>'B' Wing,<br>R. C. Dutt Road,<br>Opp. Welcom Hotel,<br>BARODA-390 007.                           |
| <b>REGISTERED OFFICE AND WORKS</b> | <b>:</b> | Plot No. 488 / 489-P,<br>Baroda-Savli Highway,<br>Village : Tundav, Tal. Savli<br>Dist. Vadodara-391 775.                     |



**GUJARAT CONTAINERS LIMITED**

**ATTENDANCE SLIP**

**GUJARAT CONTAINERS LIMITED**

**Registered Office :**

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

Please complete this Attendance Slip and hand it over at the entrance of Meeting Hall, Joint Shareholders may obtain additional Attendance Slip on request.

NAME OF THE SHAREHOLDER: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

No. of Shares Held : \_\_\_\_\_

PROXY

L. F. NO.(S) :

I hereby record my presence at the 18th Annual General Meeting of the Company held on 30th September 2010.

PROXY SIGNATURE  
OF THE SHAREHOLDER/PROXY\*

\*Strike whichever is not applicable.

-----  
PROXY

**GUJARAT CONTAINERS LIMITED**

**Registered Office :**

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

L. F. No.(S) : \_\_\_\_\_

I/We \_\_\_\_\_

of \_\_\_\_\_

being a member / members of Gujarat Containers Ltd. hereby appoint

\_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ or failing him \_\_\_\_\_

of \_\_\_\_\_

as my/our proxy to vote for me/us and on my/our behalf at the 18th Annual General Meeting of the Company to be held on Thursday, the 30th September, 2010 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010 by the said \_\_\_\_\_

Affix a  
15 Paise  
Revenue  
Stamp

Note : The proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company.

BOOK-POST

To,

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If undelivered please return to :

**GUJARAT CONTAINERS LIMITED**

**Corporate Office :**

201-202, Alkapuri Arcade, 'B' Wing, Opp. Welcome Hotel,  
R. C. Dutt Road, BARODA-390 007.