

2005-06

20th ANNUAL REPORT

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Bisleri Gujarat Limited

(Formerly Known as BISIL PLAST LIMITED)



Bisleri Gujarat Limited

(Formerly Known as BISIL PLAST LIMITED)

TWENTIETH ANNUAL REPORT 2005-06

| | | |
|---------------------------------|--|---|
| BOARD OF DIRECTORS : | Shri Surendra T. Shah Shri Sanjay S. Shah Smt. Shilaben S. Shah Smt. Ritaben S. Shah Shri Kashyap R. Mehta Shri Sanjay V. Karkare | <i>Chairman</i> <i>Managing Director</i> <i>Director</i> <i>Director</i> <i>Director</i> <i>Director</i> |
| BANKERS : | The Ahmedabad Mercantile Co-Op. Bank Ltd. Navrangpura, Ahmedabad-380 009. | |
| AUDITORS : | M/s. Shah & Dalal, Chartered Accountants, Ahmedabad. | |
| LEGAL ADVISORS : | Shri Mihir H. Joshi, <i>Advocate,</i> Ahmedabad. | |
| COMPANY LAW CONSULTANT : | Shri Kashyap R. Mehta, <i>Company Secretary,</i> Ahmedabad. | |
| REGISTERED OFFICE: | 406, Silver Oaks Commercial Complex, Opp. Arun Society, Paldi, Ahmedabad - 380 007. | |
| FACTORY: | 2410/11, GIDC Industrial Estate, Chhatral (N.Guj.). Tal:KaloI, Dist:Mehsana. | |



| CONTENTS | PAGE NOS. |
|-----------------------|-----------|
| Notice | 1 |
| Directors' Report | 2-12 |
| Auditors' Report | 13-15 |
| Balance Sheet | 16 |
| Profit & Loss Account | 17 |
| Schedules | 18-21 |
| Notes on Accounts | 22-25 |
| Cash Flow Statement | 26 |

NOTICE

NOTICE is hereby given that the **TWENTIETH ANNUAL GENERAL MEETING** of the Members of **BISLERI GUJARAT LIMITED** will be held as scheduled below:

Date : 27th September, 2006
 Day : Wednesday
 Time : 10.00 A. M.
 Place : At the Registered Office of the Company at:
 406, Silver Oaks Commercial Complex,
 Opp. Arun Society, Paldi,
 Ahmedabad - 380 007.

to transact the following business :

ORDINARY BUSINESS:

1. To receive and adopt Audited Profit and Loss Account for the year ended 31st March, 2006 and the Balance Sheet as on that date alongwith Directors' Report thereon.
2. To appoint a Director in place of Ms. Shilaben S. Shah, who retires by rotation and, being eligible, offers herself for re appointment.
3. To appoint a Director in place of Shri Sanjay V. Karkare, who retires by rotation and, being eligible, offers herself for re appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

Registered Office :

406, Silver Oaks Commercial Complex,
 Opp. Arun Society, Paldi,
 Ahmedabad-380 007.
 Date :29th June, 2006.

By Order of the Board

Sanjay S. 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 PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF MEETING.
2. Pursuant to section 154 of the Companies Act,1956, Register of Members and Shares Transfer Books of the Company will remain closed from Tuesday, the 5th September, 2006 to Wednesday, the 27th September, 2006 (both days inclusive).
3. Members intending to require information about accounts at the meeting are requested to write to the Company at least 10 days in advance of the Annual General Meeting.
4. Members are requested to:
 - a) Intimate, if Shares are held in the same name or in the same order and names, but in more than one account to enable the Company to club the said accounts into one account.
 - b) Notify immediately the change in their registered address, if any, to the Company.
5. The Equity Shares of the Company are now available for dematerialisation, as the Company has entered into agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Those shareholders who wish to hold shares in electronic form may approach their Depository Participant. The ISIN No. of the Equity Shares is INE214D01021.



DIRECTORS' REPORT

Dear Shareholders,

The Directors present the TWENTIETH ANNUAL REPORT together with the Audited Statement of Account for the Financial Year 2005-06 ended 31st March, 2006.

1. FINANCIAL RESULTS :

| | For the year 2005-06 | (Rs.in Lacs) Previous Year 2004-05 |
|--|-------------------------|--|
| Operating Profit | 81.41 | 53.41 |
| (Before Interest & Depreciation) | | |
| Less : Interest | 18.69 | 19.75 |
| Profit before Depreciation | 62.72 | 33.66 |
| Less : Depreciation | 35.98 | 39.02 |
| Net Profit/(Loss) before Tax | 26.74 | (5.36) |
| Less : Provision for Taxation | 2.00 | - |
| Profit/(Loss) after Tax | 24.74 | (5.36) |
| Balance brought forward from Previous year | (233.48) | (228.12) |
| Net (Loss) carried to Balance Sheet | (208.74) | (233.48) |

In view of unabsorbed depreciation and carried forward losses and also in view of absence of virtual certainty of future income, deferred tax assets/liabilities have not been recognised.

2. DIVIDEND:

Your Directors are unable to recommend Dividend for the year ended 31st March, 2006 in view of the accumulated losses.

3. PRODUCTION, SALES AND WORKING RESULTS:

The financial performance of the Company was improved during the year under review compared to the year 2004-05.

The production of Mineral Water Bottles and job work of Pet bottles during the year under review was 60 lacs pcs. compared to 63 lacs pcs. during 2004-05. The Sales and other income increased to Rs. 207 lacs during the year under review compared to Rs. 164 lacs during 2004-05 registering an increase of 26%. The Operating Profit (before Interest and Depreciation) increased to Rs. 81.41 lacs compared to Rs. 53.41 lacs during 2004-05. After providing for Interest, the Profit before Depreciation stood at Rs. 62.72 lacs during the year under review compared to Rs. 33.66 lacs during 2004-05. The Net Profit of the Company stood at Rs. 24.74 lacs compared to Net Loss of Rs. 5.36 lacs during 2004-05.

The management is of the opinion that the results will be improved further in the year 2006-07.

4. FUTURE PLANS:

The Management has planned to commence activities to manufacture and sale refined medical and pharmaceutical products as mentioned in Clause 4 of 'Other Objects' of the Memorandum of Association of the Company.

5. FINANCE:

- 5.1 During the year, the Company continued to repay interest and principal amount to Banks as per rescheduled payment period.
- 5.2 The Company's Income tax Assessment has been completed upto the Assessment Year 2003-04 and Sales tax Assessment has been completed upto the Year 2003-04.

6. DIRECTORS:

Two of your Directors viz. Ms. Shilaben S. Shah and Shri Sanjay V. Karkare retire by rotation in terms of Articles 153 and 154 of the Articles of Association of the Company. They, being eligible, have offered themselves for reappointment.

7. CHANGE OF NAME OF THE COMPANY:

The name of the Company was changed, upon receiving consent of the members of the Company as well as Central Government, to 'Bisleri Gujarat Limited' so as to reflect main area of activities of the Company.

8. SPLIT/ SUB DIVISION OF EQUITY SHARES:

The Equity Shares of Rs. 10/- each of the Company, with the view to broad base the number of Equity shares of the Company and as a measure to improve the liquidity of the Equity shares of the Company on the Stock Exchanges, were splitted/ sub divided in to 10 Equity Shares of Re. 1/- each upon receiving consent of the Shareholders as well as complying with necessary formalities.

The Record Date for the same was 6th October, 2005. Shareholders holding physical share certificates (who surrendered old share certificates) were sent sub divided share certificates and Shareholder holding shares in demat form, their demat account have already been credited with the shares of Re. 1/- each.

9. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at 31st March, 2006 being end of the financial year 2005-06 and of the Profits of the Company for the year;
- (iii) that the Directors had taken proper and sufficient care for maintenance of adequate accounting records 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) that the Directors had prepared the annual accounts on a going concern basis.

10. DEMATERIALISATION OF EQUITY SHARES:

To facilitate holding of securities in dematerialised/electronic form, the Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Thus, shareholders have an option to dematerialise their shares with either of the depositories. The ISIN No. allotted is INE214D01021.

11. PERSONNEL AND H.R.D.:

Your Directors are glad to report that the industrial relations continued to remain cordial and peaceful and your Company continued to give ever increasing importance to training at all levels and other aspects of H.R.D.

12. CORPORATE GOVERNANCE:

The report on Corporate Governance as per Clause 49 of the Listing Agreement is annexed.

13. LISTING:

The Equity Shares of the Company are listed on Ahmedabad, Mumbai and Delhi Stock Exchanges and the Company has paid Annual Listing Fees upto the year 2005-06.



14. GENERAL:

14.1 INSURANCE:

The Company's properties including building, plant and machinery, stocks, stores etc. continue to be adequately insured against risks such as fire, riot, strike, civil commotion, malicious damages, machinery breakdown etc

14.2 AUDITORS:

The present Auditors of the Company M/s. Shah & Dalal, Chartered Accountants, Ahmedabad will retire at the ensuing Annual General Meeting. They have submitted certificate for their eligibility for re appointment under Section 224(1 B) of the Companies Act, 1956. The notes of the Auditors for non provision of doubtful debts amounting to Rs. 3,47,869/ and non recognition of deferred tax assets/liabilities are self explanatory.

14.3 PARTICULARS OF EMPLOYEES:

None of the employees of the Company is drawing remuneration requiring disclosure under Section 217(2 A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

14.4 DEPOSITS:

The Company has not accepted any deposit as defined under the Companies (Acceptance of Deposits) Rules, 1975.

15. PARTICULARS AS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988:

A. Conservation of Energy:

Measures taken for Conservation of Energy, additional proposals and its impacts:

The Company has installed individual capacitors to various machineries in the process. This has resulted in the saving of power to large extent.

Total energy consumption and energy consumption per unit of production as per Form A prescribed in the Rules is at Annexure-I to this report.

B. Technology absorption:

Efforts made in technology absorption as per Form B prescribed in the Rules is at Annexure-II to this report.

C. Foreign Exchange Earnings and Outgo:

The Company has not earned or spent any Foreign Exchange during the year under review.

15. ACKNOWLEDGMENT:

Your Directors express their sincere gratitude for the assistance and co operation extended by Banks, Government authorities, Shareholders, Suppliers and Customers.

Your Directors also wish to place on record their appreciation of the contribution made by the employees at their levels towards achievements of the Company's goals.

For and on behalf of the Board.

Place : Ahmedabad
Date : 29th June, 2006

Surendra T. Shah
Chairman

ANNUAL REPORT 2005-06**ANNEXURE - I****FORM - A****Disclosure of particulars with respect to Conservation of Energy**

| | 2005-06 | 2004-05 |
|--|-----------------|----------------|
| A. Power and fuel Consumption | | |
| 1. Electricity | | |
| a) Purchased Unit | 2,70,577 | 2,09,056 |
| Total amount (Rs. in Lacs) | 13.61 | 10.40 |
| Rate per Unit (Rs.) | 5.03 | 4.97 |
| b) Own generation | | |
| Through Diesel Generator | | |
| Unit | 3,502 | 4,877 |
| Unit per Ltr. of Diesel oil | 2.49 | 2.69 |
| Cost per Unit (Rs.) | 14.60 | 11.33 |
| 2. Coal | NIL | NIL |
| 3. Furnace oil | NIL | NIL |
| 4. LSHS | NIL | NIL |
| B. Consumption per lac of Bottles of Production | | |
| Products PET Bottles SBM Bottles | | |
| Electricity Unit | 3,711 | 3,478 |

ANNEXURE - II**FORM - B****Disclosure of Particulars with respect to Technology Absorption:****1) Research and Development (R & D), its benefits and future plan of actions:**

The R & D Wing have designed process to manufacture PET Bottles in various volumes and shapes. As a result of continuous efforts, the Company has been able to pack mineral water in various volumes and shapes of Pet Bottles. The Company has developed new moulds of different shapes and volumes of Pet bottles to suit requirement of the market with a view to tap the increasing market potential for mineral water.

The Company is in the process to put up ultramodern laboratories for complete testing of water for chemical and microbiological aspects so as to ensure utmost quality of mineral water and in par with Bureau of Indian Standards IS: 14543.

2) Technology absorption, adaptation and innovation :

The Company has not imported technology so far. The suggestions of plant & machinery suppliers and R & D Department are being incorporated continuously to improve the quality and process of manufacturing PET Bottles.

For and on behalf of the Board,

Place : Ahmedabad
Date : 29th June, 2006

Surendra T. Shah
Chairman



REPORT ON CORPORATE GOVERNANCE

INTRODUCTION:

Corporate Governance is important to build confidence and trust which leads to strong and stable partnership with the Investors and all other Stakeholders. The detailed Report on implementation of Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with the Stock Exchange/s is set out below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and ability. The Company has implemented the mandatory requirements of the 'Code of Governance' as mentioned in Clause 49 of the Listing Agreement. The Compliance Report of the Company vis a vis the Stock Exchange Listing Agreement is presented below.

2. BOARD OF DIRECTORS:

a) Composition and Category of Directors:

| Name of Directors | Category of Director-ship | No. of other Director ships * | Committee (1) Membership/ (2) Chairmanship in other companies | No. of Board Meetings attended | Attendance at the AGM. held on 22-09-2004 Yes(Y)/No(N) |
|-------------------------------------|-------------------------------|-------------------------------|---|--------------------------------|--|
| Surendra T. Shah Chairman | Non-executive | 1 | --- | 8 | N |
| Sanjay S. Shah Managing Director | Executive | 1 | --- | 8 | Y |
| Shilaben S. Shah | Non- executive | --- | --- | 8 | N |
| Ritaben S. Shah | Non- executive | 1 | --- | 8 | Y |
| Kashyap R. Mehta | Independent Non- executive | 2 | --- | 8 | Y |
| Sanjay V. Karkare | Independent Non- executive | --- | --- | 8 | N |

* Private companies excluded.

b) Details of the Directors seeking Appointment/Reappointment in forthcoming Annual General Meeting:

| Name of Director | Shilaben S. Shah | Sanjay V. Karkare |
|--|------------------|--|
| Date of Birth | 19-08-1937 | 29-11-1959 |
| Date of Appointment | 16-01-1995 | 28-03-2003 |
| Expertise in specific functional areas | Administration | Management & Marketing |
| List of Public Limited Companies in which Directorships held | --- | --- |
| Chairman/Member of the Committees of the Board of Directors of the Company | --- | Audit Committee & Remuneration Committee |
| Chairman/Member of the Committees of Directors of other companies. | --- | --- |

c) Board Procedures:

The Board of Directors meets once a quarter to review the performance and Financial Results. A detailed Agenda File is sent to all the Directors well in time of the Board Meetings. The Chairman/Managing Director briefs the Directors at every Board Meeting, overall performance of the Company. All major decisions/approvals are taken at the Meeting of the Board of Directors such as policy formation, business plans, budgets, investment opportunities, Statutory Compliance etc. The meeting of the Board of Directors were held on 30-06-2005, 28-07-2005, 04-08-2005, 22-09-2005, 17-10-2005, 25-10-2005, 30-01-2006 and 03-02-2006.