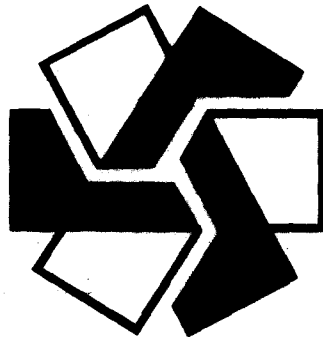


**16th Annual Report
2003**

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**GALORE PRINTS
INDUSTRIES LIMITED**
(FORMERLY VIKAS LAMINATOR LTD.)

GALORE PRINTS INDUSTRIES LIMITED**Board of Directors**

J.P. Rustagi	<i>Chairman</i>
Mahesh Kr. Rustagi	<i>Managing Director</i>
Rajesh Kr. Rustagi	<i>Wholetime Director</i>

Auditors**Ashok Rustagi & Associates**

Chartered Accountants
1508, Chiranjiv Towers,
43, Nehru Place, New Delhi - 110 019

Lead Bankers**Indian Overseas Bank**

Defence Colony,
New Delhi - 110 024

Registered Office

123A, D.D.A Office Complex, Phase - I,
Jhandewalan Extension, New Delhi - 110 055

Corporate Office & Works

A-46, Sector - 58, Noida - 201301 (U.P.)

Share Registrars

M/s. InTime Spectrum Registry Limited
A-31, Naraina Industrial Area, Phase-I,
Near PVR Naraina, New Delhi - 110 028

Sales Office

Chateau 'D' Ampa,
4th Floor, 110 Nelson Manickam Road,
Aminijikarai, Chennai - 600 029

Stock Exchange Listing**The Delhi Stock Exchange Association Ltd.**

DSE House, 3/1, Asaf Ali Road,
New Delhi - 110 002

The Stock Exchange, Mumbai

Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001

The Stock Exchange, Ahmedabad

Kamdhenu Complex, Rajendra Pole
Ahmedabad - 380 015

Madras Stock Exchange Ltd.

Exchange Building, Post Box No. 183
11, Second Line Beach, Chennai - 600 001

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GALORE PRINTS INDUSTRIES LIMITED



NOTICE

Notice is hereby given that the 16th Annual General Meeting of the Members of GALORE PRINTS INDUSTRIES LIMITED (Formerly VIKAS LAMINATOR LTD.) will be held on Wednesday the 30th day of June, 2004 at 9.30 A.M. at Multipurpose Community Centre, Khera Khurd, Alipur Block, Delhi-110082 to transact the following business:

ORDINARY BUSINESS

- To receive, consider and adopt the audited Balance Sheet of the Company as at 31st December, 2003 and the Profit & Loss account for the year ended on that date and the reports of Directors and Auditors thereon.
- To appoint a Director in place of Mr. Rajesh Kr. Rustagi who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

- To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution:

RESOLVED that pursuant to Section 293 (1) (d) of the Companies Act 1956, the consent of the Company be and are hereby accorded to the Board of Directors of the Company to borrow money on behalf of the Company on such terms and conditions and with or without security as the Board may in its discretion think fit, notwithstanding that the money or monies to be borrow together with the money already borrowed (apart from the temporary loans obtain from companies bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital of the Company and its free reserves. (i.e. reserve not set apart for any specific purpose) however that the total borrowing outstanding at any one time including the monies already borrowed does not exceed a sum of Rs. 5,00,00,000 (Rupees five crores only).

- To consider and if thought fit to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT subject to the provision of the Companies Act, 1956, SEBI (De-Listing of Securities) Guidelines, 2003, Securities Contracts (Regulation) Act, 1956 and the rules framed thereunder, Listing Agreements and all others applicable laws, rules, regulations and guidelines and subject to such approvals, permission and sanction which the Board of Directors of the Company be and is hereby authorised to agree, the consent of the Company be and is hereby accorded to the Board to De-List the Equity Shares and all other securities of the Company from the Stock Exchange at Delhi, Ahmedabad And Chennai.

FURTHER RESOLVED THAT Mr. Rajesh Kumar Rustagi, Wholtime Director of the Company be and is hereby authorized to take steps in this regards.

By order of the Board.

(RAJESH KR. RUSTAGI)
Wholtime Director

Place : New Delhi
Dated : 02.06.2004

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS HIS PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED TO THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.
- Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Item No. 4 & 5 is annexed hereto.
- The Register of Members and Shares Transfer Books of the Company will remain closed form 28.06.2004 to 30.06.2004 (both days inclusive).
- Members who are holding shares in identical order of names in more than one Folio are requested to write to the Company enclosing their share certificate enable the Company to consolidate their holding in one Folio.
- Members/Proxies should bring the attendance slip duly filled for attending the Annual General Meeting. No extra Attendance slip will be provided at the venue of the Annual general Meeting.
- No gift shall be distributed at Annual General Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.

ITEM NO 4.

Pursuant to the provision of Clause (d) of sub section (1) of Section 293 of the Companies Act 1956, the Board of Directors can not borrow more than the aggregate amount of the paid up Capital of the Company and its free reserves at any one time except with the consent of the shareholders of the Company. The expansion program of the Company is being carried out in full swing and it is expected that the ceiling fixed by the member of the Company for borrowing will be exceeded and, therefore your Directors place before you the proposal to increase the maximum borrowing limit to Rs. 5,00,00,000.00 (Rupees five crores only).

None of the Directors of the Company is in any way concerned or interested in the Resolution. Your Directors/recommend the resolution for your approval.

ITEM NO 5.

Presently the Companies securities are listed on four Stock Exchange in India.

- Delhi Stock Exchange Association Ltd., DSE House, 3/1 Asaf Ali Road, New Delhi-110 002
- Madras Stock Exchange Ltd., Exchange Building, Post Box No. - 183, 11 Second Line Beach, Chennai - 600 001.
- The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001
- The Stock Exchange., Ahmedabad, Kamdhenu Complex, Opp. Sahjanand College, Panjarapole, Ahmedabad- 380015.

With the new SEBI (De-listing of Securities) Guidelines, 2003 coming in to force, a Company may seek voluntary de-listing of its securities from all or some of the Stock Exchange and further that an exit opportunity is not required to be provided in case where such securities continues to be listed at a Stock Exchange having nationwide trading terminal i.e. The Stock Exchange, Mumbai.

The trading of the equity shares of Rs.10/- each of your Company at the Delhi, Chennai and Ahmedabad Stock Exchange is rare. Hence it, is proposed to de-list the equity shares from the aforesaid Stock Exchange.

Approval of the Members is, therefore, being sought by a special resolution for enabling voluntary De-Listing of the Companies Existing Securities from the Delhi, Chennai and Ahmedabad Stock Exchanges in accordance with SEBI Guidelines and Stock Exchange Rules.

De-Listing of the Company's shares from the aforesaid Stock Exchanges would result in administrative convenience and saving in costs on account of listing fees, etc.

The Companies securities will continue to be listed on the Mumbai Stock Exchange. The De-Listing will take effect after all approvals, permission and sanction are received. The proposed De - Listing of the Companies securities from the said Stock Exchange as and when take place, will not adversely effect the investors.

None of the Directors of the Company is in any way concerned or interested in the Resolution. Your Directors/recommend the resolution for your approval.

By order of the Board.

(RAJESH KR. RUSTAGI)
Wholtime Director

Place : New Delhi
Dated : 02.06.2004

DIRECTORS' REPORT

TO THE MEMBERS
GALORE PRINTS INDUSTRIES LIMITED, NEW DELHI
(Formerly Vikas Laminator Limited)

Your Directors have pleasure in presenting the 16th Annual Report together with the Audited Account of the Company for the year ended 31st December, 2003.

FINANCIAL RESULTS	(Rs. in Lacs)	
	Current Year	Previous year
Turnover/other Income	1628.55	1374.21
Gross Profit/(Loss)	(6.21)	27.31
Financial Charges	112.18	128.16
Depreciation	38.53	32.13
Profit/ (Loss) before tax	(156.92)	(132.98)
Income tax paid for earlier year	—	—
Profit/(Loss) brought toward	(659.11)	(526.13)
Transferred from General reserve	—	—
Profit/Loss available for appropriation	(816.03)	(659.11)
APPROPRIATIONS		
Balance Carried to Balance Sheet	(816.03)	(659.11)

CORPORATE OVERVIEW :

Despite general economic slow down and tight liquidity position during the year under review the Company has been able to improve its performance.

During the year under review the turnover of your Company increase from Rs. 1374.21 Lacs to Rs. 1628.55 Lacs. However due to lower margins the loss after tax increase to Rs. 156.92 Lacs as against Rs.132.98 Lacs last year.

The improvement in the performance was mainly due to efficient plant utilization, stringent cost control policy and aggressive marketing strategy.

MANAGEMENT DISCUSSION & ANALYSIS

In this Annual Report, we have attached Management's Discussion and Analysis section that highlights the Company's Industry and Market overview, opportunities/threats, a segmentwise performance, outlook, risk and concerns, adequacy of internal control systems, financial and operational performance as well as issues of human resource and development.

FIXED DEPOSIT

The Company has not accepted any Fixed Deposit from the shareholders and the public during the year under review.

DIVIDEND

Keeping in view the financial figures, your Directors are unable to recommend a dividend for the year ended 31st December, 2003.

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.

- that in the preparation of the annual accounts, for the year ended 31st December, 2003 the applicable accounting standards had been followed alongwith proper explanation relating to material departures.
- that the Directors had selected such accounting policies and applied them consistently and made judgement and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st December, 2003 and of the loss of the Company for the year ended on that date.
- that proper and sufficient care has been taken for the maintenance of adequate accounting

GALORE PRINTS INDUSTRIES LIMITED



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 annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

In consonance with core values of the Company to enhance the wealth of shareholders with commitment to the customers, employees and society, your directors attach much significance to good corporate governance.

A separate section on Corporate Governance and a Certificate from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges, form part of the Annual Report.

DIRECTORS

During the year under review Mr. Vipin Chopra, Mr. Rohit Marwah and Mr. Brijesh Mehtani resigned from the Board and re-appointment of Mr. Mahesh Kr. Rustagi, Managing Director was renewed for the further five years and Mr. Rajesh Kr. Rustagi, retires by rotation during the year and being eligible, offers himself for re-appointment.

AUDITORS

M/s. Ashok Rustagi & Associates, Chartered Accountants, Auditors of the Company retires at the forthcoming Annual General meeting of the Company and are eligible for re-appointment. The Company has not received a certificate to the effect that their appointment, if made, shall be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

AUDITORS' REPORT

The Board comments pursuant to Section 217 (3) of the Companies Act, 1956 on the qualifications made by the Auditors in their Report are as follows:

As regards Point No.3A (i), the Company has already sent the statement of accounts for confirmation/reconciliation to the debtors/creditors. In our opinion there would be no difference.

As regards Point No.3A (ii) and (iii) (a), the matter is sub-judice in the Court of Law.

As regards Point No. 3A (iii) (b), since the Company is in BIFR, the Board is of the opinion that the Company may get waiver of interest/penalty on non payment/delayed payments of statutory dues. Also the Company has not received any demand from the respective authorities so far, hence no provision of interest has been made.

As regards Point No. 3A (iii) (c), as the Company have made provision of DEPB receivable on accrual basis calculating at the rate prescribed by the DGFT, New Delhi.

As regards Point No. 3A (iii) (d), the Company has written off the liability of unpaid creditors/ debtors/ NBFC'S pending with them for more than 3 years. Necessary intimation has already been served on them, hence the liability is written back and no objection has been received so far from them.

As regards Point No. 3A (iv), The net amount payable to the interested parties is Rs. 1,82,12,218.00. The confirmation for transfer of balances was received by us on 1st January, 2004. As regards the commitment charges, the company is paying @ 1% p.m. on the interest free supplies arranged by them which also includes 30 days grace period for payments.

As regards Point No.5, provision for gratuity and leave encashment has been made on same basis as made earlier and no material departure has been made.

As regards Point No. 7(i) (a)&(b), as the fixed assets register has been misplaced and not locatable, the same was not produced before the auditors for the purpose of their audit.

As per Point No. 7(ii) (a)&(b), the stock of finished goods, stores, spares, raw material, packing material been verified every quarterly by the department in-charge and annually by the management.

As regards Point No. 7 (vi), the company has accepted unsecured loans from Directors and various firms to meet the working capital requirement, which was a condition precedent of the Bankers of the Company to implement the rehabilitation proposal. Further the amount received by Company referred above is not a deposit under Section 58A of the Companies Act, 1956 and Rules made there under but the deposit as per the stipulation made by the Bank.

As regards Point No. 7 (vii), as the Company is Sick, the Company could not afford the expenses of internal audit system. Efforts have been made to keep the internal control system healthy by the employees themselves.

As regards Point No. 7 (ix) (a), as the Company is Sick, due to shortage of funds, there may be a delay of depositing the statutory dues like P.F., Sales Tax, Listing Fees, etc. and the same fact has been highlighted while submitting proposal to BIFR and has been taken care of.

As regards Point No. 7 (ix) (b), the qualification is explained in Schedule 18 Notes on Accounts under note 2.

As regards Point No. 7 (xi), as the rehabilitation scheme is pending with UPFC, the Company is awaiting for their order.

As regards Point No. 7 (xv), it has been informed by the principal debtor that they had already submitted their OTS proposal to UPFC to clear their dues and still the company is holding sufficient funds to cover its corporate guarantee.

INDUSTRIAL RELATION

Harmonious industrial climate and inter personal relationship continued to prevail and strengthening further the well established traditions and commitments to the future growth of the employees.

PARTICULARS OF EMPLOYEES AND DISCLOSURE OF INFORMATION

There were no employees drawing remuneration more than the limit prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

DISCLOSURE OF PARTICULARS

In terms of Section 217 (1) (e) of the Companies Act, 1956 and the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 additional information relating to

Conservation of Energy, Technology Absorptions, Foreign Exchange earning and outgo are given in Annexure "A" forming part of this report.

ACKNOWLEDGEMENT

The Board of Directors places on record their sincere thanks to the financial institution, Bank, Government Authorities and all stake holders for their continued co-operation and support to your Company.

By order of the Board

(J. P. RUSTAGI)
Chairman

Place : New Delhi
Dated : 02.06.2004

ANNEXURE 'A' TO DIRECTORS REPORT

(Additional information given in terms of notification issued by the Department of Company Affairs).

A. Conservation of Energy :

- Energy conservation measures taken : The Company has already installed thermic fluid heaters for its printing and lamination machines being an energy conservation device. Further all efforts will be made to conserve and save energy wherever necessary.
- Additional investments and proposal if any, being implemented for reduction of consumption of energy. : Nil
- Impact of the measures at (1) & (2) reduction of energy consumption and consequent impact on the cost of production of goods. : By installing thermic fluid heaters the energy for consumption has reduced substantially as a results cost of production will also come down.
- Total energy consumption and consumption per unit of Production : As per Form -A

B. TECHNOLOGY ABSORPTION : As per Form -B

- Foreign exchange earning and outgo : Particulars of Foreign exchange earning and outgo are given in schedule 18 Notes on Accounts under note. 27 (G).

FORM -A

Disclosure of Particulars with respect to conservation of energy:

A. NIL		
B) Own generation (Through Diesel Generator)		
Units	1734308	1345450
Unit per ltr. of H.S.D/ L.D.O.	2.49	2.49
Cost /Unit (Rs.)	3.59	3.49

FORM - B

Disclosure of particulars with respect to Research and Development (R&D) and Technology absorption :

- Specific areas in which R&D carried out by the Company. : Development of new products for various applications such as flexible packaging materials for packing Mobile Oil, Shampoo, Jucies, Gray Cement etc.
- Benefits derived as a results of the Above R & D. : Additions of valuable clientele.
- Future plan of action. : Continue to develop new products in the field of flexible packaging materials.
- Expenditure of Reasrch and Development :
 - Capital : Nil
 - Recurring : Nil
 - Total : Nil
 - Total R&D expenditure as a percentage of total : N.A.

Technology absorption, adaptation and innovation :

- Efforts, in brief, made towards Technology absorption, adaptation and innovation. : No new technology has been imported.
- Benefits derived as a result of the above effort e.g.product improvement cost reduction, products development, import substitution etc. : Nil
- In case of imported Technology imported during the last five years reckoned from the beginning of the financial year, following information may be furnished:
 - Technology imported
 - Year of import.
 - Has technology been fully absorbed
 - If not fully absorbed, areas where this has not taken place, reasons thereof and future plan of action.