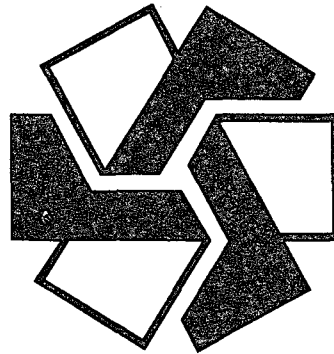


19th Annual Report 2006

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



GALORE PRINTS INDUSTRIES LIMITED

Board of Directors

J.P. Rustagi

Chairman

Mahesh Kr. Rustagi

Managing Director

Rajesh Kr. Rustagi

Director

Auditors

Prem P. Lamba & Co.

Chartered Accountants

E - 43, Hauz Khas,

New Delhi - 110 016

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 - 201 301 (U.P.)

Share Registrar

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

CONTENTS	PAGE NO.
Notice	1
Directors' Report	1-2
Corporate Governance Report	3-4
Auditors' Report	5
Balance Sheet	6
Profit & Loss Account	6
Schedules forming part of Accounts	6-10
Balance Sheet Abstract	11
Cash Flow Statement	11



GALORE PRINTS INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the 19th Annual General Meeting of the Members of GALORE PRINTS INDUSTRIES LIMITED (Formerly VIKAS LAMINATOR LTD.) will be held on Friday, 29th day of June, 2007 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, 2006 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. J. P Rustagi who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint Auditors other than the retiring auditors and fix their remuneration and for that purpose to pass with or without modification (s), the following resolution as an ordinary resolution:
"RESOLVED THAT M/s Prem P. Lamba & Co., Chartered Accountants, New Delhi be and are appointed as the Auditors of the Company, into hold the office of Auditors from the date of this meeting to the conclusion of the next Annual General Meeting of the Company on such remuneration and out of pocket expenses as may be decided by the Board.

SPECIAL BUSINESS

- To consider, and if thought fit, to pas with and without modification (s), the following resolution as an Ordinary Resolution:
RESOLVED THAT pursuant to the provisions of Section 293 (1) (a) and other provisions, if any, of the Companies Act 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to Sell, mortgages or charge all or any part of the immovable or movable properties of the Company, whatsoever situated, both present and future, and whole or party of the undertakings of the Company of any nature and kind whatsoever and/or creating a floating charge in all or any immovable properties of The Company together with the powers to takeover the management of the business and concern of the Company.
RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to negotiate and settle the terms and conditions with the Banks/ Financial Institutions etc. and to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution.

Place : New Delhi
 Date : 25.05.2007

By order of the Board
(MAHESH KR. RUSTAGI)
 Managing Director

By order of the Board
(RAJESH KR. RUSTAGI)
 Director

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.
- The Register of Members and Shares Transfer Books of the Company will remain closed from Thursday, the 27th June, 2007 to Friday, the 29th June, 2007 (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 (2) OF THE COMPANIESACT,1956 TEM NO. 1

M/s R. K. Rustogi & Associates, chartered Accountants, the existing Auditors of the Company has assigned from the office of Auditor of the Company, therefore creating casual vacancy in the office of auditors. The Company has received a notice from the member informing the eligibility signifying is intention to appoint M/s Prem P. Lamba & Co., Chartered Accountants, New Delhi to fill the casual Vacancy.

1.term of the provision of section 225 of the Companies Act, 1956, the Appointment of Auditors in place of existing Auditors of the Company requires the approval of General Meeting by way of rdinary resolution.

one of the directors is concerned or interested in the resolution.

TEM NO. 2

ooking into the requirements of the business activities carried by the Company, it may require dditional funds. Hence, the Board of Directors of the Company should be authorized to borrow oneys from the Banks, Financial Institutions and any other sources. In terms of the provision of ection 293 (1) (a) of the Companies Act, 1956 it is required to provide necessary powers to the oard to sell, lease, mortgage, and/or otherwise dispose off the whole or substantially the whole of e undertakings.

ence, this resolution is proposed as an ordinary resolution for approval of the members. one of the directors is concerned or interested in the resolution.

Place : New Delhi
 Date : 25.05.2007

By order of the Board
(MAHESH KR. RUSTAGI)
 Managing Director

By order of the Board
(RAJESH KR. RUSTAGI)
 Director

DIRECTORS' REPORT

TO THE MEMBERS

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

Your Directors have pleasure in presenting the 19th Annual Report together with the Audited Account of the Company for the year ended 31st December, 2006.

FINANCIAL RESULTS

	(Rs. in Lacs)	
	Current year	Previous year
Turnover /other Income	325.46	715.82
Gross Profit/(Loss)	22.55	34.48
Financial Charges	120.42	112.36
Depreciation	44.27	43.97
Profit/ (Loss) before tax	(142.15)	(121.85)
Profit/(Loss) after tax	(142.69)	(121.95)
Income tax paid for earlier year	-	-
Profit/(Loss) brought toward	(1088.14)	(966.19)
Transferred from General reserve	-	-
Profit/Loss available for appropriation	(1230.83)	(1088.14)
APPROPRIATIONS		
Balance Carried to Balance Sheet	(1230.83)	(1088.14)

CORPORATE OVERVIEW

With the growing competition and aggressive pricing policies, the Company with a not so good liquidity position has not been able to maintain its performance.

During the year under review the turnover of your Company decrease from Rs.715.82 Lacs to Rs.325.46 Lacs. The losses for the company has decreased to Rs.142.69 Lacs as against Rs.121.95 Lacs for the last year.

OUTLOOK FOR EXPORTS

The company is in the process of exploring new markets overseas and hope to achieve new export horizons.

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 segment wise 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 performance yours Directors are unable to recommend a dividend for the year ended 31st December, 2006.

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, 2006 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 estimate 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, 2006 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 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.
- 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

Shri J. P Rustagi, Director of the Company retires by rotation and being eligible, offers himself for re-appointment.

AUDITORS

M/s R.K. Rustogi & Associates, Chartered Accountants, Auditors of the Company has tendered his resignation. So in his place M/s Prem P. Lamba & Co., Chartered Accountants, New Delhi is appointed as the Auditor of the Company at the forthcoming Annual General Meeting. The



GALORE PRINTS INDUSTRIES LIMITED

Meeting. The Company has 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 (iv), 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.

INDUSTRIAL RELATIONS

Harmonious Industrial climate and inter personal relationship continue to prevail and will further strengthen 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

By order of the Board

Place : New Delhi
Date : 25.05.2007

(MAHESH KR. RUSTAGI)
Managing Director

(RAJESH KR. RUSTAGI)
Director

ANNEXURE 'A' TO DIRECTORS REPORT

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

A. Conservation of Energy :

1. Energy conservation measures taken : The Company has already installed thermic fluid heaters for its printing and laminating machines being an energy conservation device. Further all efforts will be made to conserve and save energy wherever necessary.
 2. Additional investments and proposal if any, being implemented for reduction of consumption of energy. : Nil
 3. Impact of the measures at (1) & (2) for reduction of energy consumption and consequent impact on the cost of production of goods. : By installing thermic fluid heaters the energy consumption has reduced substantially as results cost of production will also come down.
 4. Total energy consumption and consumption per unit of Production : As per Form-A
- ### B. TECHNOLOGY ABSORPTION : As per Form-B
- ### C. Foreign exchange earning and outgo : Particulars of Foreign exchange earning and outgo are given in schedule 17 Notes Accounts under note.22 (F) & (G).

FORM-A

Disclosure of Particulars with respect to conservation of energy:

A. NIL		
B) Own generation (Through Diesel Generator)		
Units	116860	18547
Unit per Ltr. of H.S.D/ L.D.O.	2.49	2
Cost /Unit (Rs.)	4.10	3

FORM-B

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

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

Technology absorption, adaptation and innovation :

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