

ELEVENTH ANNUAL REPORT

2002-2003



**GUJARAT
CONTAINERS
LIMITED**

GUJARAT CONTAINERS LIMITED

| | | |
|------------------------------------|---|---|
| BOARD OF DIRECTORS | : | SHRI KIRAN SHAH Chairman & Managing Director |
| | : | SHRI PRAVIN SHAH Whole - Time Director |
| | : | SHRI C. S. SHAH Director. |
| | : | SHRI WILLINGDON CHRISTIAN Director. |
| COMPANY SECRETARY | : | SHRI N. D. SHAH BARODA. |
| AUDITORS | : | V. K. SHASTRI & Co. Chartered Accountants 37, Divya Housing Complex, Gotri Road, BARODA 390 020. |
| BANKERS | : | State Bank of India Industrial Finance Branch Marble Arch, Race Course BARODA |
| CORPORATE OFFICE | : | 201-202, Alkapuri Arcade, "B" Wing, R.C. Dutt Road, Opp. Welcome Hotel BARODA 390 005. |
| REGISTERED OFFICE AND WORKS | : | Plot No. 488/489-P, Baroda-Savli Highway, Village : Tundav, Tal. Savli, Dist. Baroda. |

GUJARAT CONTAINERS LIMITED**NOTICE**

NOTICE is hereby given that the ELEVENTH ANNUAL GENERAL MEETING of the members of the Company will be held at 5.30 PM. on Saturday, the 27th September, 2003 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, 2003 and the Profit & Loss Account for the year ended on that date and the Directors and Auditors' Report thereon.
2. To appoint a Director in place of Shri C. S. Shah who retire by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

Special Business :

4. To consider and if thought fit, to pass with or without modification, the following resolution as SPECIAL RESOLUTION :

"RESOLVED THAT the consent of the company be and is hereby given to the Board of Directors of the Company to delist the equity shares in the company from the stock Exchange, Vadodara and Jaipur after complying with the necessary procedures for voluntary delisting prescribed by the Securities and Exchange Board of India, the concerned Stock exchange and other Authorities, if any."

Date : 30th June, 2003

By Order of the Board

Regd Office :

PLOT NO. 488/489-P

BARODA-SAVLI HIGHWAY

VILLAGE : TUNDAV, TAL. SAVLI,

DIST : BARODA.

(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 from Tuesday, the 23rd September, 2003 to Saturday, the 27th September, 2003 (both days inclusive).
6. Explanatory statement pursuant to section 173 of the Companies Act, 1956 is annexed herewith

Explanatory statement pursuant to section 173 of the Companies Act, 1956

ITEM NO. 1 :

Equity shares of your company were listed in Vadodara, Mumbai, Jaipur and Ahmedabad Stock Exchanges in 1993 with the intention to have liquidity to the investors at various places. However, since last few years shares of your company have not been traded/not been traded frequently at Vadodara and Jaipur stock exchange. Your Directors have, therefore, decided to delist the share of your company from the Vadodara and Jaipur Stock Exchange as per the Guidelines issued by the Securities and Exchange Board of India and the concerned Stock Exchange. However, the equity shares listed at Mumbai Stock Exchange will continue to be listed to provide liquidity to the investors. Your Directors recommend the above resolution as special resolution.

None of the Directors are concerned or interested, directly or indirectly in the above resolution.

GUJARAT CONTAINERS LIMITED**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting their Eleventh Annual Report and Audited Accounts of the Company for the year ending 31st March, 2003.

| FINANCIAL RESULTS : (Rs. in Lacs) | 2002-2003 | 2001-2002 |
|---|------------------|------------------|
| Sales and other income | 1172.02 | 927.45 |
| Profit before Interest, Depreciation | 83.68 | 119.55 |
| Interest | 68.77 | 74.74 |
| Depreciation | — | 31.08 |
| Provision for Taxation | 4.95 | 2.40 |
| Net Profit. | 9.96 | 11.33 |
| Balance brought Forward from previous Year. | 172.65 | 176.57 |
| LESS : | | |
| Differred tax adjustment of past years | 7.39 | 15.25 |
| Balance Carried to Balance Sheet | 175.22 | 172.65 |

DIVIDEND :

Your Directors do not recommend any dividend for the year ended 31st March, 2003 to Plough back the fund.

INSURANCE :

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

FIXED DEPOSIT :

The Company has not accepted any deposit from the public and as such there are no outstanding deposits in terms of Companies (Acceptance of Deposits) Rules, 1975.

PARTICULARS OF EMPLOYEES :

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

DIRECTORS :

Shri C. S. Shah retires from office by rotation, under Article 150 of the Articles of Association of the Company and being eligible, offers himself for reappointment.

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.

DIRECTORS' RESPONSIBILITY STATEMENT :

Your Board states that :

- (i) in the preparation of the annual accounts for the year ended on 31st March, 2003, the applicable accounting standards had been followed and there had been no material departures from the said standards.
- (ii) the directors had selected such accounting policies and applied them consistently and made judgements 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, 2003 and of the profits of the company for the year ended on that 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 had prepared the annual accounts for the year ended on 31st March, 2003 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.

PARTICULARS 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, 2003 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 and for their dedication and loyalty.

For and on behalf of the Board,

Place : Baroda.

(KIRAN SHAH)

Date : 30th June, 2003

CHAIRMAN & MANAGING DIRECTOR

ANNEXURE "A"**FORMING PART OF THE DIRECTORS' REPORT :**

Information in accordance with the Companies (Disclosure of particular in the report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2003.

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 of consumption in 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 thereof.

- N.A.-

B. TECHNOLOGY ABSORPTION :

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 Gross Turnover NIL
 - Net Turnover NIL

II. TECHNOLOGY ABSORPTION, ADAPTION & INNOVATION :

1. Efforts, in brief, made towards technology absorption, adaption and innovation : NIL
2. Benefits derived as a result of the above efforts : NIL
3. Technology Imported : NIL

C. FOREIGN EXCHANGE EARNING AND OUTGO : 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 3rd 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, 2003 :

The Board comprised of Directors. Of whom One is Managing Director, one is 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'02 to 31st March '2003 :

| Name of the Director | Status |
|--------------------------|--------------------------------|
| Mr. Kiran Shah | Chairman cum Managing Director |
| Mr. Pravin Shah | Executive Director |
| Mr. Willingdon Christian | Non-Executive Director |
| Mr.C. S. Shah | Non -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, 2002 to 31st March, 2003 the Board of Directors met on the following dates :

| Sr.No. | Date | Board Strength | No.of Directors present |
|--------|----------|----------------|-------------------------|
| 1. | 20/5/02 | 4 | 4 |
| 2. | 30/6/02 | 4 | 3 |
| 3. | 31/7/02 | 4 | 4 |
| 4. | 31/10/02 | 4 | 4 |
| 5. | 31/01/03 | 4 | 4 |

II. Attendance of Directors :

| Name of the Directors | No. of Boards Meetings held | No. of Boards Meetings Attendance | Attendance at the last annual general meetings | No. of Directorship in the other Boards as on 31st March' 03 | No. of Membership in the other Board Committees as on 31st March '03 |
|-----------------------|-----------------------------|-----------------------------------|--|--|--|
| Kiran Shah | 4 | 4 | Present | | Nil |
| Pravin Shah | 4 | 4 | Present | | 2 |
| Willingdon Christian | 4 | 4 | Absent | Nil | 3 |
| C.S.Shah | 4 | 3 | Absent | Nil | 2 |

2. Committees of Directors :

Non-Executive Directors, provide guidance to to operating management on policy matters as well as in the monitoring actions of operating management. This involvement is formalized through constitution of designated committess of the Board. The Committees are intended to provide regular exchange of information and ideas between the Non - executive Directors and the operating management.

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

[A] Audit Committee :

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

Name of Director

1. Mr. Pravin Shah
2. Mr. Willingdon Christian
3. Mr. C.S. Shah

Status

Executive Director
Non - Executive Director
Non - Executive Director

Audit Committee meeting was held on 30th June, 2003 and

[B] Remuneration Committee :

- I. Remuneration Committee comprised of the following Non-Executive Director and Non-Executive Independent Directors of the Board :

Name of Director

1. Mr. Willingdon Christian
2. Mr. C.S. Shah

Status

Non-Executive Director
Non - 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, 2003 :

| Name of Director | | Salary | Perquisites | Total |
|------------------|--------------------|------------|-------------|------------|
| Kiran Shah | Managing Director | 3,00,000/- | 75,000/- | 3,75,000/- |
| Pravin Shah | Executive Director | 2,22,000/- | 16,667/- | 2,38,667/- |

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 |
|----------------------|---------------------|------------------------|
| Shri Kiran Shah | 01st April 2002 | 31st March 2007 |
| Shri Pravin Shah | 01st April 2002 | 31st March 2007 |

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 to compensation as per section 318 of the Companies Act.

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 Non-Executive Director and Non-Executive Director, reviewing Shareholder's complaints and resolution thereof.

Name of Director

1. Mr. Pravin Shah
2. Mr. Willingdon Christian

Status

Executive Director
Non-Executive Director

No Shareholders / Investors' Grievances Committee Meeting was held during the year ended 31st March 2003 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.