

# **Sixteenth Annual Report**

**2007-2008**



**GUJARAT  
CONTAINERS  
LIMITED**

## **GUJARAT CONTAINERS LIMITED**

### **FOURTEENTH ANNUAL REPORT 2007 - 2008**

<b>BOARD OF DIRECTORS</b>	<b>: Shri Kiran Shah</b> Chairman & Managing Director
	<b>: Shri Pravin Shah</b> Whole-Time Director
	<b>: Shri C. S. Shah</b> Director
	<b>: Shri Abjee Patel</b> Director
<b>AUDITORS</b>	<b>: V. K. Shastri &amp; Co.</b> 37, Divya Housing Complex, Near, E. S. I. Hospital, Gotri Road, BARODA - 390 021.
<b>BANKERS</b>	<b>: State Bank of India</b> Industrial Fianance Branch Marble Arch, Race Course BARODA.
<b>CORPORATE OFFICE</b>	<b>: 201-202, Alkapuri Arcade, "B" Wing,</b> R. C. Dutt Road, Opp. Welcome Hotel, BARODA - 390 005.
<b>REGISTERED OFFICE AND WORKS</b>	<b>: Plot No. 488 / 489 - P,</b> Baroda - Savli Highway, Village : Tundav, Tal. Savli, Dist. Baroda.

## GUJARAT CONTAINERS LIMITED

### NOTICE

NOTICE is hereby given that the SIXTEENTH ANNUAL GENERAL MEETING of the members of the Company will be held at 5.30 P.M. on Tuesday, the 30th September, 2008 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, 2008 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 Pravin 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 pursuant to Section 314 of the Companies Act, 1956 be and is hereby given to the appointment of Miss Neha Shah, Marketing Manager on a remuneration not exceeding Rs. 45,000 per month as may be decided by the Board of Directors from time to time".

Date : 30.06.2008

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 Monday, the 29th Sept., 2008 to Tuesday the 30th Sept., 2008 (both days inclusive).

Explanatory statement pursuant to Section 173 of the Companies Act, 1956 is annexed herewith

Item No. : 4

Miss Neha Shah is M. S. (Electronic) has been appointed as Marketing Manager from 1st October 2005 on a remuneration of Rs. 18000/- P. M. She is relative of Mr. Kiran Shah M. D. Consent of the company by special resolution is required under section 314 of the Companies Act, 1956 for the increase of her salary.

The Board of Directors recommend the above resolution as special resolution.

None of the Directors of the company except Mr. Kiran Shah are directly or indirectly concerned or interested in the above resolution.



## GUJARAT CONTAINERS LIMITED DIRECTORS' REPORT

**Dear Shareholders,**

Your Directors have pleasure in presenting their Sixteenth Annual Report and Audited Accounts of the Company for the year ending 31st March, 2008.

<b>FINANCIAL RESULTS : (Rs. in Lacs)</b>	<b>2007-08</b>	<b>2006-07</b>
Sales and Other Income.	2782.88	2129.86
Profit before Interest & Depreciation	139.72	156.00
Interest	77.94	64.66
Depreciation	47.39	65.99
Provision for Taxation	3.17	4.41
Net Profit	(11.22)	20.94
Balance Brought Forward for Previous	163.59	142.65
Less :		
Balance Carried to Balance Sheet	174.81	163.59

### **DIVIDEND :**

Your Directors do not recommend any dividend for the year ended 31st March, 2006 to plough back the fund.

### **INSURANCE :**

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

### **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.

### **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 other Companies Act, 1956 from the auditors to effect that their appointments 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.

**DIRECTOR'S RESPONSIBILITY STATEMENT :**

Your Board States that

- i) In the preparation of the annual accounts for the year ended on 31st March, 2008 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, 2008 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 have prepared the annual accounts for the year ended on 31st March, 2008 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's Report for the Year ended 31st March, 2006 is given in Annexure "A" of this Report.

**ACKNOWLEDGMENT :**

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 : 30 / 06 / 08

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 thereof.

--- 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
 

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
- (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 31st 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, 2008

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 '07 to 31st March '08.

Name of the Director	Status
Mr. Kiran Shah	Chairman cum Managing Director
Mr. Pravin Shah	Executive Director
Mr. Abjee Patel	Independent 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, 2007 to 31st March, 2008 the Board of Directors met on the following dates :

Sr. No.	Date	Board Strength	No. of Directors present
1	30-04-07	4	3
2	31-07-07	4	3
3	31-10-07	4	3
4	30-01-08	4	3
5	12-02-08	4	3
6	31-03-08	4	3

#### II) Attendance of Directors :

Name	No. of Board Meetings held	No. of Board Meetings Attended	Attendance at the last annual general meeting as on 31st March 2006	No. of Directorship in the other Boards	No. of Membership in other Board Committees as on March'2006
Kiran Shah	6	6	Present	NIL	NIL
Pravin Shah	6	6	Present	NIL	3
C. S. Shah	6	NIL	Absent	NIL	NIL
Abjee Patel	6	6	Absebt	NIL	3

**2) Committees of Directors :**

Non - Executive Directors, provide guidance to operating management on policy matters as well as in the monitoring actions of operating management. This involvement is formalized through constitution of designated committees 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 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. Abhjee Patel	Executive Director

Audit Committee meeting was held on 31-10-2008 and 30-06-2008

**(B) Remuneration Committee :**

I Remuneration Committee comprised of the following Non-Executive Directors of the Board :

Name of the Director	Status
Mr. Abjee Patel	Independent Executive Director
Mr. Praavin 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 :**

- To recommend and review remuneration package of Managing Director / Executive Directors and Company Secretary of the Company.
- 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, 2008.



## GUJARAT CONTAINERS LIMITED

Name of the Director	Salary	Perquisites	Total
Mr. Kiran Shah Managing Director	7,20,000	3,61,855	10,81,855
Mr. Pravin Shah Executive Director	3,12,024	1,74,712	4,86,736
Mr Abjee Patel Executive Director	6,00,000	---	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	31st March 2012
Mr. Pravin Shah	01st April 2007	31st March 2012
Mr Abjee Patel	01st Dec' 2004	30th Nov' 2009

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 2008 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.