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GUJARAT CONTAINERS LIMITED
DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their Seventeenth Annual Report and Audited Accounts of the Company for the year ending 31st March, 2009.

FINANCIAL RESULTS : (Rs. in Lacs)	2008-09	2007-08
Sales and Other income	2470.81	2432.82
Profit before Interest & Depreciation	236.69	139.72
Interest	124.21	77.94
Depreciation	36.76	47.39
Provision for Taxation	1.70	3.17
Net Profit	73.97	11.22
Less : Exceptional Item	242.21	NIL
Prior Period		
Balance Brought Forward form Previous Year	174.81	163.59
Balance Carried to Balance Sheet	6.57	174.81

DIVIDEND :
Your Directors do not recommend any dividend for the year ended 31st March, 2009 to plough back the fund.

DIRECTORS :
Shri Abjee Patel wholetime Director retires by rotation and elisible offers himself for re-appointment.

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

PARTICULARS OF EMPLOYEES :
The particulars of the employees 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 Accontants, 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.

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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, 2009 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, 2009 and the profits of the company for the year ended on the 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 irrigularities.

iv) The directors have prepared the annual accounts for the year ended on 31st March, 2009 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.

PERTICULARS 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, 2009 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 Companny at all levels for their dedication and loyalty.

For and on behalf of the Board,

Place : Baroda
Date : 30/06/2009

(KIRAN SHAH)
Chairman & Managing Director

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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. CONSERVETION 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 therefor.

   – N. A. –

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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) Recuring	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

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   – N. A. –

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(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) Recuring	NIL
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	2. Benefits derived as a result of the above efforts :	NIL
(III)	Technology imported :	NIL

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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 31 st 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, 2009

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 08 to 31st March '09

Name of the Director	Status
Mr. Kiran Shah	Chairman cum Managing Director
Mr. Pravin Shah	Executive Director
Mr. Abjee Patel	Indipendent Executive Director
Mr. C.S. Shah	Non Executive Director
Mr. C.S. Shah	Resigned as Director w.e.f. 1-2-2009

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, 2008 to 31st March, 2009 the Board of Directors met on the following dates:

Sr. No.	Date	Board Strength	No. of Directors present
1	30-6-08	4	3
2	26-7-08	4	3
3	24-10-08	4	3
4	30-1-09	4	3
5	16-2-09	4	3

II) Attendance of Directors :

Name	No. of Board Meetings held	No. of Board Meetings Attended	Attendance at the last annual general meeting	No.of Directorship in the other Board as on 31st March'2009	No.of Membership in other Board Committees as on March'2009
Kiran Shah	5	5	Present	NIL	NIL
Pravin Shah	5	5	Present	NIL	3
C. S. Shah	5	NIL	Absent	NIL	NIL
Abjee Patel	5	5	Absent	NIL	3

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2) Committees of Directors:

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. Abjee Patel	Executive Director

Audit Committee meeting was held on 24-10-2008 and 30-06-2009

(B) Remuneration Committee :

I) Remuneration Committee comprised of the following Executive Directors of the Board:

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

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, 2009

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Name of the Director	Status
Mr. Kiran Shah	Chairman cum Managing Director
Mr. Pravin Shah	Executive Director
Mr. Abjee Patel	Indipendent Executive Director
Mr. C.S. Shah	Non Executive Director
Mr. C.S. Shah	Resigned as Director w.e.f. 1-2-2009

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 :

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2	26-7-08	4	3
3	24-10-08	4	3
4	30-1-09	4	3
5	16-2-09	4	3

II) Attendance of Directors :

Name	No. of Board Meetings held	No. of Board Meetings Attended	Attendance at the last annual general meeting	No.of Directorship in the other Board as on 31st March'2009	No.of Membership in other Board Committees as on March'2009
Kiran Shah	5	5	Present	NIL	NIL
Pravin Shah	5	5	Present	NIL	3
C. S. Shah	5	NIL	Absent	NIL	NIL
Abjee Patel	5	5	Absent	NIL	3

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Name of the Director		Salary	Perquisites	Total
Mr. Kiran Shah	Managing Director	7,20,000	3,74,342	10,94,342
Mr. Pravin Shah	Executive Director	3,12,024	1,77,815	4,89,839
Mr. Abjee Patel	Executive Director	6,00,000	NIL	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	31 st 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 2009 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.

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AGM	Day and Date	Time
13th AGM	Saturday 24th Sept.05	5.30 p.m.
14th AGM	Saturday 23rd Dec. '06	5.30 p.m.
15th AGM	Friday 28th Sept. 07	5.30 p.m.
16th AGM	Tuesday 30th Sept. 08	5.30 p.m.

(B) Whether special resolutions were put through postal ballot last year? NO
Generally all the resolutions in the General Body Meetings are passed through show of hands.

(C) Details of resolutions passed through Postal Ballot : NIL

(D) Area proposed to be conducted through postal ballot and procedure ?
The Company proposed to pass resolution of General Body Meetings through postal ballot paper and follow the procedure given under the Companies Act 1956.

(5) Disclosure:

(A) Disclosures on material significant related party transactions i.e. Transaction of the Company of material nature, with its promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large:

a) Managerial Remuneration including perks Rs. 10,94,342/- is paid to Shri Kiran Shah Managing Director and Rs. 4,89,839/- to Shri Pravin Shah, Executive Director & Shri Abjee Patel Rs. 6,00,000/-.

b) The Company has hired residential accommodation owned by Mrs. Geeta Shah a relative of Mr. Kiran Shah. The Company paid rent Rs. 3,00,000/- from April '08 to March '09.

c) The Company has availed transport services for inward and outward of Materials of M/S. G.K. Roadlines, proprietor, Mrs. Geeta Shah a relative of Mr. Kiran Shah of total value of Rs. 45,18,820/-

d) The Company has hired residential accommodation owned by Mrs. Jigna P. Shah a relative of Mr. Pravin H. Shah. The Company has paid rent of Rs. 1,61,200/- in a year.

e) The Company has paid salary of Rs. 2,34,000/- to Miss Neha Shah, Marketing Manager a relative of Mr. Kiran Shah.

f) The Company has paid salary of Rs. 1,91,976/- to Mr. Neil Shah. Plant in charge a relative of Mr. Kiran Shah.

B) Details of non-compliance by the Company, penalties, structure imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years : NO

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6) Means of Communication:

A) Quarterly / Half yearly Financial results of the company are forwarded to the Stock Exchange, Mumbai, Jaipur and Vadodara, where the shares of the Company are listed Further, the same is published in English and Gujarati news papers.

Half yearly reports are not sent to each household of Shareholders as the results of the company are published in the newspapers.

B) Company has not made any presentations to any institutional investors / analyst during the period.

C) All items required to be covered in the Management Discussion & Analysis have been included in the Directors' Report to Members.

7) General Shareholders information :

a)	Annual General Meetings Day and Date Time Venue	:	17th Annual General Meeting Wednesday the 30th September '2009 5=30 p.m. Plot No. 488, Baroda-Savli Highway, Village-Tundav, Tal.-Savli, Dist. Baroda. Gujarat
b)	Financial Calender 1st April'09 to 31st March'2010 :		1st Quarterly Result - July 2009 2nd Quarterly Result - Oct '2009 3rd Quarterly Result - Jan '2010 4th Quarterly Result 30th April '2010 Audited result in the month of June'2010
c)	Registered Office	:	Plot No. 488, Baroda-Savli Highway, Village-Tundav, Tal.-Savli, Dist. Baroda. Gujarat
d)	Listing on Stock Exchange	:	The Stock Exchange, Mumbai PHIROZE JEEJEEBHOY TOWERS, Dalal Street, Mumbai-400 023. Tel.: 022-22721234

The Company has already applied for delisting of its shares at the Ahmedabad Stock Exchange in 1998 and Vadodara Stock Exchange in 2003. However the same has not been delisted by the Ahmedabad Stock Exchange & Vadodara Stock Exchange.

(E) Stock Code :
The Stock Exchange, Mumbai
Listing fees for the year 2008-2009 have been paid to the Stock Exchange, Mumbai and Vadodara.

(F) Market Price data:
The equity shares of the company are not traded at The Stock Exchange, Mumbai.

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