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GUJARAT INJECT (KERALA) LIMITED

PAMPAMPALLAM (P.O), PALAKKAD -25

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14th Annual Report
2004-2005

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BOARD OF DIRECTORS

Ms. Dwipa Y. Mankodi - Director
Smt. Ila Y. Mankodi - Director
Ms. Ami Y. Mankodi - Director

FACTORY & REGISTERED OFFICE

Pampampallam, Pudussery East
Palakkad-678 625
Kerala State

AUDITORS

M/s. Krishnamoorthy & Krishnamoorthy
Charted Accountants
XXX VI/ 170, T.D. Road
Cochin 682 011

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NOTICE :

Notice is hereby given that the 14th Annual General Meeting of the members of Gujarat Inject (Kerala) Limited will be held on Thursday 22nd December 2005 at 11.00 a.m., at the Registered Office of the company at Pampampallam, Pudussery East, Dist.Palakkad - 678 625 to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 30th June, 2005 and the Profit and Loss Account of the Company for the year ended on that date along with the Reports of Auditors and Directors thereon.

2. To appoint a director in place of Ms.Ami Y. Mankodi who retired by rotation and being eligible offers herself for reappointment

3. To appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

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NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.

   The proxy in order to be effective, must be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Annual General Meeting

2. The register of members and the Share Transfer Books of the company will remain closed from 27th December 2005 to 29 th December 2005(both days inclusive) in terms of section 154 of the Companies Act, 1956.

3. The members are requested to :

   a) Intimate to the Company, changes if any, in their registered address at the earliest.

   b) Intimate about consolidation/clubbing of different folios into one, if share holdings are under multiple folios. The members must submit all share certificate for this purpose. The folios will be clubbed and then the Share Certificate shall be returned after suitable endorsement.

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c) To bring copies of Annual Reports and the Attendance slip duly filled in with them at the Annual General Meeting.

4. Shareholders seeking any information with regard to Accounts are requested to write to the Company at least seven days before the 14th Annual General Meeting, so as to easeable to the management to keep the information ready.

5. Relevancy of question and order of speaking at the meeting will be decided by the Chairman.

By order of the Board of Directors of
GUJARAT INJECT (KERALA) LIMITED

Sd/-
Dwipa Y Mankod(Director)

Palakkad
01.11.2005

DIRECTORS REPORT :

To

The Members

Your Directors have pleasure in presenting the 14th Annual Report of the company and Audited Statement of Accounts for the year ended 30th June, 2005.

FINANCIAL RESULTS :	Current year from July.2004 June 2005 (Rs. in lacs)	Previous year from July.2003 to June '2004 (Rs. in lacs)
Profit/Loss before Depreciation & Tax	(-)167.49	(-)161.59
Less : Depreciation	47.75	47.53
Less : Provision for Income tax for earlier year	.....	.....
(Profit /Loss) : for the year	(-)215.25	(-)209.12
Add (Less) : Profit/Loss brought forward from previous year	(-)2100.94	(-)1891.82
Balance carried to Balance Sheet	(-)2316.19	(-)2100.94

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DIVIDEND :

Since the company has not made profits during the year, your Directors do not recommend any Dividend for the financial year ended 30th June, 2005.

REVIEW OF WORKINGS & OPERATIONS :

The year under review was better with respect to the plant capacity utilization achieved at 85% of the installed capacity .We have added one more Bottle pack Machine supplied by M/s. Fresenious Kabi (India) Pvt.Ltd., Pune for production of I.V.Fluids in 100 ml bottles. The production started in the month of April 2005 and the full revenue impact of addition will be available only in the current financial year ending June 2006.

We are also negotiating with Financial Institutions for settlement of dues and restructuring the debt.

The BIFR & DRT matter is under adjudication with the appropriate Courts.

FIXED DEPOSITS :

In terms of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules 1975, we report that your Company has not accepted or renewed Fixed Deposit during the year under review.

INSURANCE :

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

PARTICULARS OF EMPLOYEES :

As regards the details of remuneration paid to employees as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1988 as amended, it is submitted that there was no employee in the Company drawing remuneration above the specified limit of salary.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

Information pursuant to section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure A to the Report and forms part of the same.

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AUDITORS' REPORT :

The notes forming part of the accounts are self-explanatory and do not call for any further clarifications under section 217(3) of the Companies Act, 1956.

NOTE NO. 09

During the year 97-98 promoters had decided to infuse funds by way of equity capital to tied over the financial difficulties. Accordingly the authorized capital has been enhanced by Rs. 2 Crores in the EGM. But, on sudden demise of the main Promoter Sri. Y.R. Mankodi they could not able to proceed the matter further.

AUDITORS :

M/s. Krishnamoorthy & Krishnamoorthy, Chartered Accountants, retiring auditors hold office upto the ensuing Annual General Meeting and are eligible for reappointment. They have submitted a certificate for their eligibility for reappointment under Section 224 (1B) of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT.

Pursuant to section 217(2AA) of the Companies Act, 1956,the Directors confirm the following in respect of the audited accounts for the period ended 30th June 2005.

1.That in the preparation of the annual accounts, the applicable accounting standards have been followed.

2.That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state affairs of the company at the end of the financial year and the profit/loss of the company for that period.

3.That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act,1956 safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

4. That the Directors have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS :

Your Directors gratefully acknowledge the support and service rendered to the Company by KSIDC, Bankers, Financial Institutions, Government Authorities, Shareholders and Associates.

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Your Directors also gratefully acknowledge the spirit and dedication of the employees, who have in their untiring efforts to improve and strengthen the working of the Company.

By the order of the Board of Directors of

Registered Office :

GUJARAT INJECT (KERALA) LIMITED

Pampampallam Village
Pudussery East
Dist. Palghat (Kerala)
Palghat - 678 625.

Sd/-
Dwipa Y Mankodi
(Director)

Palakkad
01.11.2005

ANNEXURE "A" TO THE DIRECTORS REPORT :

Information regarding conservation of energy, technology absorption and foreign exchange earnings and outgo required to be furnished pursuant to the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules 1988 and forming part of the Directors Report for the year ended 30th June, 2005.

A. CONSERVATION OF ENERGY

a. Energy conservation measures taken :
Stringent standards for conservation of energy are enforced in the entire plant. Leakage of steam is minimized by making all the pipelines leak proof.

b. Additional investment and proposals, if any, being implemented for reduction of consumption of energy

c. Impact of the measures at (a) and (b) above for reduction of energy consumption consequent impact on the cost of Production of goods :
Measures taken for minimizing leakage of steam have resulted into maintaining the cost of steam at minimum level

d. Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure in respect of industries specified in the Schedule thereto .
Details of total energy consumption and energy consumption per unit of production are given in Form-A hereunder :

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B. TECHNOLOGY ABSORPTION :

Efforts make in technology absorption as Form - B :
The relevant information is given in Form-B hereunder.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

1.	Exports	:	Nil
2.	Foreign exchange used and earned	:	Nil

FORM - A
Form for disclosure of particulars with respect to energy

A. POWER AND FUEL CONSUMPTION

		2004/05	2003/04
1.	Electricity		
	a. Purchased Units	974472	871576
	Total Amt (Rs.)	3941434	3569592
	Rate/Unit (Rs.)	4.05	4.10
	b. Own Generation		
	(i) Through Diesel Generator	78683	68947
	(ii) Through steam Turbine/Generator	Nil	Nil
2.	Coal (Specify quality and where used	Nil	Nil
3.	Furnace Oil		
	Qty. (K.Ltrs)	262891	241594
	Total Amt.(Rs.)	4166949	3629882
	Average Rate (Rs.)	15.85	15.03
4.	Other / Internal Generation	Nil	Nil

B. CONSUMPTION PER UNIT OF PRODUCTION

		Standard (if any)	Current (year)	Previous (year)
	Production (with details) Units			
(i)	IV solution in disposable plastic containers	—	6007605	5946989
(ii)	Haemodialysis concentrate jars	—	—	Nil
(iii)	Electricity	Per Unit of	0.66	0.60
(IV)	Solution			
	Furnace Oil	- do -	0.69	0.61
	Coal (specify Qty)	—	—	Nil
	Others (specify Qty)	—	—	Nil

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FORM - B

For disclosure of particulars with respect to absorption, research and development

1. Specify areas in which R&D carried out by the company :
2. Benefits as a result of the above R&D: The company is facing severe cash crunch and no plan of putting up a research & development Unit and therefore no information is available in reply of these points (1 to 4)
3. Future Plan of Action :
4. Expenditure on R&D
   a. Capital :
   b. Recurring :
   c. Total :
   d. Total R&D expenditure as a percentage of total turnover :

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts in brief, made towards technology absorption, adaptation and innovation :
   The Company has been employing latest technology as used in the European countries for manufacture of intravenous transfusion fluids.

2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.,

   As the time span is short since the Company started commercial production, no information is available regarding the above.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished:

   (a) Technology import :

   (b) Years of import :

   (c) Has technology been fully absorbed ? : Not applicable as the Company has not been using imported technology

   (d) If not fully absorbed, areas where this has not taken place, reasons thereof and any future plans of action :

For and on behalf of the Board of Directors of
GUJARAT INJECT (KERALA) LIMITED

Sd/-
Dwipa Y Mankodi
(Director)

Palakkad
01.11.2005

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REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Corporate Governance

The Company firmly believes in and has consistently endeavoured to practice good Corporate Governance.The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, professionalism and accountability, in all faces of its operation, and in all its interactions with its stake holders, including shareholders, employees, the government and lenders. The Company will endeavour to improve on these aspects on ongoing basis.

2. Board of Directors

The Board of Directors consists of Three Directors

1. Ms. Dwipa Y. Mankodi - Promotors Director
2. Smt. Ila Y. Mankodi - Promotors Director
3. Ms. Ami Y. Mankodi - Promotors Director

3. Number of Board Meetings held and the date on which held

Six Board Meetings were held during the year. The dates on which the meetings were held are as follows:

1. 30th July , 2004
2. 29th October 2004
3. 31 st January 2005
4. 28th April 2005

The maximum time gap between any two meetings was not more than four calendar months.

4.Audit Committee

Terms of reference of Audit Committee is as per the recommended term referred in Clause 49(II)(D) of the listing Agreement viz. To review, the Statutory Auditors Report on the financial statements, to generally interact with the statutory Auditors, to review weakness in internal controls, to select and establish accounting policies and to review financial statement before submission to Board.

During the year under review, four Meetings of the Audit Committee were held dates being 30th July.2004, 29th October 2004 ,31st January 2005 & 28th April. 2005.

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