

GUJARAT TOOLROOM LIMITED

17th

GTL

ANNUAL
REPORT

1999-2000

BOARD OF DIRECTORS

Shri Saurabh N. Kinariwal

Chairman & Managing Director

Shri Samveg A. Lalbhai

Dr. M. N. Vora

Shri G. S. Davar

Shri Natverlal P. Kinariwala

Shri Suresh S. Jain

Executive Director

Smt. Shreya S. Kinariwala

(Alternate to Shri G. S. Davar)

AUDITORS

C. R. Shreedalal & Co.

Chartered Accountants

Ahmedabad - 380 009

BANKERS

Union Bank of India

Ahmedabad

REGISTERED OFFICE & WORKS

37 - B, Phase - 1, G. I. D. C. Vatva

Ahmedabad - 382 445, India

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Email : kinari@icenet.netInternet : www.kinariwala.comReport  junction.com**17TH ANNUAL GENERAL MEETING**

Date : 16th September, 2000

Day : Saturday

Time : 9.30 a.m.

Place : 37-B, Phase -1, G. I. D. C.,
Vatva, Ahmedabad - 382 445**CONTENTS****PAGE NO.**

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NOTICE

NOTICE is hereby given that the 17th Annual General Meeting of the Members of Gujarat Toolroom Limited will be held on Saturday, the 16th day of September, 2000 at 9.30 a.m. at the Registered Office of the Company situated at Plot No. 37-B, Phase-1, G.I.D.C., Vatva, Ahmedabad - 382 445 to transact the following business :

ORDINARY BUSINESS :

- (1) To receive, consider and adopt the Audited Balance-Sheet as at 31st March, 2000 and the Profit & Loss Account for the year ended on that date together with Directors' and Auditors' reports thereon.
- (2) To appoint a Director in place of Shri Samveg A. Lalbhai, who retires by rotation and being eligible, offers himself for re-appointment.
- (3) To appoint a Director in place of Dr. G. S. Davar, who retires by rotation and being eligible, offers himself for re-appointment.
- (4) To re-appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

- (5) To consider and, if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution :

" RESOLVED THAT pursuant to section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the re-appointment of Mr. Suresh S. Jain, as an Executive Director of the company for a period of 5 years with effect from 17th November, 2000, on the following terms and conditions :

- (1) The re-appointment shall be for a period of 5 years with effect from 17th November, 2000.
- (2) He will be entitled to a monthly remuneration of Rs. 15,000/- (Rupees Fifteen Thousand Only) in the range of Rs. 15,000/- to Rs. 30,000/- as may be decided by the Board of Directors of the Company from time to time. The above remuneration shall be inclusive of any House Rent Allowance, Leave Travel Concession, Medical Reimbursement, Medi-claim Insurance Premium, if any, availed by him or paid by the Company on his behalf, during the year.
- (3) Company's Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these singly or put together are not taxable under the Income-Tax Act.
- (4) Gratuity shall be payable as per Rules of the Company in accordance with the Approved Gratuity Fund and which shall not exceed half a month's salary for each completed year of service.

"RESOLVED FURTHER THAT if in any Financial year during the currency of the tenure of the office of Shri Suresh S. Jain, the Company has no profits or its profits are inadequate, the Company shall pay the afore said remuneration including salary, perquisites and other allowances as minimum remuneration."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary or expedient to give effect to this resolution including the variations, if, any, in the said agreement, subject to necessary permissions."

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 ON A POLL ONLY AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- (2) Members / Proxies should bring the attendance slip duly filled in alongwith them for attending the Meeting.
- (3) Proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not later than 48 hours before commencement of the Meeting.
- (4) The Register of Members and Share Transfer Books of the Company will remain closed from 6th September, 2000 to 16th September, 2000 (both days inclusive).
- (5) Members are requested to notify immediately change in their address to the Company at its Registered Office at Plot No. 37-B, Phase-1, G.I.D.C., Vatva, Ahmedabad-382 445.

ANNEXURE TO NOTICE**Item No. 5**

Mr. Suresh S. Jain was appointed as an Executive director of the Company for a Period 5 years with effect from 17th November, 1995. The tenure of his appointment as Executive Director of the Company is coming to an end on 16th November, 2000. Keeping in mind his experience and expertise, the Board of Directors of the Company at its meeting held on 28th June, 2000, approved his re-appointment as an Executive Director of the Company for a period of 5 Years with effect from 17th November, 2000. subject to approval of members in general meeting.

The agreement proposed to be entered into by the Company with Shri Suresh S. Jain in respect of his appointment is available for inspection at the Registered office of the Company on any working day between 11.00 a.m. and 1.00 p.m.

None of the Directors except Mr. Suresh S. Jain is, in any way, concerned or interested in the said resolution.

By order of the Board of Directors

SAURABH N. KINARIWALA

Chairman & Managing Director

PLACE : AHMEDABAD

DATE : JUNE 28, 2000

DIRECTORS' REPORT

To,
The Members

Your Directors present herewith their 17th Annual Report and the Audited Account of the Company for the year ended 31st March, 2000.

FINANCIAL RESULTS :

	(Rs. in Lacs)	
	1999-2000	1998-99
Sales	105.01	87.77
Other Income	.18	5.79
Total Income	105.19	93.56
Less : Expenses	86.60	78.13
Operating Profit	18.59	15.43
Less : Interest	14.00	14.95
Depreciation	19.06	19.52
Profit / (Loss) before Tax	(14.47)	(19.04)
Less : Taxation for the year	NIL	NIL
Provision for Taxation in respect of earlier years	0.35	1.90
Net Profit / (Loss) after Tax	(14.82)	(20.94)
Balance B/F	93.79	114.73
Balance carried to Balance-Sheet	78.97	93.79

OPERATIONS :

During the year under review, the sales has increased from Rs. 87.77 lacs in the previous year to Rs. 105.01 lacs, registering a growth of 19.6%. After providing for interest of Rs. 14.00 lacs (Previous year Rs. 14.95 Lacs) Depreciation of Rs. 19.06 Lacs (Previous year Rs. 19.52 Lacs), amortisation of Rs. 2.10 Lacs (Previous year Rs. 2.10 Lacs) and tax provision of earlier years Rs. 0.35 Lacs (Previous year Rs. 1.90 Lacs), your Company has suffered a loss of Rs. 14.82 Lacs (Rs. 20.94 Lacs). your Directors express their inability to recommend any dividend for the year under review, in view of the losses that the company has suffered.

The Company continues to be adversely affected due to continuance of recession in the economy. The demand for the products in which your Company is operating is now showing some signs of improvement.

OUTLOOK :

Business conditions are becoming highly volatile and uncertain. However due to concentration into few business segment your company has been able to increase the sale.

The strategy adopted by your Company is to concentrate only on few sectors like Writing Instruments, caps and Closures, Medical Disposable and Micro Drip Irrigation, The Company is emerging as a solution provider in these sectors and not simply mould supplier. This will enable the company to setup strong know-how base in these sectors. To further improve the technology to satisfy customers in these segments, your company is also seeking strategic alliances, which will result into acquisition of higher technology. Your company will focus on high cavitation, high performance, and high technology moulds, This will set it apart from other mould makers, thus giving a clear competitive advantage.

During the year, your company has developed for the first time in India a fully hot runner system for multi cavity moulds. While the performance of system is comparable to that of imported systems, the cost of the system is considerably lower than that imported system. Your company will emerge as a supplier of hot runner system in near future.

During the year, your company has developed for the first time in India child resistance closure which finds wide application in pharmaceutical and other markets.

During the year, your company has also developed flip top cap moulds and also moulds with automatic unscrewing mechanism for the first time.

During the year, your company has also started supply of moulded components to some of the customers. This is a step forward in the value chain. In future your company plans to concentrate on such orders which allow manufacture of moulds and supply of production.

Your company is continuing to strive for strengthening the technology base. This will eventually enable the management to increase share holders value.

DIRECTORS :

Shri Samveg A. Lalbhai and Shri G. S. Davar directors of the Company retire from the Board by rotation in accordance with the provisions of Article No. 22(b) of the Articles of Association of the Company and being eligible, offer themselves for re-appointment. The Board recommends re-appointments of the aforesaid directors.

FIXED DEPOSIT :

The Company has not accepted any deposit coming under purview of the provisions of section 58(A) of the Companies Act, 1956, read with the Companies (Acceptance of Deposits) Rules, 1975, as amended.

AUDITORS :

M/s. C. R. Shredalal & Co. Chartered Accountants, Ahmedabad, the Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment. Your Directors recommend their re-appointment. The Auditors have also furnished a certificate to the effect that their re-appointment, if made, will be within the limits specified in sub-section (1B) of Section 224 of the Companies Act, 1956.

AUDITORS' REPORT :

The Auditors' Report and Notes on Accounts are self-explanatory and hence no further explanation is necessary.

PERSONNEL :

During the year, employee-employer relations continued to be cordial. Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended by the Companies (Amendment) Act, 1988 is NIL as no employee is in receipt of remuneration exceeding the limits specified in the said section.

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

The details of conservation of energy, technology absorption and foreign exchange earnings and outgo as required under 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 are annexed hereto as Annexure-1.

LISTING OF EQUITY SHARES :

The equity shares of the Company are listed at Ahmedabad and Mumbai Stock Exchanges and the Company has paid annual listing fee to each of the above Stock Exchange for the year 2000-2001.

ACKNOWLEDGEMENT :

Your Directors wish to place on record their appreciation of the devoted services of all employees during the year.

Your Directors also acknowledge with thanks the co-operation and support extended by Union Bank of India, and various Government Departments. Your Directors thank customers for the confidence reposed.

For and on behalf of the Board of Directors

SAURABH N. KINARIWALA

PLACE : AHMEDABAD *Chairman & Managing Director*

DATE : JUNE 28, 2000

ANNEXURE - 'A'**ANNEXURE TO DIRECTORS' REPORT****(A) CONSERVATION OF ENERGY :****Power and Fuel Consumption :**

	<u>1999-2000</u>	<u>1998-99</u>
(1) Electricity :		
(a) Purchased		
Unit	72960	115594
Total Amount (Rs.)	363568	499908
Rate/Unit (Rs.)	4.98	4.48
(b) Own Generation	NIL	NIL
Unit	3149	1513
Total Amount (Rs.)	18735	8926
Rate/Unit (Rs.)	5.95	5.90
(2) Coal	NIL	NIL
(3) Furnace Oil	NIL	NIL
(4) L. P. G.	NIL	NIL

(a) Energy conservation measures taken :

The Company is using electricity and Diesel Generator. However, the Company has arranged for regular maintenance of drive motors and control gear equipment to get optimum efficiency.

(b) Additional investment and proposal, if any, being implemented for reduction of consumption of energy : NIL**(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and cost of production of goods :**

The cost of electricity in total production cost is very negligible; and hence no impact will be visible.