

VYAPAR INDUSTRIES LTD.

ANNUAL GENERAL MEETING

Date : September 29, 2003

Day : Monday

Time : 3.00 p.m.

Place: 145, S.V. Road,
Khar (W),
Mumbai - 400 052

BOARD OF DIRECTORS

MR. HUSSAIN A. RASSAI *Chairman*

MR. AKEEL A. RASSAI *Director*

MRS. SAKINA A. RASSAI *Director*

BANKERS

HDFC Bank
Vysya Bank

AUDITORS

Kantawala & Co.
Chartered Accountants
Mumbai.

REGISTERED OFFICE

145, S.V. Road,
Khar (W),
Mumbai - 400 052

EQUITY SHARES ARE LISTED ON :

Bombay Stock Exchange

Certified True Copy
FOR VYAPAR INDUSTRIES LTD.
Sakina
DIRECTOR

NOTICE

NOTICE is hereby given that the **Eighteenth Annual General Meeting** of the members of **VYAPAR INDUSTRIES LIMITED** will be held at 145, S.V. Road, Khar (W), Mumbai - 400 052 on Monday, September 29, 2003 at 3.00 p.m to transact the following business :

ORDINARY BUSINESS :

- 1) To receive, consider and adopt the Audited Balance Sheet as at March 31, 2003 and Profit & Loss Account for the year ended on that date together with the Auditors' and Directors' Report.
- 2) To consider and approve dividend on equity shares.
- 3) To appoint a Director in place of Mrs. Sakina Rassai who retires by rotation and being eligible offers himself for reappointment.
- 4) To appoint auditors to hold office from the conclusion on this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

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 SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- 2) The instrument appointing a proxy in order to be effective, should be duly completed, stamped and signed, and must be deposited at the Registered Office of the Company not less than 48 hours before the time of the Meeting.
- 3) Members are requested to bring their copies of the Annual Report to the Meeting. Members/proxies attending the Meeting should bring the Attendance Slip, duly filled, for handing over at the venue of the meeting.
- 4) Members are requested to advise immediately change in their address, if any, quoting their Folio number(s) to the company.

For and on behalf of the Board


Hussain A. Rassai
Chairman

Registered Office:
145, S.V. Road,
Khar (W),
Mumbai-400 052

Place: Mumbai
Dated: August 20, 2003

DIRECTORS REPORT

To
The Members

The Directors hereby present the 18th Annual Report of the Company together with the audited statements of accounts for the year ended 31st March 2003.

FINANCIAL RESULTS:

	Year ended 31st March 2003 (Rs.)	Year ended 31st March 2002 (Rs.)
<u>Income</u>		
Yarn Sales	10,56,07,314	6,25,000
Software Sales	1,26,62,292	Nil
<u>Expenditure</u>		
Purchases	10,32,05,445	4,00,000
Software Development Exp	23,53,800	—
Administrative Exp.	39,12,703	1,84,055
Depreciation	23,788	—
Profit Before Tax	1,08,37,493	40,945
<u>Provision for Taxes</u>		
Current	7,29,000	Nil
Deferred	20,000	Nil
Profit after tax	1,00,88,493	40,945
Addition to Fixed Assets	7,43,920	Nil
<u>Appropriations</u>		
General Reserves	53,00,000	Nil
Proposed Dividend	1,20,000	Nil
Corporate Dividend Tax	15,375	Nil

DIVIDEND :

Your Directors are pleased to recommend a dividend of 5 % on 2,40,000 Equity shares of Rs. 10/- each for the year 2002-03. The dividend will absorb a sum of Rs. 1,20,000.

OPERATIONS :

The year 2002-03 of the Company's Operation has seen the company achieve a post tax profit of Rs.1,00,88,493/- as compared to Rs. 40,945/- in the previous year. The Company did considerable well in the Yarn Sales as well as Software sales which achieved a turnover of Rs. 10,56,07,314/- and Rs. 1,26,62,292 respectively for the year under review.

CURRENT YEAR.

Barring unforeseen circumstances, the prospects for the current year are highly encouraging,

CHANGE OF NAME OF THE COMPANY

The name of the Company has been changed from Bhagwan Investments and Trades Ltd. to Vyapar Holdings Ltd. and a fresh Certificate of Incorporation dated August 28, 2002 was obtained from the Registrar of Companies, Maharashtra, incorporating the new name.

Subsequently the name of the company was further changed from Vyapar Holdings Ltd. to Vyapar Industries Ltd. and a fresh Certificate of Incorporation dated July 11, 2003 has been obtained from the Registrar of Companies, Maharashtra, incorporating the new name

CHANGE OF REGISTERED OFFICE OF THE COMPANY

The registered office of the Company has been changed from Todi Estate, Sunmill Compound, Lower Parel, Mumbai 400 013 to 145, S.V. Road, Abbas Manzil, Khar (w), Mumbai - 400 052.

PARTICULARS OF EMPLOYEES :

The particulars of the employees under the provision of section 217 (2A) of the Companies Act, 1956 are not given as no employees was in receipt of remuneration exceeding Rs.24,00,000/- p.a. , if employed for the full year or Rs. 2,00,000/-p.m. if employed for part of the year.

DIRECTOR

Mr.Nathamal Todi, Mr. Babulal Todi, Mr. Motilal Todi and Mr.Jagdish Todi resigned from the Directorship of the Company on June 15, 2002. The Board of Directors desires to place on record their appreciation for the efforts put in by the aforesaid directors.

The Board of Directors of the Company at its meeting held on June 15, 2002 appointed Mr. Hussain A. Rassai, Mr. Akeel A. Rassai and Mrs. Sakina A. Rassai as additional Directors. They were then appointed as Directors, subject to retirement by rotation, at the Annual General Meeting held on September 30, 2002.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Mrs. Sakina A. Rassai retires by rotation and being eligible has offered herself for reappointment.

AUDITORS AND AUDITORS REPORT :

M/s. Kantawala & Co., Chartered Accountants, retires as auditors of the company and have given their consent for reappointment. The Shareholders will be required to elect auditors for the current year and fix their remuneration.

As required under the provision of Section 224 of the Companies Act, 1956 the Company has obtained written certificate from the above auditors proposed to be reappointed to the effect that their reappointment, if made, would be in conformity with the limits specified in the said section.

With regard to the Auditors observations, the same have been duly explained in the notes, hence does not require any further clarifications.

SECRETARIAL COMPLIANCE CERTIFICATE:

The secretarial compliance certificate issued pursuant to sub-section 383A of the Companies Act 1956 read with Rule 3 of Companies (Compliance Certificate) Rules, 2001) is attached herewith.

PARTICULARS ON CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Information as regard to a) Conservation of Energy b) and technology absorption is not applicable to our company as the company gets it processing done on job work.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956 the Board of Directors hereby state:

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
2. That the directors had selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and

prudent so as to give a true and fare view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.

3. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the directors had prepared the annual accounts on a going concern basis.

HUMAN RESOURCES

Your Company enjoys cordial relations with its employees. The key focus of your Company is to attract, retain and develop talent. The Board wishes to place on record its appreciation of the contributions made by all employees ensuring high levels of performance and growth during the year.

FOREIGN EXCHANGE

Foreign exchange earned during the period under consideration was Rs 7,57,66,963/-

Foreign exchange expenditure incurred during the year accounted to Rs 6,21,57,373/-

APPRECIATION

Your Directors wish to place gratitude and appreciation for the devoted service of the staff of the company and would also like to place on record their gratitude to the company's bankers for their continuous support.

For and on behalf of the Board of Directors of
VYAPAR INDUSTRIES LIMITED.



HUSSAIN A. RASSAI
CHAIRMAN

Place : MUMBAI
Dated : August 20, 2003

MARTINHO FERRAO & ASSOCIATES

Company Secretaries

501-B, SEBASTIAN APARTMENTS, KEVANI, JOGESHWARI (WEST), MUMBAI - 400 102
TEL : 2679 2241. 2207 1791 E-MAIL : mferraocs@yahoo.com

SECRETARIAL COMPLIANCE CERTIFICATE

(see sub-section 383A of the Companies Act 1956 read with Rule 3 of Companies (Compliance Certificate) Rule, 2001)

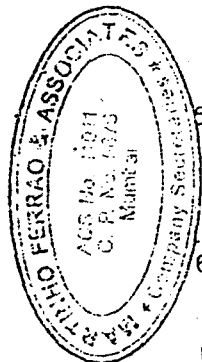
The Members

VYAPAR INDUSTRIES LTD.

145, S.V. Road,
Mumbai - 400 052.

I have examined the registers, records, books and papers of VYAPAR INDUSTRIES LTD. (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on March 31, 2003. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year :

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The status of the Company being public limited, comments are not required.
4. The Board of Directors duly met 7 (seven) times on April 30, 2002, June 15, 2002, July 01, 2002, July 31, 2002, October 31, 2002, December 13, 2002 and January 30, 2003 respectively, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed and the Minutes Book maintained for the purpose.
5. the company closed its Register of Members from Saturday, September 28, 2002 to Monday, September 30, 2002 (both days inclusive) for taking record of the members of the Company and necessary compliance of Section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on March 31, 2002 was held on September 30, 2002 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.



For VYAPAR INDUSTRIES LTD.

DIRECTOR

7. 2 (two) Extra Ordinary Meeting(s) were held on August 01, 2002, August 08, 2002 during the financial year after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
8. The company has not advanced loan to its directors and/or persons or firms or companies referred in the Section 295 of the Act, during the financial year under review.
9. The company has not entered into any contract attracting the provisions of Section 297 of the Act in respect of contracts specified in that section.
10. The company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act the Company was not required to obtain any approval from the Board of Directors, members and Central Government, during the financial year under review.
12. The Board of Directors has not issued duplicate share certificates during the financial year under review.
13. The Company has:
- (i) during the year not allotted or issued any shares or other securities: The Company has delivered all the certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act;
 - (ii) not declared dividend for the year 2001-02 and hence was not required to deposit any amount as unpaid dividend in a separate Bank account. The Company has declared a dividend of 5% on the equity shares of the Company for the financial year 2002-03. This dividend is payable to the shareholders after approval of the members at the Annual General Meeting to be held in September, 2003
 - (iii) N.A.
 - (iv) no amount to be transferred into the Investor Education & Protection Fund in respect of unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years.
 - (iv) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted and appointments of 3 additional Directors were made on June 15, 2002 in compliance with the provisions of the Act. There was no appointment of



alternate directors and directors to fill casual vacancies, during the financial year under review.

15. The appointment of Whole-time Director has been made in compliance with the provisions of Section 269 read with Schedule XIII to the Act.
16. The Company has not appointed any sole-selling agents during the financial year under review.
17. As explained to me, the Company was not required to obtain any approvals from the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act during the financial year under review.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The company has not issued and allotted any equity shares/debentures/other securities during the financial year.
20. The company has not bought back any shares during the financial year ending 31st March, 2003.
21. Since the company has no preference shares/debentures, the company was therefore not required to redeem any preference share/debentures during the year under review.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has not invited/accepted any deposits including any unsecured loans falling within the purview of the provisions of Section 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 during the year under review.
24. The amount borrowed by the company from banks during the financial year under review is within borrowing limits of the company.
25. The company has not made any loans or advances or investments or provided securities to other bodies corporate during the year under review.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.



27. the company has altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny and complied with provisions of the Act.
28. the company has altered the provisions of the memorandum with respect to name of the company during the year under scrutiny and complied with the provisions of the Act.
29. the company has altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny and complied with the provisions of the Act.
30. the company has altered its articles of association after obtaining approval of members in the Extra ordinary general meeting held on August 01, 2002 and the amendments to the articles of association have been duly registered with the Registrar of Companies.
31. There were no prosecution initiated against or show cause notices received by the company for alleged offences under the Act and also the fines and penalties or any other punishment imposed on the company during the financial year under review.
32. The company has not received any money as security from its employees during the year under review.
33. The company was not required to deposit any contribution towards Provident Fund with as required under the provisions of Section 418 of the Act during the financial year under review.



For MARTINHO FERRAO & ASSOCIATES
COMPANY SECRETARIES

[Signature]
MARTINHO FERRAO
PROPRIETOR
C.P. No. 5576

Place : Mumbai
Dated : August 20, 2003