



VYAPAR INDUSTRIES LIMITED

**19th ANNUAL REPORT
2003 - 2004**

Nineteenth Annual Report



VYAPAR INDUSTRIES LIMITED
Annual Report 2003 -2004

BOARD OF DIRECTORS

Mr. Abbas A. Rassai	-	Chairman
Mr. Hussain A. Rassai	-	Executive Director
Mrs. Sakina A. Rassai	-	Executive Director

AUDITORS

Kantawala & Co.
Chartered Accountants, Mumbai.

BANKERS

HDFC Bank Ltd
IDBI Bank Ltd
Punjab National Bank
State Bank of India

REGISTERED OFFICE

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

EQUITY SHARES ARE LISTED ON

Bombay Stock Exchange

REGISTER AND SHARE TRANSFER AGENT

Bigshare Services Private Limited
E - 2/3, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (West), Mumbai - 400 072

DATE

September 30, 2004

DAY

Thursday

TIME

3.00 p.m.



VYAPAR INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the 19th Annual General Meeting of the members of VYAPAR INDUSTRIES LIMITED will be held at 145, S.V. Road, Khar (W), Mumbai - 400 052 on Thursday, September 30, 2004 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, 2004 and Profit & Loss Account for the year ended on that date together with the Auditors', Directors' Report and Compliance Certificate issued by Company Secretary in Whole time Practice.
2. To consider and approve dividend on equity shares.
3. To appoint a Director in place of Mr. Hussain A 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.

SPECIAL BUSINESS

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

"RESOLVED THAT Mr. Abbas A. Rassai, who was appointed as a Director of the company to fill in the casual vacancy caused by the resignation of Mr. Akeel A. Rassai pursuant to Section 262 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice under section 257 of the Companies, Act 1956, in writing, proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company subject to retirement by rotation under the Articles of Association of the Company".

"RESOLVED FURTHER THAT in accordance with the provision of Section 198, 269 and 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force, the consent of the Company be and is hereby accorded to the appointment of Mr. Abbas A Rassai as a s designated as Chairman of the Company, for a period of 5 (five) years with effect from July 1, 2004 on a remuneration of Rs. 10,000/- per month (all inclusive) with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and/or remuneration so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modification(s) or re-enactment thereof, for the time being in force or any amendments and/or modification(s) that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Mr. Abbas A Rassai."

"RESOLVED FURTHER THAT where in any financial year after March 31, 2004, the Company has no profits or its profits are inadequate, the Company do pay to Mr. Abbas A Rassai remuneration by way of salary, perquisites and allowances not exceeding the

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ceiling limit specified under Section II of Part II of Schedule XIII to the Companies Act, 1956".

6. To consider and thought fit, to pass, with or without modification (s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT in accordance with the provision of Section 198, 269 and 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force, the consent of the Company be and is hereby accorded to the appointment of Mr. Hussain A Rassai as a whole time Director designated as Executive Director of the Company, for a period of 5 (five) years with effect from July 1, 2004 on a remuneration of Rs. 10,000/- per month (all inclusive) with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and/or remuneration so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modification(s) or re-enactment thereof, for the time being in force or any amendments and/or modification(s) that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Mr. Hussain A Rassai."

"RESOLVED FURTHER THAT where in any financial year after March 31, 2004, the Company has no profits or its profits are inadequate, the Company do pay to Mr. Hussain A Rassai remuneration by way of salary, perquisites and allowances not exceeding the ceiling limit specified under Section II of Part II of Schedule XIII to the Companies Act, 1956".

7. To consider and thought fit, to pass, with or without modification (s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT in accordance with the provision of Section 198, 269 and 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force, the consent of the Company be and is hereby accorded to the appointment of Mr. Sakina A Rassai as a Whole time Director, designated as Executive Director of the Company, for a period of 5(five) years with effect from July 1, 2004 on a remuneration of Rs. 10,000/- per month (all inclusive) with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment and/or remuneration so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modification(s) or re-enactment thereof, for the time being in force or any amendments and/or modification(s) that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Mrs. Sakina A Rassai."

"RESOLVED FURTHER THAT where in any financial year after March 31, 2004, the Company has no profits or its profits are inadequate, the Company do pay to Mrs Sakina A Rassai remuneration by way of salary, perquisites and allowances not exceeding the ceiling limit specified under Section II of Part II of Schedule XIII to the Companies Act, 1956".

**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.
5. The Explanatory Statement as required under section 173 (2) of the Companies Act, 1956, in respect of item No. 5 to 7 of the notice convening the Meeting is annexed hereto.
6. The Register of Members and Shares Transfer Books of the Company will remain closed from Thursday September 23, 2004 to Thursday September 30, 2004 (both days inclusive)
7. The dividend on equity shares, if declared at the meeting, will be paid on or after October 5, 2004 to those members, whose names will appear on the Register of Members of the Company/ statement of beneficial ownership maintained by the Depositories as on close of business hours on Wednesday September 22, 2004

For and on behalf of the Board

Abbas A. Rassai
Chairman

Registered Office:

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

Mumbai
August 18, 2004



**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2)
OF THE COMPANIES ACT, 1956.**

ITEM NO. 5 (Ordinary Resolution)

The Board of Directors of the Company at its meeting held on October 09, 2003 appointed Mr. Abbas A. Rassai as Director in the casual vacancy caused by the resignation of Mr. Akeel A. Rassai

Mr. Abbas A. Rassai, holds office as Director upto the date of this Annual General Meeting.

As required under Section 257 of the said Act, notice has been received from some members signifying their intention to propose Mr. Abbas A. Rassai as candidate for the office of Director of the company.

The Board of Directors at its meeting held on July 30, 2004 appointed Mr. Abbas A. Rassai, as Whole Time Director designated as Chairman pursuant to the provisions contained in the Articles of Association of the company under Section 198, 269, 309 of the Companies Act, 1956.

As required under Section 257 of the said Act, notice has been received from some members signifying their intention to propose Mr. Abbas A. Rassai as candidate for the office of Director of the company.

Mr. Abbas A. Rassai overlooks the entire business operations of the Company. Over the past years he has developed many contacts with reputed international firms and organisations, he has been very successful in increasing business as well as profitability of the Company he has been associated with. These contacts have become useful for understanding the trend and potentiality of the Company's products in the international market and mainly, marketing the company's products.

The Board considers it desirable that the company should receive the benefit of his advice and guidance as a Director of the company.

The above may be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

Your Directors commend the resolution for your approval. Mr. Abbas A. Rassai is deemed to be concerned or interested in the resolution as it is pertains to his appointment and remuneration payable to him.

Since Mr. Hussain A. Rassai and Mrs. Sakina A. Rassai are related to Mr. Abbas A. Rassai, they may be deemed to be interested in this appointment.

No other Director has any interest in the above appointment.

ITEM NO. 6 (Ordinary Resolution)

The Board of Directors at its meeting held on July 30, 2004 appointed Mr. Hussain A. Rassai, as whole time director designated as executive director pursuant to the provisions contained in the Articles of Association of the company under Section 198, 269, 309 of the Companies Act, 1956.

As required under Section 257 of the said Act, notice has been received from some members signifying their intention to propose Mr. Hussain A. Rassai as candidate for the office of Executive Director of the company.



Mr. Hussain A. Rassai is a Bachelor of Architecture. He has worked as a student architect for Jhaveri & Associates, Mumbai. He has undertaken projects of residential and Interiors while working as an architect for F A Baker and Associates, Mumbai. He has also undertaken projects of Community, residential, commercial township, Interior designing. Besides, he has completed a diploma in Computer programming from the Indo German Cultural Society. He has been entrusted with the responsibility of looking after the productions of the Company. The Board considers it desirable that the company should receive the benefit of his advice and guidance as a Director of the company.

The above may be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

Your Directors commend the resolution for your approval. Mr. Hussain A. Rassai is deemed to be concerned or interested in the resolution as it is pertains to his appointment and remuneration payable to him.

Since Mr. Abbas A. Rassai and Mrs. Sakina A. Rassai are related to Mr. Hussain A. Rassai, they may be deemed to be interested in this appointment.

No other Director has any interest in the above appointment.

ITEM NO. 7 (Ordinary Resolution)

The Board of Directors at its meeting held on July 30, 2004 appointed Mrs. Sakina A. Rassai, as wholetime Director designated as Executive Director pursuant to the provisions contained in the Articles of Association of the company under Section 198, 269, 309 of the Companies Act, 1956.

As required under Section 257 of the said Act, notice has been received from some members signifying their intention to propose Mrs. Sakina A. Rassai as candidate for the office of Director of the company.

Mrs. Sakina A. Rassai is a Bachelor of Science securing a first class from Mumbai University. She has completed a Software appreciation course from Informatics Computer. Over the past years she has gained rich experience in the Computer enabled services. She has also been entrusted the responsibility of office administration of the Company, in addition to Business development. The Board considers it desirable that the company should receive the benefit of his advice and guidance as a Director of the company.

The above may be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

Your Directors commend the resolution for your approval. Mrs. Sakina A. Rassai is deemed to be concerned or interested in the resolution as it is pertains to her appointment and remuneration payable to her.

Since Mr. Abbas A. Rassai and Mrs. Hussain A. Rassai are related to Mrs. Sakina A. Rassai, they may be deemed to be interested in this appointment.

No other Director has any interest in the above appointment.

For and on behalf of the Board

Abbas A. Rassai
Chairman

Registered Office:
145, S.V. Road, Khar (W),
Mumbai-400 052
Mumbai
August 18, 2004

Nineteenth Annual Report**DIRECTORS REPORT**

To
The Members

The Directors hereby present the 19th Annual Report of the Company together with the audited statements of accounts for the year ended March 31, 2004.

FINANCIAL RESULTS:

(Fig in Rs.)

Particulars	Year ended March 31, 2004	Year ended March 31, 2003
Sales	6,48,07,353	11,82,69,606
Other Income	12,85,747	3,80,084
Total Expenditure	7,30,45,365	10,94,71,948
Depreciation	2,15,425	23,788
Profit before Tax	33,17,760	1,08,37,493
Provision for Taxes		
a) Current	9,93,000	7,29,000
b) Deferred	24,727	20,000
Profit after Taxes	23,00,033	1,00,88,493
Appropriation		
a) Bonus Shares	43,00,000	--
b) General Reserves	11,00,000	53,00,000
c) Proposed Dividend	1,20,000	1,20,000
d) Corporate Dividend Tax	15,375	15,375

DIVIDEND :

The Board of Directors of the Company has declared and paid a dividend of 1% on 12,00,000 Equity shares of Rs. 10/- each for the year 2003-04. The dividend will absorb a sum of Rs. 1,20,000/-

CAPITAL:

The Company on October 09, 2003 issued and allotted, 9,60,000 equity shares of Rs. 10/- each as Bonus Shares to the members of the Company in the ratio of 4 (four) new fully paid-up equity shares of Rs. 10/- each for every 1 (one) equity share of Rs. 10/- each held in the Company.

OPERATIONS:

During the year under review the Sales turnover of the Company dropped to 6,48,07,353 from Rs.11,82,69,606 in the previous year. The year saw a market of stiff competition from various Companies. The company's response to these pressures was to consolidate and strengthen its marketing network, deliver quality products and cost wherever possible. The results for the year under review bear a witness to the effort of the Board in an environment of



stiff competition. However the percentage of net profit was much higher than the last year. The Profit before tax for the year was Rs. 33,17,760 & the post tax profits was Rs. 23,00,033.

Your directors are hopeful of better results for the company in the current year.

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. Hussain A. Rassai, Director of the Company retires at the ensuing Annual General meeting and being eligible offers himself for reappointment.

The Board of Directors of the Company at its meeting held on June 15, 2002 appointed Mr. Abbas A. Rassai, Mr. Hussain A. Rassai and Mrs. Sakina A. Rassai as wholetime Directors of the Company subject to the approval of the members at the forthcoming Annual General Meeting. Mr. Akeel A. Rassai resigned from the Directorship of the Company. The Board of Directors desires to place on record their appreciation for the efforts put in by his during his tenure as a Director of the Company.

AUDITORS AND AUDITORS REPORT :

M/s. Kantawalla & Co., Chartered Accountants, retire as auditors of the Company at the ensuing Annual General Meeting and offer themselves for reappointment With regard to the Auditors observations, the same have been duly explained in the notes, hence does not require any further clarifications.

DIRECTORS RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors Responsibility Statement, it is hereby confirmed:

- i) that in the preparation of the Annual Accounts for the year ended March 31, 2004, the applicable Accounting Standards have been followed alongwith proper explanation relating to material departures.
- ii) that the Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a fair view of the state of affairs of the Company at the year ended March 31, 2004 and of the profit of the Company for that period.
- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the Company and for preventing fraud and other irregularities.
- iv) that the Directors had prepared the Annual Accounts for the year ended March 31, 2004 on a going concern basis.