

— **Wyapar** Industries Ltd... A legacy spun out of THREADS —



20th Annual Report 2004-2005





Twentieth Annual Report

VYAPAR INDUSTRIES LIMITED

ANNUAL REPORT (2004-2005)

BOARD OF DIRECTORS

Abbas A. Rassai	-	Chairman
Hussain A. Rassai	-	Executive Director
Sakina A. Rassai	-	Executive Director
Ramesh Lalwaney	-	Director
M. Bharmal	-	Director
Parvez M. Master	-	Director

COMPANY SECRETARY

Srabani Saha

AUDITORS

Kantawala & Co.
Chartered Accountants, Mumbai

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EQUITY SHARES ARE LISTED ON

Bombay Stock Exchange

REGISTER AND SHARE TRANSFER AGENT

BIGSHARE SERVICES PRIVATE LIMITED.

A, 2/3 Ansa Industrial Estate,
Sakivihar, Sakinaka,
Andheri (East), Mumbai – 400 072.

DATE OF AGM

June 30, 2005

DAY

Thursday

TIME

3.00 p.m


VYAPAR INDUSTRIES LIMITED
NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of the members of VYAPAR INDUSTRIES LIMITED will be held at 145, S.V. Road, Khar (West), Mumbai - 400 052 on Thursday, June 30, 2005 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, 2005 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 Mr. Hussain 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, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. RAMESH LALWANNEY who was appointed as an Additional Director at the meeting of the Board of Directors held on March 9, 2005 and who holds office as such upto the date of this Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. RAMESH LALWANNEY as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT Mr. M. BHARMAL who was appointed as an Additional Director at the meeting of the Board of Directors held on March 9, 2005 and who holds office as such upto the date of this Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. M. BHARMAL as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT Mr. PARVEZ MASTER who was appointed as an Additional Director at the meeting of the Board of Directors held on May 6, 2005 and who holds office as such upto the date of this Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr.



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PARVEZ MASTER as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special resolution:

"RESOLVED THAT pursuant to the provisions of section 163 of the Companies Act, 1956, the Company hereby approves that the register of members, the index of members, the register and index of debenture holders, if any or any one or more of them, be kept at the company's registrar & Transfer Agents office situated at A2/3, Ansa Industrial Estate, Sakivihar, Sakinaka, Andheri [East], Mumbai-400 072, instead of being kept at the registered office of the Company.

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

"RESOLVED THAT consent of the Company be and is hereby accorded pursuant to section 293 (1) (d) of the Companies Act, 1956 to the Board of Directors of the Company for borrowing from time to time, any sum or sums of money upon such terms and conditions and with or without security as the Board of Directors may in its discretion think fit, notwithstanding that the money or monies to be so borrowed by the Company (apart from the temporary loans obtained or to be obtained from time to time from the Company's bankers in the ordinary course of business) together with the sums already borrowed may exceed the aggregate of the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purposes, provided however that the sums so borrowed and remaining outstanding on account of principal shall not, at any time exceed Rs.100 Crores (Rupees One Hundred Crore only)."

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

"RESOLVED THAT, the consent of the Company be and is hereby accorded in terms of section 293 (1) (a) and other applicable provisions, if any of the Companies Act, 1956 for mortgaging and/or creating a charge by the Board of Directors of the Company, whether paripassu with the existing charges or not of all the movable or immovable properties of the Company wherever situated, present or future to or in favour of any Banks or financial institutions to secure any amount borrowed from them or debentures together with interest due thereon upon a maximum limit not exceeding Rs. 100 Crores (Rupees One Hundred Crores only) on terms and conditions as may be suitable to the Board of Directors and further that, the Board be and is hereby authorised to execute the documents for creation of such mortgage and/or charge with them."

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.

**VYAPAR INDUSTRIES LIMITED**

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's Registrar & Share transfer agent.
5. The Explanatory Statement as required under section 173 (2) of the Companies Act, 1956, in respect of item No. 5 to 10 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 Friday, June 24, 2005 to Thursday, June 30, 2005 (both days inclusive)
7. The dividend on equity shares, if declared at the meeting, will be paid on or after July 05, 2005 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, June 30, 2005.

For and on behalf of the Board

Abbas A. Rassai
Chairman

Registered Office:

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

Mumbai
May 6, 2005



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

ITEM NO. 5 (Ordinary Resolution)

Mr. Ramesh Lalwaney was appointed as an additional Director of the Company with effect from March 9, 2005. By virtue of the provisions of Section 260 of the Companies Act, 1956, read with Article 110 of the Articles of Association of the Company, Mr. Ramesh Lalwaney would hold office only upto the date of the ensuing Annual General Meeting.

The Company has received notice from a member under Section 257 of the Companies Act, 1956, with requisite deposit proposing the name of Mr. Ramesh Lalwaney as a candidate for the office of Director of the Company.

Mr. Ramesh Lalwaney is Bachelor of Science and has done his P.G.D.B.A. He is a L.L.M (Gold medallist). He has authored the books on "Business and Industrial Law". He is a Visiting Lecturer in Law at New Law College & K.C. College and a Lecturer at Rizvi Law College.

He has worked as a Legal Consultant to Various Business Organisation in Mumbai.

The Directors consider his association at the Board level will be of immense value to the Company and hence your Directors recommend his appointment in terms of the resolution at item No. 5 of the Notice for your approval.

Mr. Ramesh Lalwaney is interested in the resolution as it relates to his appointment. None of the other Directors of the Company is concerned or interested in the said resolution.

ITEM NO. 6 (Ordinary Resolution)

Mr. M. Bharmal was appointed as an additional Director of the Company with effect from March 9, 2005. By virtue of the provisions of Section 260 of the Companies Act, 1956, read with Article 110 of the Articles of Association of the Company, Mr. M. Bharmal would hold office only upto the date of the ensuing Annual General Meeting.

The Company has received notice from a member under Section 257 of the Companies Act, 1956, with requisite deposit proposing the name of Mr. M. Bharmal as a candidate for the office of Director of the Company.

Mr. M. Bharmal is a Bachelor of Commerce and a Diploma holder in Office Management & Administration. He has experience of working overseas with Fortune 500 Companies for nearly 5 years.

The Directors consider his association at the Board level will be of immense value to the Company and hence your Directors recommend his appointment in terms of the resolution at item No. 6 of the Notice for your approval.

Mr. M. Bharmal is interested in the resolution as it relates to his appointment. None of the other Directors of the Company is concerned or interested in the said resolution.

ITEM NO. 7 (Ordinary Resolution)

Mr. Parvez Master was appointed as an additional Director of the Company with effect from May 6, 2005. By virtue of the provisions of Section 260 of the Companies Act, 1956, read with Article 110 of the Articles of Association of the Company, Mr. Parvez Master would hold office only upto the date of the ensuing Annual General Meeting.

The Company has received notice from a member under Section 257 of the Companies Act, 1956, with requisite deposit proposing the name of Mr. Parvez Master as a candidate for the office of Director of the Company.

Mr. Parvez Master is a M.B.A (with an emphasis in finance and Management) from De Paul University Kellstadt Graduate school of Business, Chicago and pursuing CPA certification.

He is credited with assisting professors with on going research activities in the field of Operations Management.



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He has management consulting experience with Accuture, Chicago and has gained over 10 year of Vital Corporate experience with reputed Indian and foreign Companies.

He is a Professor in Accountancy at the University of Illinois at Chicago.

The Directors consider his association at the Board level will be of immense value to the Company and hence your Directors recommend his appointment in terms of the resolution at item No. 7 of the Notice for your approval.

Mr. Parvez Master is interested in the resolution as it relates to his appointment. None of the other Directors of the Company is concerned or interested in the said resolution.

ITEM NO. 8 (Special Resolution)

Under section 163 of the Companies Act, 1956, certain documents, which are normally required to be kept at the registered office of company, may be kept at any other place if such other place has been approved by a special resolution passed by the company in general meeting.

Approval of the members is sought, in terms of section 163 of the Companies Act, 1956, for shifting of the company's registers of members and debenture holders and other returns, books, certificates and documents pertaining thereto from the registered office to the Company Register Bigshare Services Pvt. Ltd. situated at A 2/3 Ansa Industrial Estate, Sakivihar, Sakinaka, Andheri (E), Mumbai – 400 072.

Your Directors recommend the resolution for your approval.

None of the Directors are interested in this item.

ITEM NO. 9 (Ordinary Resolution)

In order to meet the requirements of additional working capital and to finance the implementation of new projects, it would also be necessary to resort to additional borrowings from Banks, institutions, etc. It was therefore felt necessary that the Board of Directors be empowered to raise a sum not exceeding Rs. 100 Crores as and when the need arose. Since the borrowing limit is in excess of the paid up capital and free reserves of the Company the approval of the members is required pursuant to section 293(1)(d) of the Companies Act 1956.

Your Directors recommend the resolution for your approval.

None of the Directors are interested in this item.

ITEM NO. 10 (Ordinary Resolution)

Some of the borrowings of the company may be required to be secured by an appropriate mortgage / charge. As the documents to be executed with the lenders may contain the power to sell, lease or otherwise dispose of the whole, or substantially the whole of the undertaking of the company in certain events, it is necessary for the members to pass the ordinary resolution set out in item no. 10 under section 293 (1) (a) of the Companies Act, 1956, before the creation of the mortgages or charges.

The board recommends passing of the ordinary resolution as set out in item no. 10 of the accompanying notice.

Your Directors recommend the resolution for your approval.

None of the Directors are interested in this item.

For and on behalf of the Board

Abbas A. Rassai
Chairman

Registered Office:

145, S.V. Road, Khar (W),
Mumbai-400 052
Mumbai
May 6, 2005



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DIRECTORS REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 20th Annual Report of the Company along with the audited statements of accounts for the year ended March 31, 2005.

OPERATING AND FINANCIAL REVIEW

(Amount in Rs.)

Particulars	Year ended March 31, 2005	Year ended March 31, 2004
Sales	30,94,01,591	6,40,29,252
Other Income	21,28,183	12,85,747
Total Expenditure	31,30,78,066	7,30,45,363
Depreciation	5,04,228	2,15,425
Profit before Tax	66,263,031	33,17,762
Provision for Taxes		
Current	20,25,000	9,93,000
Deferred	77,000	24,727
Profit after Taxes	6,41,61,031	23,00,035
Appropriation		
Bonus Shares	47,60,000	43,00,000
General Reserves	1,12,00,000	11,00,000
Proposed Dividend	30,60,000	1,20,000
Corporate Dividend Tax	3,99,880	15,375

Note- Sales figures mentioned above are presented after making adjustment in exchange difference.

DIVIDEND

The Board of Directors of the Company has declared and paid a dividend of 5% on 61,20,000 Equity shares of Rs. 10/- each for the year 2004-2005. The dividend will absorb a sum of Rs. 30,60,000/-

CAPITAL

The Company on May 3, 2004 have issued and allotted to the promoters and a Non Resident Investor 1,60,000 equity shares of Rs. 10/- each at a premium of Rs. 290 per share on preferential basis.

The Company has further on March 9, 2005 allotted 47,60,000 Bonus Shares to the members of the Company in the ratio of 7(Seven) new fully paid-up equity shares of Rs. 10/- each for every 2 (two) equity share of Rs. 10/- each held in the Company. Thus the company's present paid up capital stands at Rs. 6,12,00,000 comprising of 61,20,000 equity shares of Rs. 10/- each.

OPERATIONS

During the year under review the sales turnover jumped from Rs 6,40,29,252 to Rs. 30,94,01,591 thereby registering a growth of 300 %, especially in the last two quarters. This is mainly due to WTO



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benefits and the removal of quotas. The Company's products are very well accepted due to the ISO certification, quality improvement and timely delivery policy. The results of the Company for the year under review bear a witness to the effort of the Board in an environment of healthy competition. The company's has concentrated on its goals of consolidating and strengthening its marketing network, delivering quality products and cutting cost wherever possible. The results shows the environment of robust future, keeping in mind the favourable policy announced by the government in the textile field. All these factors resulted in the Company posting a higher post tax profit as compared to the last year. The Profit after tax for the year was Rs. 6,41,61,031 as compared to Rs. 23,00,035 in the previous year.

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

LISTING OF EQUITY SHARES

The Company's equity shares are listed on the Bombay Stock Exchange and the listing fee for the year 2004-05 has been paid.

PUBLIC DEPOSITS

The Company has not invited and / or accepted any deposits, during the year.

CASH FLOW STATEMENT

Cash flow statement pursuant to Clause 32 of the listing agreement is attached herewith

DIRECTORS

Mr. Ramesh W. Lalwaney, Mr. Moiz Bharmal, Mr. Mario C. Barretto were appointed as additional Directors, by the Board at its meeting held on March 9, 2005 and Mr. Parvez Master was appointed additional Director by the Board at its meeting held on May 6, 2005. They hold office upto the date of the forthcoming Annual General Meeting. The Company has received notices from the members signifying their intention to propose Mr. Ramesh W. Lalwaney, Mr. Moiz Bharmal and Mr. Parvez Master as candidates for the office of Director.

Mr. Mario Barretto, Director of the Company resigned from the Board of Directors of the Company with effect from May 6, 2005 as he was shifting out of Mumbai as a result of which he would not be able to attend the Board / Committee meetings of the Board. The Board desires to place on record their appreciation for the efforts put in by him during his tenure as a Director of the Company.

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

AUDIT COMMITTEE

The Audit Committee of the Company was constituted by the Board of Directors at their meeting held on May 6, 2005. The Committee comprises of:

1. Mr. Parvez A. Master - Chairman (Non Executive Independent Director)
2. Mr. M. Bharmal - member (Non Executive Independent Director)
3. Mr. Ramesh Lalwaney – member (Non Executive Independent Director)
4. Ms. Srabani Saha, Company Secretary will act as Secretary of Audit committee.