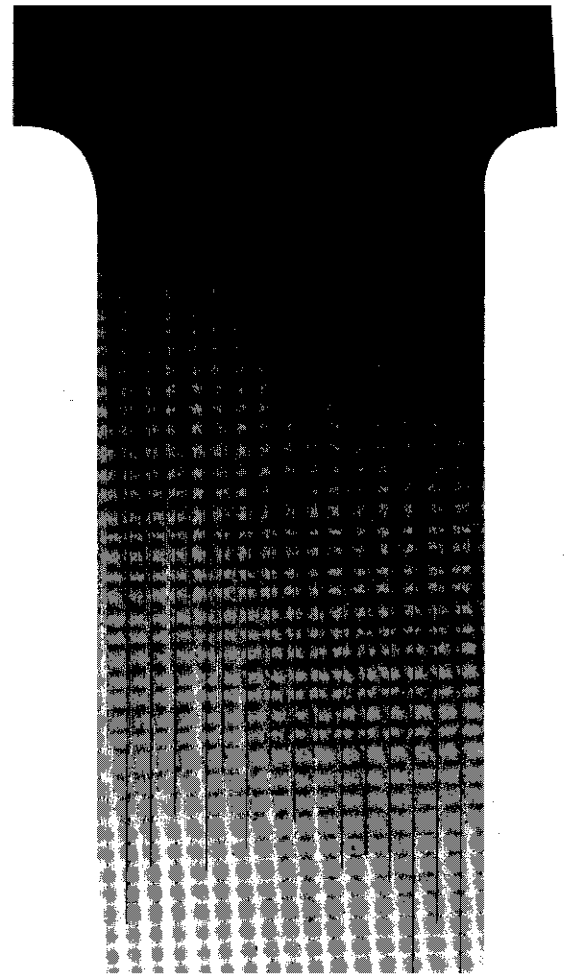


Annual Report 1998-99



VASPARR CONTAINEURS LTD.





VASPARR CONTAINERS LTD.

BOARD OF DIRECTORS

Mr. Jayesh V. Valia	<i>Executive Chairman</i>
Mr. Kalroos M. Bhaya	<i>Director</i>
Ms. Heena V. Valla	<i>Director</i>

AUDITORS

V. D. JOSHI & CO.

Chartered Accountants

INTERNAL AUDITORS

J. R. SHAH & ASSOCIATES

Chartered Accountants

FACTORY

Madhav Udyog, S. No. 260/6-7,
Bhimpore Char Rasta, Bhimpore,
Daman - 396210

BANKERS

Bank of India

ICICI Banking Corpn. Ltd.

REGISTERED OFFICE

Valia House, B-2 Jawan Nagar,
S. V. Road, Borivli (W),
Mumbai-400 092.

6th ANNUAL GENERAL MEETING

Date : 30th December, 1999
Day : THURSDAY
Time : 4.00 P.M.
Place : Debate Hall,
R.C. Patel High School,
Factory Lane, Borivli (W),
Mumbai - 400 092.

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VASPARR CONTAINERS LTD.
NOTICE

Notice is hereby given that the Sixth Annual General Meeting of the Members of VASPARR CONTAINERS LIMITED will be held on Thursday, the 30th December, 1999, at Debate Hall, New High School, Factory Lane, Borivli (W), Mumbai 400 092, at 4.00 p.m. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 30th June, 1999, and the Profit and Loss Account for the year ended on that date along with the Directors' Report and the Auditors' Report thereon.
2. To appoint Mr. Jayesh V. Valia as a Director of the company who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint the Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and, if though fit, to pass with or without modification the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, (hereinafter referred to as the Act) the Articles of Association of the Company be altered as follows and also as mentioned in the item Nos. 5 & 6 regarding insertion of Article 22A and Article 188A respectively.

Insert the following Article as Article 21A after the present Article 21.

Definition.

1. For the purpose of this Article :-

'Beneficial Owner' means person or persons whose name is recorded as such with a depository;

'SEBI Board' means the Securities & Exchange Board of India;

'Depository' means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration under the Securities & Exchange Board of India Act, 1992; and

'Security' means such security as may be specified by SEBI from time to time.

Dematerialisation of Securities.

2. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996.

Options for investors

3. Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities.

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

Securities in depositories to be in fungible form

4. All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

Rights of depositories and beneficial owners

5. (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
- (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of securities held by it.
- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

Service of documents

6. Notwithstanding anything contained in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such



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depository on the Company by means of electronic mode or by delivery of floppies or discs.

Transfer of Securities

- 7 (a) Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
- (b) In the case of transfer or transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

Allotment of Securities dealt with in a depository.

8. Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details of allotment of relevant securities thereof to the depository immediately on allotment of such securities.

Certificate number and Distinctive numbers of securities held in a Depository.

9. Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

Register and Index of beneficial owners.

10. The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles."
5. To consider and, if thought fit, to pass with or without modification the following resolution as a Special Resolution.

Resolved that the following shall be inserted as Article 22A after the existing Article 22

Transmission in case of nomination

- 1) Notwithstanding anything contained in these Articles any person who becomes a nominee by virtue of the provisions of Article 22, upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either
 - (a) to be registered himself as holder of the share(s) and/or debenture(s), as the case

may be; or

- (b) to make such transfer of the share(s) and/or debenture(s), as the case may be, as the deceased shareholder and/or debentureholder concerned or deceased jointholder, as the case may be, could have made.
 - 2) If the person being a nominee, so becoming entitled, elects himself to be registered as holder of the share(s) and/or debenture(s), as the case may be, he shall deliver or send to the Company, a notice in writing duly signed by him stating the nominee concerned so elects and such notice shall be accompanied with the death certificate(s) of the deceased shareholder/debentureholder/jointholders, as the case may be.
 - 3) All the limitations, restrictions and provisions of these Articles, relating to the right to transfer and the registration of transfers of share(s) and/or debenture(s) shall be applicable to any such notice or transfer as aforesaid as if the death of the shareholder/debentureholder had not occurred and the notices or transfers were signed by that shareholder and/or debentureholder or jointholders, as the case may be.
 - 4) A person, being a nominee, becoming entitled to the share(s) and/or debenture(s) by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share(s) and/or debenture(s), except that he shall not, before being registered a member in respect of his share(s) or Registered holder in respect of his debenture(s), be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.
- Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share(s) and/or debenture(s); and if the notice is not complied with, within ninety days, the Board may thereafter withhold payments of all dividends, bonuses or other moneys payable or rights accruing in respect of the share(s) and/or debenture(s), until the requirements of the notice have been complied with."
6. To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution.

"RESOLVED THAT after existing Article 188 of the Articles of Association, the following Article shall be


VASPARR CONTAINEURS LTD.

inserted as Article 188A.

"The Company may pay dividend, interest or other moneys payable to the members/investors/or their mandates by a cheque or warrant sent to the registered address or by electronic transfer of funds to the Bank Account of the members/investors/mandates."

7. To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution.

"RESOLVED That the consent of the members be and is hereby accorded pursuant to sections 198, 269, 309, 310 of the Companies Act, 1956, to the appointment of Mr. Sudhakar S. Babhulkar as the Managing Director of the Company, for a period of five years with retrospective effect from 1st January, 1999, and who was appointed as Managing Director by the Board of Directors in its meeting held on 26th December, 1998, and in whose case a notice proposing his candidature has been received from a Member by the Company at a remuneration as a minimum remuneration to be paid in the event of loss or inadequacy of profit in any financial year the details of which are spelt out in the Explanatory Statement forming part of the Notice."

In the case of Mr. Sudhakar S. Babhulkar - Managing Director in order to remove the doubts it is resolved further that Mr. Sudhakar S. Babhulkar who has already been appointed in Vasparr Fischer Limited as Managing Director, a Company under the same Management with effect from 1-4-1998, he shall restrict drawing of his remuneration to the extent of Rs. 75,000/- per month plus perquisites collectively from both the Companies and shall not exceed the limits prescribed in the foregoing premises and the allocation of drawal of remuneration between the above referred two employer Companies be totally at the discretion of the Board of Directors of both the Companies, with free consent from Mr. Sudhakar S. Babhulkar.

8. To consider and if thought fit to pass the following resolution with or without modification as a Special Resolution.

In partial modification of the Special Resolution passed in the Extra Ordinary General Meeting held on 30th September, 1994, it is hereby resolved that the borrowing limit be and the same is hereby enhanced from that of Rs. 50 crores to Rs. 100 crores.

"RESOLVED further that the consent of the Company pursuant to the provisions of Section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956, and the Articles of Association of the Company, consent of the company be and is hereby accorded to the Board of Directors of the Com-

pany (hereinafter referred to as "the Board") to borrow, any sum or sums of money from time to time where the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers and / or Financial Institutions in the ordinary course of Business) may exceed, at any time, 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 purpose), provided that the total amount so borrowed shall not at any time exceed Rs. 1000000000 (Rupees Hundred Crores Only) Over and above the aggregate of the paid up capital of the Company and its free reserves from time to time and that the Board be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such moneys borrowed / to be borrowed, from time to time as to interest, repayment, security or otherwise howsoever as it may deem fit, as also to execute such deeds and documents as may be necessary, usual or expedient for this purpose."

9. To consider and if thought fit, to pass, with or without modification, the following Resolution as a special resolution.

In Partial modification of the Special Resolution passed in the Extra Ordinary General Meeting held on 20th February, 1995, it is hereby resolved that the mortgaging/charging limit in favour of Financial Institutions/ Commercial Banks, etc., be and the same is hereby enhanced from that of Rs. 15 crores to Rs. 50 crores.

"RESOLVED FURTHER THAT pursuant to Section 293 (1) (a) and other applicable provisions of the Companies Act, 1956, if any, the consent of the Company be and is hereby accorded to the mortgaging / charging by the Directors, of the Company's any of the present and/or future movable and/or immovable properties, assets, and the whole or substantially the whole of the Company's any one or more of the undertakings or of all the undertakings of the Company on such terms and in such manner as the Directors deem fit and expedient for obtaining term loan/s by creating security there against, of the aggregate of nominal value of Rs. 500000000/- (Rupees Fifty Crores Only) from Industrial Development Bank of India and/or from other Financial Institutions/Commercial Banks/others."

"Resolved FURTHER that the above said resolution pertaining to mortgaging of the property to the industrial Development Bank of India/other Financial Institutions/Commercial Banks/Others and creating mortgage/charge in their favour etc., shall be in addition to the resolution passed in the Extra Ordinary



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General meeting held on 30th September, 1994 under section 293 (1) (a) of the Companies Act, 1956, mainly covering the Acts of Company's borrowing through issuance of Debentures."

"RESOLVED FURTHER THAT in order to give effect to the above the Directors of the Company be and they are hereby authorised to do all such acts, deeds and things as may be necessary or expedient to create charge, mortgage, hypothecation whenever required by the Company in such manner as may be agreed to between the concerned parties."

REGISTERED OFFICE

Valia House
B/2, Jawan Nagar,
S.V. Road,
Borivli (West),
Mumbai - 400 092.
Dated : 30th November, 1999

By Order of the Board

(JAYESH V. VALIA)
Executive Chairman

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/HERSELF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT OF PROXY SHOULD HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Statement of material facts pursuant to Section 173 (2) of the Companies Act, 1956 is annexed hereto and forms part of the Notice dated 30th November, 1999
3. This Notice shall be construed as an Abstract of the terms and conditions of the contract under section 302 of the Companies Act, 1956.
4. The members are requested to :
 - a) Intimate changes, if any, in their registered addresses at an early date.
 - b) Quote ledger folio nos. in all their correspondence.
 - c) Bring copies of the Annual Report and the Attendance Slips at the Annual General Meeting.
5. A copy of the Articles of Association of the Company together with the proposed alterations is available for inspection by the members of the Company at its Registered Office between 11.00 a.m. to 2.00 p.m., on any working day of the Company

EXPLANATORY STATEMENT

Statement of Material facts pursuant to Section 173(2) of the Companies Act, 1956, annexed to and forming part of the Notice dated November 30, 1999.

Item No. 4 : Demat

With the introduction of the Depositories Act, 1996, and the Depository System, some of the provisions of the Act relating to the issue, holding, transfer, transmission of shares and other Securities have been amended to facilitate the implementation of the new system. The Depository System of holding Securities in an electronic form is a far safer and more convenient method for holding and trading in the Securities of a company. The Company intends to join the Depository System for dematerialisation of its Securities and it is, therefore, proposed that the Company's Articles of Association be suitably altered, as set out in Resolution No. 4 to enable it to dematerialise its Securities and to spell out the rights of the beneficial owner of the Securities in such a system.


VASPARR CONTAINERS LTD.

The Directors therefore commend the resolution for approval of the members. as a special Resolution.

None of the Directors is interested or concerned in the Resolution.

Item No. 5 : Nomination.

The companies Act, 1946 has made provisions for appointment of nominees in case of Fixed Deposit holders shareholders and Debenture holders to inherit their rights therein, since the Articles are to be amended to take care of the new reforms which mitigate the sufferings of the investors. Amendment to Articles require consent of the Members by a Special Resolution.

The Directors, therefore commend the Resolution for approval of the members, as a Special Resolution.

None of the Directors is interested or concerned in the Resolution.

Item No. 6 : Electronic Clearing Service

Article 180 provides that the dividend, interest or other moneys payable in cash may be paid by cheque or warrant sent through the post to the Registered address of the members entitled to the same. It is proposed to insert a new Article as set out in the Resolution No. 6 to include payment of dividend, interest or other moneys payable in cash by way of electronic transfer of funds to the bank account of the members entitled thereto in view of such facility being provided by banks at certain locations and the safety and convenience offered by such arrangement.

The Directors, therefore commend the Resolution for approval of the members, as a Special Resolution.

None of the Directors of the Company is concerned or interested in the Resolution.

Item No. 7 : Appointment of Mr. Sudhakar S. Babhulkar as Managing Director.

Mr. Sudhakar S. Babhulkar was appointed as the Managing Director of the company with effect from 1-1-1999 by the Board of Directors in its meeting held on 26th December, 1998. Under the provisions of the Companies Act, 1956, his appointment has to be approved in the immediately held first General Meeting of the Company and his remuneration which is as follows Rs. 50,000/- per month Basic plus Conveyance Rs. 12,500/- (25%) plus House Rent Allowance Rs. 12,500/- (25%)

Further details about his Remuneration and functional obligations will be spelt out in the service agreement to be entered into by him with the company, the draft of which is initialled by the Chairman for identification purposes.

The Directors therefore commend the Resolution for approval of the members, as a Special Resolution.

None of the Directors is interested or concerned in the resolution, except Mr. S.S. Babhulkar to the extent of his remuneration.

Item No. 8 : Enhancement of Borrowing Limits from Rs. 50 crores to Rs. 100 crores.

With the increase in business volume the market borrowing limits have also to be kept enhanced from time to time so as to meet with the requirements of the business.

Under the provisions of the Companies Act, 1956, the members consent by way of Special resolution is required for conferring powers on the Board of Directors of the Company for borrowings from market i.e. financial institutions, commercial banks and other, etc.

The Directors, therefore commend the resolution for approval of the members, as a Special Resolution.

None of the Directors is interested or concerned in the resolution.

Item No. 9 : Creating Charge and Mortgaging for Property.

The Company has to comply with the requirements and stipulations put in the borrowing instruments from time to time.

Under the Provisions of the Companies Act, 1956, the members consent by way of Special resolution is required for mortgaging, selling the property of the Company or for creation of charge thereagainst.

The Directors, therefore commend the Resolution for approval of the members, as a Special Resolution.

None of the Directors is interested or concerned in the resolution.

REGISTERED OFFICE

Valia House
B/2, Jawan Nagar,
S. V. Road,
Borivli (West),
Mumbai - 4400 092.
Dated : 30th November, 1999

By Order of the Board

(JAYESH V. VALIA)
Executive Chairman



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DIRECTORS' REPORT

To,
The Members,
Your Directors are pleased to present the Sixth Annual Report and the Audited Statement of Accounts of your Company for the year ended on 30th June, 1999.

FINANCIAL RESULTS :

	Year ended 30.06.99 Rs.	Period ended 30.06.98 Rs.
Turnover	53,84,33,330	52,35,75,346
Profit Before Depreciation, Interest & Taxation	7,28,46,061	6,22,64,028
Profit Before Depreciation & Taxation	2,32,20,175	3,02,41,821
Profit After Depreciation interest & Taxation Surplus/(Deficit) of Profit and Loss Account of earlier year.	1,37,37,512	1,97,12,087
Balance carried over to Balance Sheet	1,95,84,386	1,75,73,911
	58,98,302	1,95,84,386

TURNOVER AND PROFIT :

The Directors are pleased to inform you that your Company has made noticeable progress in achieving increase in the turnover in comparison with previous year.

INTEREST FREE LOANS :

The Company has given interest free loans to a Company under the same Management purely on need based exigencies with clear understanding that the recipient company will reciprocate interest free loans generally to the same extent whenever such need arises for your Company.

DIVIDEND :

The Directorss feel it prudent to plough back the profits for meeting the growing requirements of the Working Capital and capital project cost etc., and hence the Directors have decided not to recommend any dividend, for the year under review.

FIXED DEPOSITS :

The Company has not invited or accepted any Fixed Deposits from the public, during the year under review.

PERSONNEL :

The Personnel relations with the employees at all levels continued to remain cordial and peaceful during the year under review.

PARTICULARS OF EMPLOYEES :

There were no employees who were in receipt of remuneration of Rs. 6,00,000/- or more per annum, if employed for the full year or Rs. 50,000/- or more per month, if employed for part of the year.

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

Information in accordance with 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 the Annexure 'B' forming part of this Report. Form 'A' requiring disclosure of particulars with respect to Conservation of Energy is not applicable in the case of your Company.

STOCK EXCHANGES :

The Company is listed on the following Stock Exchanges.

1. The Stock Exchange - Mumbai.
2. The Stock Exchange - Ahmedabad.

All the Annual Listing fees have been paid.

DIRECTORS :

During the year under review Ms. Heena V. Valia resigned on personal grounds as Director effective from 30-1-1999. During the year under review, Mr. Jayesh V. Valia retires by rotation and being eligible offers himself for re-election.

AUDITORS :

M/s. V. D. Joshi & Co., Chartered Accountants, Mumbai, retire as Auditors of the Company at the conclusion of the ensuing Annual General Meeting and are not willing for re-appointment for their own personal reasons.

In the place of outgoing Statutory Auditors i.e. M/s. V. D. Joshi & Company, Chartered Accountants, Mumbai, the Directors recommend the appointment of M/s. J. R. Shah & Associates, Chartered Accountants, Mumbai as the Statutory Auditors for holding the office from the conclusion of the ensuing Annual General Meeting to the conclusion of the next Annual General Meeting.

Y2K COMPLIANT :

The Company has made the computer system compataible to Y2K with estimated cost of Rs. 6.75 lacs. Contingency plan includes uninterrupted power supply and Annual Computer System Maintenance contract.

ACKNOWLEDGEMENTS :

Your Directors place on record their sincere appreciation of the dedicated and devoted services rendered by the employees of the Company at all levels and are grateful to the Company's Bankers, Financial Institutions for their timely assistance and co-operation in the working of the Company. Your Directorss also thank the customers, shareholders and the suppliers of the Company for their co-operation and valuable support.

FOR & ON BEHALF OF THE BOARD

PLACE : MUMBAI

Dated : 30th November, 1999

(JAYESH V. VALIA)

Executive Chairman