

**10TH ANNUAL REPORT
2002-2003**



YASHRAJ CONTAINEURS LIMITED



YASHRAJ CONTAINERS LIMITED

10th ANNUAL REPORT 2002-2003

CORPORATE INFORMATION

✦ BOARD OF DIRECTORS ✦

EXECUTIVE CHAIRMAN
MANAGING DIRECTOR
TECHNICAL DIRECTOR
IDBI NOMINEE

Mr. Jayesh V. Valia
 Mr. Sudhakar S. Babhulkar
 Mr. Umashankar S. Nair
 Mr. Sunil Kumar Bansal

✦ STATUTORY AUDITORS ✦

J. R. Shah & Associates
 Chartered Accountants

✦ REGISTERED OFFICE ✦

401, Court Chambers, S. V. Road,
 Borivli (West), Mumbai - 400 092.

✦ REGISTRARS & SHARE TRANSFER AGENTS ✦

Dynamic Superways & Exports Ltd.

✦ BANKERS ✦

Bank of India
 ICICI Bank Ltd.

✦ FACTORY ✦

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

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Day	: Monday	Directors' Report	5
Time	: 3.30 p.m.	Auditors' Report	7
Place	: Conference Hall,	Balance Sheet	9
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	Mumbai - 400 092.	Notes on Accounts	17
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YASHRAJ CONTAINERS LIMITED**10th ANNUAL REPORT
2002-2003****NOTICE**

NOTICE is hereby given that the Tenth Annual General Meeting of the Members of YASHRAJ CONTAINERS LIMITED, will be held on Monday, December 29, 2003, at the Conference Hall, Sheth M.K. High School, Factory Lane, Borivli (West), Mumbai 400 092, at 3.30 p.m. to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 30th June, 2003, and the Profit and Loss Account for the year ended on that date along with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Umashankar Nair 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 thought fit, to pass the following resolution, with or without modification(s) as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 310, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government and/or other authority, wherever applicable, consent of the members of the Company be and is hereby accorded to the re-appointment of Mr. Jayesh V. Valia, as Executive Chairman of the Company, and for which a proposal in writing in that behalf has been received by the Company from a member of the Company, for a period of five years with effect from January 1, 2004, and payment of remuneration and perquisites as set out in the draft agreement between the Company and Mr. Jayesh V. Valia which are broadly as under.

- A i) A monthly salary at the rate of Rs. 75,000/- (Rupees Seventy Five Thousand Only) payable on the last working day of each calendar month subject to deduction of all taxes which the Company is required to deduct plus other perquisites.
- ii) Free furnished residential accommodation, the Company paying all rents, rates, taxes, electricity and fuel charges and other expenses for the upkeep and maintenance of such accommodation.

- iii) The use of the Company's car with chauffeur and expenses for the upkeep of a car which will be borne by the Company.
- iv) The expenses of telephone installed at the residence of the Executive Chairman.
- v) Reimbursement of medical expenses actually incurred for himself, wife and dependent children subject to maximum of one month salary in a year or five months salary for a period of five years and the excess amount in case of high medical cost to be reimbursed with the approval of the Board of Directors from time to time.
- vi) He shall be entitled to participate in the Provident Fund Superannuation, Group Insurance, Retirement, Bonus and any other scheme or allowance provided by the Company for the benefit of its Senior Executives.
- vii) Reimbursement of cost of air ticket or train fare for self, wife and children once a year to and from any place in India or abroad when on leave. If he is accompanied by domestic servant then the train/bus fare of such domestic servant shall be borne by the Company. However, if on account of exigencies of the business he cannot be granted a long leave then the above facility shall be given twice a year instead of once a year.
- viii) Gratuity not exceeding 1/2 month salary for each completed year of service, subject to the statutory limit or actual whichever is lower.
- ix) Fees of clubs, subject to a maximum of two clubs (provided that no life membership fee or admission fee is paid).
- x) Personal accident insurance of an amount, the annual premium of which does not exceed Rs. 1000/-.
- B) The Executive Chairman shall be entitled to such leave as the exigencies of the business shall permit and as may be mutually agreed upon. It is however, expressly provided that the Executive Chairman shall be entitled to one month's leave for every 11 months of service.
- C) Any other scheme that may in future be formulated for the benefits of the employees in the Senior Executive Cadre of the Company.
- D) That the total monetary value of the perquisites will be evaluated as per the Income-Tax rules and be subject to such ceiling as may be prescribed by the Central Government.



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- E) The remuneration aforesaid including expressly the benefits perquisites and amenities shall nevertheless be paid and allowed as minimum remuneration for any year in the absence of or inadequacy of profits for such year or in a situation of accumulated losses.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter or vary the remuneration/perquisites payable to Mr. Jayesh V. Valia or other terms and conditions in such manner as may be agreed to between the Board of Directors and Mr. Jayesh V. Valia, within the limits laid down by the Central Government under the provisions of the Companies Act, 1956, and / or Schedule XIII thereto as amended from time to time, whichever is applicable.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company.

RESOLVED FURTHER THAT Mr. Jayesh V. Valia, in the capacity as an Executive Chairman of the Company with effect from 1st January 2004, for a period of 5 years unless otherwise provided for be paid a monthly salary of Rs.75,000/-, the break up of the same shall be as follows (i.e. Rs.50,000/- as Basic + Rs.12,500/- as House Rent Allowance + Rs.12,500/- as Conveyance Allowance) plus other perquisites inclusive of both taxable and non-taxable and shall be entitled to superannuation benefits such as Provident fund, gratuity, etc. and any other scheme in the nature of retirement benefits that may be introduced in future and made applicable to employees of the Company.

- F) RESOLVED FURTHER that the Executive Chairman shall report to the Board of Directors.

- G) In order to remove the doubts it is FURTHER RESOLVED THAT Mr. Jayesh V. Valia, Executive Chairman, who has been already appointed in Vasparr Fischer Limited, as an Executive Chairman, a Company, under the same management, with effect from January 1, 2004, shall restrict drawing of his remuneration to the extent of Rs.75,000/- per month plus perquisites collectively and in totality from both the Companies or to the extent of such other variations in the remuneration and/or perquisites 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. Jayesh V. Valia.

Registered Office :

401, Court Chambers,
S. V. Road, Borivli [West],
Mumbai - 400 092.

Place : Mumbai

Date : 24 - 11 - 2003

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 Register of Members and The Share Transfer Registers will remain closed between 23rd December, 2003 and 29th December, 2003, (both days inclusive)
3. An Explanatory Statement under Section 173 (2) of the Companies Act, 1956, dated 24-11-2003 and forming part of this Notice dated 24-11-2003 is enclosed herewith.
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.

YASHRAJ CONTAINEURS LIMITED**10th ANNUAL REPORT
2002-2003****EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956, AND FORMING PART OF THE NOTICE CONVENING THE 10TH ANNUAL GENERAL MEETING AND DATED 24-11-2003****ITEM No.4****RE-APPOINTMENT OF EXECUTIVE CHAIRMAN****I Information about the Appointee:****i) Background Details**

Mr. Jayesh V. Valia aged 43 years is possessing qualification of B.Com. He is the Promoter Director of the Company. He is having vast experience of around 15 years in M. S. Barrels business. He is associated with the company for quite a long period.

ii) Past remuneration drawn by Mr. Jayesh V. Valia

Year	Entitled for	Actually Drawn Amount
2000-2001	Rs.9.00,000 p.a.	Rs. NIL
2001-2002	Rs.9.00,000 p.a.	Rs. NIL

Due to deteriorating financial condition of the company, no remuneration was drawn.

iii) Job Profile and Suitability:

During the tenure of Mr. Jayesh V. Valia, as a Promoter Director, the Company made rapid strides. The Turnover of the Company as well as the profits increased manifold. The growth of the Company was continuously maintained till the year 2000. Thereafter from the year 2000, the Company had to face difficult times due to world-wide depression in industries in general and barrel manufacturing companies in particular. During this testing time of difficulty he has carried the Company through by his rich and varied experience.

iv) Remuneration Proposed:

Name Jayesh V. Valia

Salary Rs.75,000/-p.m. plus

Perquisites & Allowance Free Furnished residential accommodation, use of Company's car, expense of telephone, reimbursement of medical expenses, participation in PF, Gratuity, etc. and reimbursement of travelling expenses, club membership and personal accident insurance etc. as detailed in the agreement between the Company and the appointee as well as mentioned in the resolution in the Notice convening Annual General Meeting. Minimum Remuneration in the absence of or inadequacy of profit in any financial year or in a situation of accumulated losses : Rs.9.00 lacs per annum plus perquisites.

II Other Information**i) Reasons for loss or inadequacy or absence of profits:**

The loss was caused due to severe depression in the M.S.Barrel manufacturing business resulting in lower utilisation of capacity and turnover with reduced profit margin and static depreciation. The expansion and modernisation of projects undertaken by the company with a view to achieve economies of scale and consolidation of operations were financed out of borrowed institutional funds at the then prevailing interest rates which were substantially higher than the present rates. The combined impact of recession, high interest cost and static depreciation resulted in loss.

ii) Steps taken by the Company to improve performance:

The Company has taken several steps to improve the performance. The production process was properly monitored to control cost and reduce wastage and reach to the optimum level of production. Negotiations have been initiated with the lenders for an appropriate financial reconstruction. The Company's Registration with BIFR Authorities is in force.

iii) Expected increase in productivity and profits in measurable terms

In the present uncertain market it is difficult to predict the increase in productivity and profits in measurable terms. However, the Management is hopeful of improved performance in times to come. Directors commend this resolution for members approval. None of the Directors is interested or concerned in the resolution, other than Mr. Jayesh V. Valia who can be deemed as interested or concerned to the extent of his holding of the place of profit.

Registered Office :

401, Court Chambers,
S. V. Road, Borivli [West],
Mumbai - 400 092.

Place : Mumbai

Date : 24 - 11 - 2003

BY ORDER OF THE BOARD

(JAYESH V. VALIA)
Executive Chairman



DIRECTORS' REPORT

To,
The Members,
Your Directors are pleased to present the Tenth Annual Report and the Audited Statement of Accounts of your Company for the year ended on 30th June, 2003.

FINANCIAL RESULTS

	Amount in Rupees	
	Year ended	Year ended
	30.06.2003	30.06.2002
	(RS.)	(RS.)
Turnover	2,71,292,907	20,22,51,465
Profit/(Loss) Before		
Depreciation, Finance		
Charges & Taxation	18,178,602	1,55,90,885
Profit/(Loss) before		
Depreciation & Taxation	(39,609,163)	(5,95,26,880)
Profit/(Loss) after		
Depreciation & Taxation	(49,308,281)	(6,90,92,666)
Surplus (Deficit) of Profit		
and Loss Account of earlier		
year	(19,57,15,343)	(14,73,97,111)
Balance carried over to		
Balance sheet	(49,162,313)	(19,57,15,343)

AUDITORS' REMARKS

A) INTEREST FREE LOANS AND OTHER MATTERS

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 RECIPROCATATE INTEREST FREE LOANS GENERALLY TO THE SAME EXTENT WHENEVER SUCH NEED ARISES FOR YOUR COMPANY.

B) APPROPRIATE STEPS ARE BEING TAKEN TO INSTALL THE INTERNAL AUDIT SYSTEM.

C) APPROPRIATE STEPS ARE BEING TAKEN TO REGULARISE THE PAYMENT OF PROVIDENT FUND.

D) APPROPRIATE STEPS ARE BEING TAKEN TO RECOVER THE LOANS GIVEN TO OTHERS.

E) AS REGARDS NOTE NO.10 LEAVE ENCASHMENT IS MADE AT THE TIME OF SETTLEMENT OF ACCOUNTS OF EMPLOYEES.

F) AS REGARDS NOTE NO. 17 THERE ARE CURRENT ACCOUNTS WITH SISTER CONCERNS FOR BUSINESS TRANSACTIONS AND HENCE THERE IS NO CONTRAVENTION OF THE PROVISIONS OF THE SECTIONS 295 & 372A RESPECTIVELY OF THE COMPANIES ACT, 1956.

DIVIDEND

During the year under review, owing to the loss, the Directors do not recommend any dividend.

FIXED DEPOSITS

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

DIRECTORS

During the year under review Mr. Umashankar Nair, retires by rotation at the conclusion of this meeting and being eligible offers himself for re-election.

REFERENCE TO BIFR

The Company made a reference to the Honourable Board for Industrial And Financial Reconstruction, New Delhi, (BIFR) and the BIFR Authority after scrutiny of our application registered your company as a Sick Industrial Unit by granting the registration No.164/2002 dated April 9, 2002. Your Company is fully geared up to go through the required procedural matters which are yet to commence in the near future. The Company's registration with BIFR Authority is in force.

DIRECTORS' RESPONSIBILITY STATEMENT

Statement under sub-section (2AA) of Section 217 of the Companies Act, 1956 :

In the preparation of the Annual Accounts:

- i) the applicable accounting standards have been followed and wherever required, proper explanations relating to material departures have been given.
- ii) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair 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.
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) the Accounts have been prepared on a going concern basis.

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.24,00,000/- or more per annum, if employed for the full year or Rs.2,00,000/- or more per month, if employed for part of the year.