

**11TH ANNUAL REPORT
2003-2004**



YASHRAJ CONTAINEURS LIMITED



YASHRAJ CONTAINERS LIMITED

11th ANNUAL REPORT 2003-2004

CORPORATE INFORMATION

✦ BOARD OF DIRECTORS ✦

MR. JAYESH V. VALIA	Executive Chairman
MR. SUDHAKAR S. BABHULKAR	Director
MR. UMASHANKAR S. NAIR	Technical Director
MR. SREENIVASAN RAMJI	IDBI Nominee

✦ 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.

✦ FINANCIAL INSTITUTIONS ✦

Industrial Development Bank of India.
Gujarat State Financial Corporation

11TH ANNUAL GENERAL MEETING

Date : 30th September, 2004
Day : Thursday
Time : 4.00 pm
Place : Conference Hall,
Sheth M. K. High School,
Factory Lane, Borivli (W),
Mumbai - 400 092.

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YASHRAJ CONTAINERS LIMITED**11th ANNUAL REPORT
2003-2004****NOTICE**

NOTICE is hereby given that the Eleventh Annual General Meeting of the Members of **YASHRAJ CONTAINERS LIMITED**, will be held on September 30, 2004, at the Conference Hall, Sheth M.K. High School, Factory Lane, Borivli (West), 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 31st March, 2004, and the Profit and Loss Account for the period ended on that date along with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. S. S. Babhulkar, 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.

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 September 24, 2004 and September 30, 2004 (both days inclusive)
3. 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.

Registered Office : BY ORDER OF THE BOARD

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

(JAYESH V. VALIA)
Executive Chairman

Place : Mumbai

Date : 31/08/2004



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DIRECTORS' REPORT

To,

The Members,

Your Directors are pleased to present the Eleventh Annual Report and the Audited Statement of Accounts of your Company for the period ended on 31st March, 2004.

FINANCIAL RESULTS

	Amount in Rupees	
	Period ended 31.03.2004 (RS.)	Year ended 30.06.2003 (RS.)
Turnover	323,720,485	271,292,907
Profit/(Loss) Before Depreciation, Finance		
Charges & Taxation	2,961,920	18,178,602
Profit/(Loss) before Depreciation & Taxation	(46,990,277)	(39,609,163)
Profit/(Loss) after Depreciation & Taxation	(54,305,163)	(49,308,281)
Surplus (Deficit) of Profit and Loss Account of earlier year	(49,162,313)	(19,57,15,343)
Balance carried over to Balance sheet	(2,433,293)	(49,162,313)

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. S. S. Babhulkar, 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:

- the applicable accounting standards have been followed and wherever required, proper explanations relating to material departures have been given.
- 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.
- 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.
- 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.

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 Exchange.

- The Stock Exchange - Mumbai.

Your Company is listed on Mumbai Stock Exchange and the Annual Listing fee is paid.

YASHRAJ CONTAINERS LIMITED**11th ANNUAL REPORT
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The Directors trust that the future prospects are encouraging for the Company as the Plant and Machinery is the most ultra modern and sophisticated and your Company's products have got recurring demand and they have been used in Industrial Application.

AUDITORS

M/s. J. R. Shah and Associates, Chartered Accountants, Mumbai, retire as Auditors of the Company at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. Directors recommend their re-appointment.

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 Directors also thank the customers, shareholders and the suppliers of the Company for their co-operation and valuable support.

Registered Office :

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

Place : Mumbai

Date : 31/08/2004

FOR & ON BEHALF OF THE BOARD

(JAYESH V. VALIA)
Executive Chairman

ANNEXURE TO THE DIRECTORS' REPORT

Particulars as required under Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 and forming part of Report for the year ended 31st March, 2004.

I. RESEARCH & DEVELOPMENT (R & D)

- | | |
|--|------|
| a) Specific areas in which R & D carried out by the Company. | None |
| b) Benefits derived as a result of the above R & D | None |
| c) Further plan of action:- | None |
| d) Expenditure on Research & Development | None |

II. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

- | | |
|--|-----|
| a) Efforts in brief made towards Technology, Absorption, Adaptation and Innovation | Nil |
| b) Benefit derived as a result of the above effort | Nil |
| c) Particulars of Technology imported during the last 5 years | Nil |

III. FOREIGN EXCHANGE EARNINGS & OUTGO

- | | |
|---|----------------------------------|
| a) Activities relating to exports and export plans: | Nil |
| | Current Year Previous year. |
| | Rs. Rs. |
| b) Total Foreign Exchange Used & Earned: | |
| i) Foreign Exchange Used | NIL NIL |
| ii) Foreign Exchange Earned | NIL NIL |

Registered Office :

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

Place : Mumbai

Date : 31/08/2004

FOR & ON BEHALF OF THE BOARD

(JAYESH V. VALIA)
Executive Chairman



AUDITORS' REPORT TO THE MEMBERS OF YASHRAJ CONTAINERS LIMITED

We have audited the attached Balance Sheet of YASHRAJ CONTAINERS LTD. as at 31st March 2004 and the Profit & Loss Account and also the Cash Flow Statement of the Company for the period ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditors' Report) Order 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
3. Further to our comments in the Annexure referred to above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books;
 - c. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - d. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, subject to Note.
11. However in our opinion the Company has not disclosed fully the information as required under the Accounting Standard 18 for Related Party Disclosures;
- e. Mr. Sudhakar Babhulkar, who is the director has not produced written representations. In absence of this representation, we are unable to comment whether Mr. Sudhakar Babhulkar is disqualified from being appointed as a director under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956. As far as other directors are concerned, on the basis of written representation received from such directors, as on 31st March 2004 and taken on record by the Board of Directors, We report that none of the remaining directors is disqualified as on 31st March 2004 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. Although the Company had incurred substantial losses in the past resulting in the erosion of more than 100% (Hundred percent) of its net worth, the accounts of the Company are prepared on a going concern basis. Subject to above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies, subject to the Note No.11 for non-provisions of liabilities & Note No.19 for non-compliance of Sections 295 & 372A of the Companies Act, 1956 and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i) in the case of the Balance Sheet, of the State of affairs of the Company as at 31st March, 2004;
 - ii) in the case of the Profit & Loss Account, of the Profit of the Company for the period ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flow of the Company for the period ended on that date.

For J.R.SHAH & ASSOCIATES
Chartered Accountants

Place : Mumbai.
Date : 31/08/2004

(J.R.SHAH)
Proprietor
M.No.46598

YASHRAJ CONTAINEURS LIMITED**11th ANNUAL REPORT
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ANNEXURE REFERRED TO IN PARAGRAPH (2) OF THE REPORT OF THE AUDITORS TO THE MEMBERS OF YASHRAJ CONTAINEURS LIMITED ON THE ACCOUNTS FOR THE PERIOD ENDED ON 31ST MARCH, 2004.

- 1(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) We are informed that the fixed assets have been physically verified by the management during the year. There is a regular program of verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification. During the period, the Company has not disposed off a substantial part of the fixed assets.
- 2(a) The Inventories has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- 3(a) (i) The Company has taken unsecured loans from four parties covered in the register maintained under section 301 of the Companies Act. In aggregate the maximum amount involved during the period was Rs.58,847,726 and in aggregate the year-end balance of loans taken from such was Rs.51,449,762/-.
- (ii) The Company has granted unsecured loans to seven Parties covered in the register maintained under section 301 of the Companies Act. In aggregate the maximum amount involved during the year was Rs.15,040,220 and in aggregate the year-end balance of loans given to such was Rs.14,501,401.
- (b) There are no covenants, so we are not able to comment that whether the rate of interest and other terms and conditions of loans given and taken by the company are prejudicial to the interest of the company. However we are informed that unsecured loans given are interest free, so in our opinion the rate of interest are prima-facie prejudicial to the interest of the company. Further we are informed that unsecured loans taken are interest free, so in our opinion the rate of interest are not prima-facie prejudicial to the interest of the company.
- (c) In absence of any covenants/agreements for repayment of principal amount and interest in respect of loans granted and taken, we have not made any comments about regularity in respect of the receipt and repayments of principal amount & interest. However the Company informed that the loan is granted to the Companies under the same management, firms & parties, the loan is interest free and is repayable on demand.
- (b) In absence of any covenants/agreements for repayment of principal amount and interest in respect of loans granted and taken, we have not made any comments about whether there is any overdue amount. However the Company informed that loan is repayable on demand and therefore the question of overdue amounts does not arise.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchases of inventory, fixed assets and sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. In respect of transactions covered under section 301 of the Companies Act, 1956.
- (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees five lakhs in respect of any party during the period have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public.
7. The Company has no Internal Audit System.
8. We are informed that the Central Government has not prescribed maintenance of cost records under clause (d) of section (1) of Section 209 of the Companies Act, 1956.