

# 13TH ANNUAL-REPORT 2005-2006



## **YASHRAJ CONTAINERS LTD.**



# YASHRAJ CONTAINERS LTD.

13TH ANNUAL GENERAL MEETING 2005-2006

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**DR. JAYESH V. VALIA**  
Executive Chairman

**MR. UMASHANKAR S. NAIR**  
Director

**MR. SHASHIKANT K. KITTUR**  
Director

**MR. MARUTI S. PATIL**  
Director

**MR. BABULAL B. JAIN** (Joined on 31.07.2006)  
Director

### 13TH ANNUAL GENERAL MEETING

**DATE**  
30th September, 2006

**DAY**  
Saturday

**TIME**  
3.00 p.m.

**PLACE**  
Conference Hall,  
Sheth M. K. High School,  
Factory Lane, Borivli (West),  
Mumbai 400 092.

### STATUTORY AUDITORS

**M/S. J. R. SHAH & ASSOCIATES**  
Chartered Accountants

### REGISTERED OFFICE

401, Court Chambers, 4th Floor, S. V. Road,  
Borivli (W), Mumbai - 400 092.

### REGISTRAR & SHARE TRANSFER AGENTS

Sharex Dynamic (India) Pvt. Ltd.

### BANKERS

Bank of India  
ICICI Bank Ltd.

### FINANCIAL INSTITUTIONS

Industrial Development Bank of India  
Gujarat State Financial Corporation

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**NOTICE**

NOTICE is hereby given that the THIRTEENTH ANNUAL GENERAL MEETING of the Members of YASHRAJ CONTAINERS LIMITED, will be held on Saturday, September 30, 2006, at the Conference Hall, Sheth M. K. High School, Factory Lane, Borivli (West), Mumbai 400 092, at 3.00 p.m. to transact the following business.

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2006, 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. Maruti Shankarrao Patil, 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 thought fit, to pass the following resolution, with or without modification(s) as a Special Resolution :

Mr. Babulal Bansilal Jain be and is hereby appointed as a Director of the Company.

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

"RESOLVED that the following shall be added to other Objects to be pursued by the Company as Item Nos. 109 and 110 in the Object Clause of the Memorandum of Association.

**ITEM NO. 109**

To purchase, take on lease or in exchange, hire purchase on hire or on purchase basis or otherwise acquire any immovable or moveable property and any rights or privileges which the Company may think necessary or convenient for the purposes of its business and in particular any land, buildings, easements, machinery, plant and stock-in-trade and either to retain any property to be acquired for the purposes of the Company's business or to turn the same to account as may deem expedient and to carry on agricultural operations and work as builders, contractors, decorators and deal in all kinds of buildings/dams/bridges materials and develop the land and construct buildings and provide infrastructural facility to the residential, commercial, industrial, portfolios either through acquisition development rights whenever required or otherwise as owner/landlord of the immoveable property.

**ITEM NO. 110**

To purchase, sell, lease, sub-lease, maintain and repair lands and Plots, agricultural or otherwise and buildings and also to carry on agricultural operations.

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

"RESOLVED that the consent of the Company is granted under Section 149 (2) of the Companies Act, 1956 and other applicable provisions if any to commence new line of business activity of construction of buildings and development of land etc. as mentioned in Items 109 & 110 respectively as contained in the other objects of the Memorandum of Association of the Company.

**BY ORDER OF THE BOARD**

(DR. JAYESH V. VALIA)  
EXECUTIVE CHAIRMAN

**REGISTERED OFFICE**

401, Court Chambers  
4th Floor, S. V. Road,  
Borivli (West),  
Mumbai 400 092.

PLACE : MUMBAI

DATED : 25.8.2006

**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 23, 2006, and September 30, 2006. (both days inclusive).
3. An Explanatory Statement under Section 173 of the Companies Act, 1956, dated 25.8.2006 and forming part of this Notice dated 25.8.2006 is enclosed herewith.
4. An Item No. 5 of the Notice dated August 25, 2006, falls under Postal Ballot and hence prepaid Postal self-addressed envelopes are accompanying this Notice which requires to be filled in and to be sent so as to reach the Company on or before 29th September 2006.
5. 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.

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EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956, AND FORMING PART OF THE NOTICE CONVENING, THE 13TH ANNUAL GENERAL MEETING AND DATED 25.8.2006

### ITEM NO. 4

#### APPOINTMENT OF A DIRECTOR

Mr. Babulal Bansilal Jain has been appointed as an Additional Director in the Board Meeting held on July 31, 2006. His tenure expires on 30th September 2006. Your Company has received a proposition from a member to appoint him. His appointment has to be approved by the members in the forthcoming Annual General Meeting otherwise he ceases to be a Director. So you are requested to approve his appointment.

The Directors recommend the resolution for members' approval.

None of the Directors other than Mr. Babulal Jain is concerned or interested in the resolution. Mr. Babulal Jain is deemed to be interested in the resolution to the extent of his appointment.

### ITEM NO. 5

Your Company desires to have an added business to the existing on going business. This is to be acquired through diversification and hence a new line of activity of infrastructural operations in immoveable properties is intended to be included in the Object Clause. This requires shareholders consent and since item has to be dealt in with the postal ballot process, the necessary compliance is being secured.

The Directors recommend the resolution for members' approval.

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

### ITEM NO. 6

Your Company proposes to diversify into Building Construction and Land Development Activity. Under the law, your consent is required to do so.

The Directors recommend the resolution for members' approval.

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

BY ORDER OF THE BOARD

(DR. JAYESH V. VALIA)  
EXECUTIVE CHAIRMAN

#### REGISTERED OFFICE

401, Court Chambers  
4th Floor, S. V. Road,  
Borivli (West),  
Mumbai 400 092.

PLACE : MUMBAI

DATED : 25.8.2006

**DIRECTORS' REPORT**

To,  
The Members,

Your Directors are pleased to present the THIRTEENTH ANNUAL REPORT and the Audited Statement of Accounts of your Company for the year ended on 31st March, 2006.

**FINANCIAL RESULTS**

(Amount in Rupees)

	Year ended 31/3/2006	Year ended 31/3/2005
Turnover	343051995	575696345
Profit/(Loss) Before Depreciation, Finance Charges & Taxation	49160921	17479686
Profit/(Loss) before Depreciation & Taxation	13612674	(42424165)
Profit/(Loss) after Depreciation & Taxation	(6121727)	(64915674)
Surplus (Deficit) of Profit and Loss Account of earlier year	(265880812)	(2433293)
Balance carried over to Balance Sheet	48872330	(265880812)

**DIVIDEND**

During the year under review, owing to the accumulated losses, 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. Maruti Shankarrao Patil, retires by rotation at the conclusion of this meeting and being eligible offers himself for re-election.

Mr. Babulal Bansilal Jain joined the Board on 31.7.2006. He is an Additional Director and requires consent from the Members.

**REFERENCE TO BIFR**

Your Company has been declared sick by the Honourable Board for Industrial And Financial Reconstruction, New Delhi, (BIFR) on January 1, 2006, and your Company has filed Rehabilitation Scheme as required with the concerned authorities in the prescribed time.

**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 year.
- 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 EXCHANGE**

The Company is listed on the following Stock Exchange.

- The Bombay Stock Exchange Ltd.

Your Company is listed on The Bombay Stock Exchange Ltd. and the Annual Listing fee has been paid.

**FUTURE PROSPECTS**

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

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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. The Directors recommend M/s. J. R. Shah & Associates to be re-appointed as Statutory Auditors.

**CORPORATE GOVERNANCE REPORT**

Pursuant to Clause 49 of the Listing Agreement with The Bombay Stock Exchange Ltd. the Management Discussion and Analysis and the Report on Corporate Governance together with Auditors Certificate form a part of the Annual Report.

The Auditors have qualified their report in respect of non-compliance of certain Corporate Governance norms referred to in the coverage on Corporate Governance Report forming part of the Annual Report. The said Corporate Governance Report on non-Compliance with Clause 49 of the Listing Agreement is self-explanatory and do not require further elucidation. Your Company could not comply with the statutory requirements of formation of various Committees due to inadequacy of strength of Directors.

**PROPOSED DIVERSIFICATION OF BUSINESS**

Your Company proposes to diversify into Real Estate Portfolio, which is in detail elaborated in the Notice dated 25.8.2006.

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

**FOR AND ON BEHALF OF THE BOARD**

(DR. JAYESH V. VALIA)  
EXECUTIVE CHAIRMAN

PLACE : MUMBAI  
DATED : 25.8.2006

**ANNEXURE TO THE DIRECTORS' REPORT**

Particulars as required under Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 and forming part of Directors' Report for the year ended 31st March, 2006.

**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 Rs.	Previous Year Rs.
b)	Total Foreign Exchange Used & Earned :		
i)	Foreign Exchange Used	175700	589613
ii)	Foreign Exchange Earned	NIL	Nil

**FOR AND ON BEHALF OF THE BOARD**

(DR. JAYESH V. VALIA)  
EXECUTIVE CHAIRMAN

PLACE : MUMBAI  
DATED : 25.8.2006



## CORPORATE GOVERNANCE REPORT

## 1. MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

YASHRAJ CONTAINEURS LTD. (YCL) firmly believes that good Corporate Governance results in regulation of the affairs of your Company in a most transparent, ethical and accountable manner. This is not only the need of the hour but also a means to satisfy the aspirations of all those concerned with Corporate World.

Adherence to Corporate Governance ensures greater level of transparency and accountability, fairness in operations, full disclosure, integrity and compliance of laws. Your Company is committed to administer good Corporate Governance to the extent possible even during its continued sickness and other related matters.

YASHRAJ CONTAINEURS LTD. recognizes the value of adherence to Corporate Governance in its true sense which alone can ensure continuation of belief and the trust reposed by one and all in your company.

## 2. TABLE OF ATTENDANCE OF DIRECTORS AND MEETINGS HELD :

	Name of Directors	No. of Meetings in a Year	Attendance
1)	Dr. Jayesh V. Valia	14	14
2)	Mr. Umashankar Nair	14	—
3)	Mr. S. K. Kittur	14	14
4)	Mr. Maruti Patil	14	—

## 3. LIST OF DIRECTORS

- |    |                     |  |
|----|---------------------|--|
| 1. | Dr. Jayesh V. Valia | - EXECUTIVE CHAIRMAN                             |
| 2. | Mr. Umashankar Nair | - DIRECTOR                                       |
| 3. | Mr. S. K. Kittur    | - DIRECTOR                                       |
| 4. | Mr. M. S. Patil     | - DIRECTOR                                       |
| 5. | Mr. Babulal Jain    | - DIRECTOR - Appointed by the Board on 31.7.2006 |

## 4. General Shareholders Information

- |    |                                |  |
|----|--------------------------------|--|
| 1. | Annual General Meeting         |  |
|    | Day, Date and Time             | : By Separate Communication  |
| 5. | Financial Calendar (2005-2006) | : Annual General Meeting for the year ended 31st March, 2006.                      |
| 6. | Book Closure Date              | : 23.9.2006 to 30.9.2006   |
| 7. | Dividend Payment Date          | : Not applicable since dividend not declared                                       |
| 8. | Registered Office              | : 401, Court Chambers, S. V. Road, Borivli (West), Mumbai 400 092.                 |
| 9. | Listing on Stock Exchange      | : Equity Shares<br>The Bombay Stock Exchange Ltd., Dalal Street, Mumbai - 400 023. |

## 10. Stock Market Information

- |    |                                |         |
|----|--------------------------------|---------|
| i) | Stock Code                     | : 30063 |
|    | The Bombay Stock Exchange Ltd. |         |

- |     |                              |   |
|-----|------------------------------|---|
| 11. | Registrars & Transfer Agents | : M/s. Sharex Dynamic (India) Pvt. Ltd. Unit-1, Luthra Industrial Premises, Safeed Pool, Andheri Kurla Road, Andheri (East) Mumbai - 400 072. |
|-----|------------------------------|---|

**Share Transfer System :** Your Company's Equity Shares are admitted with the Depository System of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as an eligible security under the Depositories Act, 1996. As such, facilities for dematerialisations of your Company's Equity Shares are available vide INE No. 095 CO 10 18 at both the depositories. Your Company's Equity Shares are under compulsory dematerialisation.

## 12. a. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2006 OF EQUITY SHARES OF RS. 10/- EACH FULLY PAID UP

No. of Equity Share held	No. of Share Holders	% of Holders	No. of Shares Held	% of Shares Held
001- 5000	3497	89.97	459972	9.58
5001-10000	147	3.78	128819	2.68
10001-100000	199	5.12	634281	13.22
100001-above	48	1.23	3576928	74.52
<b>TOTAL</b>	<b>3891</b>	<b>100.00</b>	<b>4800000</b>	<b>100.00</b>



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Particulars	No. of Shares	% of Total Share Holding
Promoters group	807200	16.82
Financial Institutions/Banks/Insurance Companies/Mutual Funds	475000	9.90
FII's/NRI's/OCB's/Other Foreign Shareholders (Other than Promoter Group)	-	-
Public & Others	3517800	73.28
<b>TOTAL</b>	<b>4800000</b>	<b>100.00</b>

**13. Dematerialisation of Shares and Liquidity :** Approximately 86.44% of the Equity Shares have been dematerialised upto 31st March, 2006. Trading in Equity Shares of your Company is permitted only in dematerialised form compulsorily as per notification issued by The Securities and Exchange Board of India.

**14. Auditors' Certificate on Corporate Governance :** Your Company has obtained a certificate from the Auditors of the Company regarding non-compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with The Bombay Stock Exchange Ltd. This is annexed to the Annual Report. The Certificate will also be sent to The Bombay Stock Exchange Ltd. alongwith the Annual Accounts to be filed by the Company.

**15. Details regarding Director who has joined the Board on 31.7.2006 :**

MR. BABULAL JAIN :

Qualifications : B.Tech / B. E  
Age : 60 years  
Experience : 32 years

FOR AND ON BEHALF OF THE BOARD

(DR. JAYESH V. VALIA)  
EXECUTIVE CHAIRMAN

PLACE : MUMBAI  
DATED : 25.8.2006

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of  
**YASHRAJ CONTAINERS LTD.**

We have examined compliance of conditions of Corporate Governance by Yashraj Containers Ltd. for the year ended on March 31, 2006, as stipulated in Clause 49 of the Listing Agreement of the said Company with The Bombay Stock Exchange Ltd.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has made no-compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that no investor grievances were pending for a period of one month against the Company as certified by the Registrars & Share Transfer Agents of the Company, based on the records maintained by them.

**For J. R. Shah & Associates**  
**Chartered Accountants**

PLACE : MUMBAI  
DATED : 25.8.2006

**J. R. Shah**  
**Proprietor**  
**Membership No. 46598**