

15TH ANNUAL-REPORT 2007-2008



YASHRAJ CONTAINERS LTD.



YASHRAJ CONTAINERS LTD.

15TH ANNUAL GENERAL MEETING 2007-2008

CORPORATE INFORMATION

BOARD OF DIRECTORS

DR. JAYESH V. VALIA
Executive Chairman

MR. SHASHIKANT K. KITTUR
Director

MR. MARUTI S. PATIL
Director

MR. BABULAL B. JAIN
Director

15TH ANNUAL GENERAL MEETING

DATE
30th September, 2008

DAY
Tuesday

TIME
4.00 p.m.

PLACE
Shree Rajasthan Jain Sangh Hall,
Jambali Galli,
Borivli (West),
Mumbai 400 092.

STATUTORY AUDITORS

M/S. KAKARIA & 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

FINANCIAL INSTITUTIONS

IDBI Ltd.
Gujarat State Financial Corporation

CONTENTS

	Page No.
Notice	1
Directors' Report	7
Corporate Governance Report	9
Auditors' Report	13
Balance Sheet	16
Profit and Loss Account	17
Schedules	18
Notes on Accounts	25
Cash Flow Statement	30

**NOTICE**

NOTICE is hereby given that the FIFTEENTH ANNUAL GENERAL MEETING of the Members of YASHRAJ CONTAINERS LIMITED, will be held on Tuesday, September 30, 2008, at Shree Rajasthan Jain Sangh Hall, Jambali Galli, 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, 2008, 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. Babulal Bansilal Jain, 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 :

"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 Dr. 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, 2009, and payment of remuneration and perquisites as set out in the draft agreement between the Company and Dr. 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.

15TH ANNUAL REPORT 2007-2008

- 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 Dr. Jayesh V. Valia or other terms and conditions in such manner as may be agreed to between the Board of Directors and Dr. 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 Dr. Jayesh V. Valia, in the capacity as an Executive Chairman of the Company with effect from 1st January 2009, 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."

In the event of any relaxation made by the Central Government in the guidelines or ceilings on Managerial remuneration during the period of the agreement the remuneration including (minimum remuneration) payable to Dr. Jayesh V. Valia shall be increased as the Board of Directors may deem fit in accordance with the guidelines or ceilings, if applicable.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter or vary the terms and conditions of the said appointment from time to time in such manner as may be agreed upon between the Company and Dr. Jayesh V. Valia and within the limits prescribed by the Companies Act, 1956 or by the Central Government, if applicable as the case may be."

The duties, functions and other perquisites shall be in accordance with the agreement to be entered into by Dr. Jayesh V. Valia with the Company.

- G) In order to remove the doubts it is FURTHER RESOLVED THAT Dr. Jayesh V. Valia, Executive Chairman, who has been already appointed in Precision Containers Limited, as an Executive Chairman, a Company, under the same management, with effect from January 1, 2009, 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 Dr. Jayesh V. Valia.

5. 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 hereby accorded to the action of Board of Directors allotting 10,50,000 Equity Shares to eligible Investors of Equity Shares of face value of Rs. 10/- each fully paid up and with a premium of Rs. 85/- thereon thus totalling Rs. 9,97,50,000/- (Rupees Nine Crores Ninety Seven Lakhs Fifty Thousand Only) and also allotment of 7,50,000 Convertible Share Warrants of Rs. 10/- each with a premium of Rs. 85/- each thereon of which 10% of the amount has been received and further consent is hereby granted for allotment of 831578 convertible share warrants of Rs.10/- each with a premium of Rs. 85/- each thereon to the promoters group."

"RESOLVED FURTHER that the abovesaid allotment when conversion takes place shall work out to 26,31,578 Equity Shares of Rs. 10/- each fully paid up and collection thereagainst Rs. 24,99,99,910/- having a break-up of Rs. 10/- per Equity Share as nominal value and Rs.85/- premium each thereon."

"RESOLVED further that the abovesaid allotment of Equity Shares and convertible share warrants shall be construed as forming part and parcel of consent and approval already accorded by the members in the Extra-Ordinary General Meeting of the Company held on Wednesday, February 20, 2008, comprising of two Special Resolutions listed as Resolution No. 1 and Resolution No. 2 respectively in that meeting."

"RESOLVED further that the terms and conditions and caveats in resolution No. 2 of that meeting for conversion of Share Warrants into Equity Shares shall continue to be valid and any defaults made by the Investor/s for payment/s of the balance amount of 90% shall be



construed as default and the money received against such defaults attributable to such share warrants shall be forfeited forth-with."

"RESOLVED Further that the forfeited share warrants if any shall be re-issued and re-allotted to the willing and forth-coming investors totally at the sole discretion of the Board of Directors of the Company."

"RESOLVED FURTHER that the consent of the members is granted herewith to forfeit the share warrants and issue them fresh to the willing investors totally at the sole discretion of the Board of Directors of the Company and if the Board of Directors has already acted in that behalf, the same action of its stands ratified, approved and adopted by this meeting."

- a) Each (detachable) Share Warrant shall be convertible into one Equity Share of nominal value of Rs.10/- each.
- b) The (detachable) Share Warrant holder(s) shall, on the date of Share Warrants (detachable), pay upfront an amount equivalent to 10% of the total consideration per Share Warrant (detachable) i.e. Rs. 9.50 per Share Warrant (detachable), each Share Warrant detachable price being Rs. 95/-.
- c) The (detachable) Share Warrant holder(s) shall, before the date of conversion of the (detachable) Share Warrants into Equity Shares, pay the balance 90% i.e. Rs. 85.50 per Detachable Share Warrant, towards the consideration for the subscription of each Equity Share.
- d) The amount referred to in (b and c) above shall be forfeited, if the option to acquire Shares is not exercised.
- e) In the event of any of the (detachable) Share Warrant holders not subscribing to all or any of the Equity Shares relating to Share Warrants (detachable) immediately within the stipulated period from the date of allotment of Share Warrants (detachable), the Board shall in its absolute discretion, offer such Shares to any other person(s) and in case such offer is declined by such person(s) or the Equity Shares are not subscribed to, within the stipulated period, such Shares will lapse.

"RESOLVED FURTHER that the Board of Directors be and they are hereby authorised to give calls on warrants even earlier than the stipulated period mentioned in the foregoing and even to make increase in the quantum of amount payable as mentioned in the earlier premises at its sole discretion."

"RESOLVED FURTHER THAT the Company shall ensure that whilst any (detachable) Share Warrants remain exercisable, it will at all times keep available and reserved such part of its authorized but un-issued share capital as would enable all outstanding Share Warrants to be satisfied in full."

"RESOLVED FURTHER THAT the Board be and is hereby authorized in its entire discretion to decide to proceed with the issue of the (detachable) Share Warrants, to finalise the list of allottees, including the size and relative components of the same, and for the purpose of giving effect to this issue or allotment of (detachable) Share Warrants or Shares, and to remove any difficulties the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose, including but without limitation, appointment of consultants, solicitors, merchant bankers or any other agencies as may be required and entering into arrangements for listing, trading, depository services and such other arrangements and agreements, as may be necessary and also to seek listing of the Equity Shares representing the same in Bombay Stock Exchange Ltd. with power on behalf of the Company, to settle any questions, difficulties or doubts that may arise in regard to any such issue, offer or allotment of (detachable) Share Warrants/ Equity Shares and in complying with any Regulations, as it may in its absolute discretion deem fit, without being required to seek any further clarification, consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER that the Board of Directors be and they are hereby expressly authorised to over-ride, make amendments, and modifications to the earlier scheme enunciated in the said Resolution listed as Resolution No.2 in the Extra-Ordinary General Meeting of the members held on Wednesday, February 20, 2008 such of the terms and conditions in order to make it flexible and workable and beneficial in the interest of the Company at the sole discretion of the Board of Directors."

"RESOLVED FURTHER that the Board be and is hereby authorised to issue, to allot such number of Equity Shares as may be required to be issued and allotted and including already allotted if any prior to the holding of this meeting which action of the Board of Directors stands hereby ratified and upon conversion of the (detachable) Share Warrants and that the said Equity Shares shall rank *pari passu* in all respects with the existing Equity Shares of the Company including payment of dividend save these Shares shall not be eligible for dividend pertaining to prior Period before its allotment."

15TH ANNUAL REPORT 2007-2008

"RESOLVED Further that the Board of Directors be and is hereby authorised to replace the allottees and their respective quantum without further reference to the General Meeting if in case any of the allottees withdraws or gets disqualified or otherwise suffers from financial incapability."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee of Directors or officers of the Company to give effect to this resolution."

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 hereby accorded to the action of the Board of Directors to carry on the trading activity in shares/securities etc, in future."

"RESOLVED FURTHER that the necessary ratification is accorded to the already carried out business in trading of shares/securities etc. by the Board of Directors 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 : 30.8.2008

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, 2008, and September 30, 2008, (both days inclusive).
3. An Explanatory Statement under Section 173 of the Companies Act, 1956, dated 30.8.2008 and forming part of this Notice dated 30.8.2008 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 CONTAINERS LTD.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956, AND FORMING PART OF THE NOTICE CONVENING, THE 15TH ANNUAL GENERAL MEETING AND DATED 30.8.2008

ITEM NO. 4

RE-APPOINTMENT OF EXECUTIVE CHAIRMAN

I. Information about the Appointee :

i) Background Details

Dr. Jayesh V. Valia aged 47 years is possessing qualification of B.Com. He is the Promoter Director of the Company. He is having vast experience of around 18 years in M. S. Barrels business. He is associated with the company for quite a long period.

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

Dr. Jayesh V. Valia as drawn salary as follows :

Year	Entitled for	Actually Drawn Amount
1999-2000	NIL	Rs. NIL
2000-2001	Rs. 9,00,000 p.a.	Rs. NIL
2001-2002	Rs. 9,00,000 p.a.	Rs. NIL
2002-2003	Rs. 9,00,000 p.a.	Rs. 9,00,000 p.a.
2003-2004	Rs. 9,00,000 p.a.	Rs. 9,00,000 p.a.
2004-2005	Rs. 9,00,000 p.a.	Rs. 9,00,000 p.a.
2005-2006	Rs. 9,00,000 p.a.	Rs. 9,00,000 p.a.
2006-2007	Rs. 9,00,000 p.a.	Rs. 9,00,000 p.a.

Due to deteriorating financial condition of the company, no remuneration was drawn in the years 1999-2000 and 2001 to 2002. He waived his salary voluntarily.

iii) Job Profile and Suitability

During the tenure of Dr. 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	Dr. Jayesh V. Valia
Salary	Rs. 75,000/-p.m. plus
Perquisites & Allowance	Free Furnished residential accommodation, use of Company's car, expenses 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.

15TH ANNUAL REPORT 2007-2008**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 Dr. Jayesh V. Valia who can be deemed as interested or concerned to the extent of his holding of the place of profit.

ITEM No. 5**ALLOTMENT OF EQUITY SHARES / CONVERTIBLE SHARE WARRANTS :**

In the Extra-Ordinary General Meeting of the shareholders held on February 20, 2008, the consent of the shareholders was granted for raising finance through Preferential Allotment by making allotment of Equity Shares and Convertible Share Warrants. However, this was subject to approval from the Hon'ble BIFR, New Delhi. The Company has obtained the approval from the Hon'ble BIFR for issuance of Equity Shares/Convertible Share Warrants of Rs.10/- each in both the cases with a premium thereon of Rs. 85/- each thereon in both the cases to the extent of Rs. 25.00 crores collectively on the basis of the approval granted by the shareholders in its Extra-Ordinary General Meeting held on 20.2.2008. 10,50,000 Equity Shares were allotted and Convertible Share Warrants were also allotted. This has to be placed in the frame-work of the approval granted by the Hon'ble BIFR as far as the quantum of finance is concerned which is pegged at Rs. 25.00 crores for the time being collectively towards Preferential Issue and the Company has carried out this exercise successfully and made the allotment of 10,50,000 Equity Shares and also 15,81,578 Convertible Share Warrants respectively in its Board Meeting held on Thursday, August 14, 2008 and in furtherance of listing arrangement, the Company has approached the Bombay Stock Exchange and the matter is in process.

Directors commend this resolution for members' approval.

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

ITEM No. 6**CARRYING OF TRADING ACTIVITY IN SECURITIES :**

The Company had carried out trading activity in the shares. The members are requested to ratify the action of the Board of Directors and also give your approval for carrying out the same in the future if so required as u/s.149 (2B) of the Companies Act, 1956.

Directors commend this resolution for members' approval.

None of the Directors is interested or concerned 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 : 30.8.2008



DIRECTORS' REPORT

To,
The Members,

Your Directors are pleased to present the FIFTEENTH ANNUAL REPORT and the Audited Statement of Accounts of your Company for the year ended on 31st March, 2008.

FINANCIAL RESULTS

(Amount in Rupees)

	Year ended 31/3/2008	Year ended 31/3/2007
Turnover	1007011187	511373229
Profit/(Loss) Before Depreciation, Finance Charges & Taxation	83837658	106007148
Profit/(Loss) before Depreciation & Taxation	17538073	71756275
Profit/(Loss) after Depreciation & Taxation	8537730	51318572
Surplus (Deficit) of Profit and Loss Account of earlier year	67344593	48872330
Balance carried over to Balance Sheet	56889707	67344593

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. Babulal Bansilal Jain, retires by rotation at the conclusion of this meeting and being eligible offers himself for re-election.

REFERENCE TO BIFR

Your Company has been declared sick by the Honourable Board for Industrial And Financial Reconstruction, New Delhi, (BIFR) on January 20, 2006, and your Company has filed Rehabilitation Scheme as required with the concerned authorities in the prescribed time. The Operating Agency (OA) had processed the Rehabilitation Scheme and has forwarded the same to the Hon'ble BIFR with its comments thereon and it is in the process for getting approval of the Hon'ble BIFR in the nature of Draft Rehabilitation Scheme.

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 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.

- Bombay Stock Exchange Ltd.

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

15TH ANNUAL REPORT 2007-2008**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 got recurring demand and they have been used in Industrial Application.

AUDITORS

The Statutory Auditors M/s. Kakaria & Associates, Chartered Accountants, Vapi, are eligible to be re-appointed. The Directors recommend M/s. Kakaria & Associates to be re-appointed as Statutory Auditors.

EXPANSION ACTIVITY

Your Company has set up an additional manufacturing facilities at Chennai and at Kolkatta respectively during the year under review. There is a smooth sailing. Your Company has got ambitious plans to put up additional factories at different locations to enlarge its market share. The Company is in the process to set up additional factory at Haryana.

CORPORATE GOVERNANCE REPORT

Pursuant to Clause 49 of the Listing Agreement with 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.

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 : 30.8.2008

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, 2008.

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	Nil

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	415,000 47,000
ii)	Foreign Exchange Earned	NIL Nil

FOR AND ON BEHALF OF THE BOARD

(DR. JAYESH V. VALIA)
EXECUTIVE CHAIRMAN

PLACE : MUMBAI
DATED : 30.8.2008