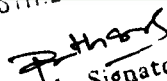


# 12<sup>th</sup> Annual Report 2003-2004

Report

CERTIFIED TRUE COPY

For MEWAR INDUSTRIES LIMITED

  
Director/Auth. Signatory

**MEWAR INDUSTRIES LIMITED**

**MEWAR INDUSTRIES LIMITED****BOARD OF DIRECTORS**

|                             |          |
|-----------------------------|----------|
| Sh. Ramphal Bansal          | Director |
| Sh. Ashok Kumar Gadiya      | Director |
| Sh. Govind Lal Gadiya       | Director |
| Sh. Pramod Kumar Chhaparwal | Director |
| Sh. Ashok Kumar Singhal     | Director |

**AUDITORS****M/s Ramesh Somani & Co.***Chartered Accountants*17D/212, Vasundhara, Konark Enclave,  
Ghaziabad - 201 010**BANKERS TO THE COMPANY**State Bank of Patiala, Delhi  
Punjab National Bank, Udaipur  
The Bank of Rajasthan Limited, Udaipur  
Oriental Bank of Commerce, Ghaziabad**SHARE TRANSFER AGENT**Intime Spectrum Registry Limited  
A-31, 11th Floor, Naraina Industrial Area,  
Phase-I, New Delhi - 110 028**REGISTERED OFFICE**4117, 1st Floor, Naya Bazar, Delhi-110006  
Phone: 2396 2062, 2391 1438**LISTED WITH STOCK EXCHANGES****The Delhi Stock Exchange Association Limited**DSE House, 3/1, Asaf Ali Road, Delhi - 110 002  
Company Scrip Code : 8065**The Stock Exchange, Mumbai**Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001  
Company Scrip Code : 31194**The Stock Exchange, Ahmedabad**Kamdhenu Complex, Panjarapole,  
Ahmedabad - 380 015  
Company Scrip Code : 36446**Jaipur Stock Exchange Limited**Indira Palace, JLN Marg,  
Malviya Nagar, Jaipur.  
Company Scrip Code : 675

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**MEWAR INDUSTRIES LIMITED****NOTICE**

Notice is hereby given that the 12th Annual General Meeting of the members of Mewar Industries Limited will be held on Thursday, the 30th day of September, 2004 at the Registered Office of the Company, i.e. 4117, 1st Floor, Naya Bazar, Delhi-110006, at 10.30 A.M. to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet as on 31st March, 2004 and Profit & Loss Account of the Company for the year ended on that date, together with the Reports of Directors' and Auditors' thereon.
2. To appoint Director in place of Sh. Ashok Kumar Singhal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Director in place of Sh. Pramod Kumar Chhaparwal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s Ramesh Somani & Co., Chartered Accountants as Auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration.

On Behalf of the Board of Directors  
For **MEWAR INDUSTRIES LIMITED**

**ASHOK KUMAR GADIYA**  
Director

Delhi, 4th day of September, 2004

**NOTES :**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the company. Proxies in order to be effective must be received by the company not less than 48 hours before the time fixed for the meeting.
2. The register of the members and share transfer books of the Company shall remain closed from 16/09/2004 to 30/09/2004 (both days inclusive).
3. Members/ Proxies are requested to bring the attendance slip sent herewith duly filled in for attending the meeting.
4. Members who hold shares in de-materialised form are requested to bring their ID and DP ID No. for easier identification of attendance at the meeting.
5. The members desirous of getting information on the accounts or operations of the company, are requested to forward their queries to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
6. Members are requested to kindly notify immediately any change in their address to the company and in case their shares are held in dematerialised form, this information should be passed on to their respective Depository Participant without any delay.

**INFORMATION AS REQUIRED BY CLAUSE 49(VIA) OF THE LISTING AGREEMENT**

1. Mr. Ashok Kumar Singhal (42 years) is a graduate in Commerce and a practicing Chartered Accountant. He is a partner in Anil Ashok & Associates, a Chartered Accountant firm and Mewar Associates, a consultancy firm. He has a very rich experience in various fields like accounts, taxation, finance etc. He is also General Secretary of the Advisory Board of Mewar Institute of Management and Mewar Law Institute, Ghaziabad.

**MEWAR INDUSTRIES LIMITED**

Details of his other Directorship / Membership of Committees are given below :

| Name of the company                 | Directorship | Committee Membership                                 |
|-------------------------------------|--------------|--|
| Women Networks Limited              | Director     | Audit Committee<br>Shareholder's Grievance Committee |
| Mewar Developers Private Limited    | Director     | —  |
| Mewar Consultants Private Limited   | Director     | —  |
| Womeninfo.com Private Limited       | Director     | —  |
| Indianastrology.com Private Limited | Director     | —  |
| Playway Resorts Private Limited     | Director     | —  |
| AAA Consultants Private Limited     | Director     | —  |

2. Mr. Pramod Kumar Chhaparwal (50 years) is a practicing Chartered Accountant. He is having a very rich experience in various fields like accounts, taxation, finance etc.

| Name of the company            | Directorship | Committee Membership |
|--------------------------------|--------------|----------------------|
| Saheli Marbles Private Limited | Director     | —                    |

On Behalf of the Board of Directors  
For **MEWAR INDUSTRIES LIMITED**

**ASHOK KUMAR GADIYA**  
Director

Delhi, 4th day of September, 2004

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**MEWAR INDUSTRIES LIMITED****DIRECTORS' REPORT**

Dear Members,

Your Directors have the pleasure in presenting the 12th annual report together with the audited accounts of the company for the financial year ending on 31st March, 2004.

**Working Results****(Rs. in Lacs)**

| Particulars   | Year ended<br>31.03.2004 | Year ended<br>31.03.2003 |
|---|--------------------------|--------------------------|
| Total Income  | 13.78                    | 20.48                    |
| Profit after interest but before depreciation               | 1.12                     | 2.85                     |
| Depreciation  | 0.65                     | 0.53                     |
| Profit before tax   | 0.47                     | 2.32                     |
| Less : Provision for taxation                               | 0.17                     | 0.90                     |
| Less : Income tax for earlier years                         | 4.51                     | 2.05                     |
| Add : Excess provision written back                         | 1.34                     | 0.00                     |
| Profit/(Loss) after Tax                                     | (2.87)                   | (0.63)                   |
| Add : Balance in P&L Account c/d                            | 38.86                    | 42.42                    |
| Add : Deferred tax liability of earlier years reversed back | 0.06                     | 0.04                     |
| Less : Adjustments for prior period items                   | 0.00                     | 2.98                     |
| Balance carried to Balance Sheet                            | 36.05                    | 38.85                    |

**Performance**

During the year under review, the total income of the Company has decreased in comparison to the last year, due to recession and competition in the market. The company has earned a profit of Rs. 0.47 lacs before tax during the year in comparison to previous year profit of Rs. 2.32 lacs. The lower net profit has been resulted due to lower total income. The directors are hopeful for better performance during the year in view of improved condition of financial and monetary market.

**Dividend**

In view of inadequacy of profit, your directors regret their inability to recommend dividend.

**Directors**

In accordance with the articles of the company and the provisions of the Companies Act, 1956, Sh. Ashok Kumar Singhal and Sh. Pramod Kumar Chhapparwal retires by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment on the Board of your Company.

**Directors' Responsibility Statement**

- The directors confirm that, in preparation of Balance Sheet and Profit & Loss Account of the company, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- The Company has applied consistently the selected accounting policies 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 financial year and of the profit of the Company for that period.
- The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The annual accounts have been prepared on a going concern basis.

**Corporate Governance**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Management discussion and analysis report, Corporate Governance Report and Auditor's Certificate regarding compliance of conditions of Corporate Governance are made part of the Annual Report.

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**MEWAR INDUSTRIES LIMITED****Auditors**

M/s Ramesh Somani & Co., Chartered Accountants, the Auditors of the company retire at the conclusion of the ensuing Annual General Meeting and being eligible for re-appointment under section 224(1) of the Companies Act, 1956, have indicated their willingness to continue in this capacity.

**Auditors Report**

The notes to the accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comment.

**Public Deposits**

Your Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956 and the rule made thereunder, during the year.

**Particulars of Employees**

No employee is drawing remuneration as provided under the Companies (Particulars of Employees) Rules, 1975 and hence information as required under Section 217(2A) of the Companies Act, 1956 is not required to be furnished.

**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

The Company's operations are not power intensive. Nevertheless your company has introduced various measures to conserve and minimise the use of energy.

No technology has been imported during the previous year. Indigenous technology available is continuously been upgraded to improve overall performances.

Foreign Exchange Earning : Nil

Foreign Exchange Outgo : Nil

**Acknowledgement**

Your Directors would like to place on record their appreciation for the assistance and co-operation and whole-hearted support received from company's bankers, advisors, and customers, investors and all whose continued support has been a source of the strength to the Company.

Your Directors place on record their appreciation for the valuable contribution made by employees at all levels, who through their competence, hard work, co-operation and support, have enabled the Company to achieve the rapid growth.

On Behalf of the Board of Directors  
For **MEWAR INDUSTRIES LIMITED**

**ASHOK KUMAR GADIYA**  
Director

Delhi, 3rd day of September, 2004

**MEWAR INDUSTRIES LIMITED****REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE***(Annexure to the Directors Report)***Company's Philosophy on Corporate Governance**

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organisation. Our Company is committed to implement principles of effective corporate governance which will ensure protection of interest of shareholders and other stakeholders. It brings into focus the fiduciary and the trusteeship role of the Board to align and direct the actions of the organisation towards creating wealth of shareholders value.

**Board of Directors****Composition :**

The Board consists of five members, out of which all are Non-executive Directors. The detailed composition of the Board and other related information is given in the table below :

| Director Non-executive/      | Executive/<br>Non-Executive/<br>Independent | No. of<br>of other<br>Directorship | Membership<br>of other Board<br>Committees | Chairmanship<br>of<br>Committees |
|------------------------------|---|------------------------------------|--|----------------------------------|
| Mr. Ramphal Bansal           | Non-Executive, Independent                  | 1                                  | —  | —                                |
| Mr. Ashok Kumar Gadiya       | Non-Executive                               | 7                                  | 2  | 1                                |
| Mr. Govind Lal Gadiya        | Non-Executive, Independent                  | —                                  | —  | —                                |
| Mr. Pramod Kumar Chhapparwal | Non-Executive, Independent                  | —                                  | —  | —                                |
| Mr. Ashok Kumar Singhal      | Non-Executive                               | 7                                  | 2  | —                                |

**Board Meetings :**

During the period under review, Nine board meetings were held on 4th April, 30th June, 31st July, 3rd September, 31st October, 1st November of 2003 and 31st January, 16th February and 31st March of 2004.

The attendance at the Board Meetings and Annual General Meeting were as under :

| Name of Director             | Attendance    |     |
|------------------------------|---------------|-----|
|                              | Board Meeting | AGM |
| Mr. Ramphal Bansal           | 8             | Yes |
| Mr. Ashok Kumar Gadiya       | 9             | No  |
| Mr. Govind Lal Gadiya        | 9             | No  |
| Mr. Pramod Kumar Chhapparwal | 9             | No  |
| Mr. Ashok Kumar Singhal      | 9             | Yes |

**Committees of the Board**

The Board of Directors have constituted the following committees with adequate delegation of powers to discharge day-to-day affairs of the Company as well as to meet the exigencies of the business of the Company.

**Audit Committee :**

The Audit Committee comprises of three Directors. The members consist of Sh. Ashok Kumar Gadiya, Sh. Pramod Kumar Chhapparwal and Sh. Ramphal Bansal with Mr. Ramphal Bansal, a Non-executive Independent Director as Chairman.

The terms of reference of the Audit Committee are in line with the powers, duties and responsibilities stipulated in Clause 49 of the Listing Agreement.

The functions of Audit Committee are as per Company Law and Listing Agreement with Stock Exchanges. These include overseeing of company's financial reporting process, recommending the appointment and removal of external auditors, reviewing the annual financial statements, financial management policy, adequacy of internal control system and internal audit functions.

The committee met four times during the year on 12th May, 25th July, 17th October of 2003 and 20th January of 2004. The attendance of members were as follows :

| Director                     | Status   | No. of meetings attended |
|------------------------------|----------|--------------------------|
| Sh. Ramphal Bansal           | Chairman | 4                        |
| Sh. Ashok Kumar Gadiya       | Member   | 4                        |
| Sh. Pramod Kumar Chhapparwal | Member   | 4                        |

The Members of the Meetings of the Audit Committee were discussed and taken note of, by the Board of Directors.