

14th Annual Report 2005 - 2006

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For Mewar Industries Limited

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Adhish Sign/Director

MEWAR INDUSTRIES LIMITED

MEWAR INDUSTRIES LIMITED

BOARD OF DIRECTORS

Sh. Ashok Kumar Gadiya	Chairman
Sh. Ramphal Bansal	Director
Sh. Govind Lal Gadiya	Director
Sh. Pramod Kumar Chhapparwal	Director
Sh. Ashok Kumar Singhal	Director

AUDITORS

M/s Ramesh Somani & Co.
Chartered Accountants
17D/212, Vasundhara, Konark Enclave,
Ghaziabad - 201 010

COMPANY SECRETARY

Ms. Sonia Garg

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, IIIrd Floor, Naraina Industrial Area,
Phase-I, New Delhi - 110 028

REGISTERED OFFICE

4117, 1st Floor, Naya Bazar, Delhi-110006
Phone: 26348911 - 14

LISTED WITH STOCK EXCHANGES

Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001
Company Scrip Code : 31194

The Delhi Stock Exchange Association Limited
DSE House, 3/1, Asaf Ali Road, Delhi - 110 002
Company Scrip Code : 8065

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MEWAR INDUSTRIES LIMITED**NOTICE**

Notice is hereby given that the 14th Annual General Meeting of the members of Mewar Industries Limited will be held on Saturday, the 30th day of September, 2006 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 consider and adopt the audited Balance Sheet as on 31st March, 2006 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 a Director in place of Sh. Ramphal Bansal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sh. Pramod Kumar Chhaparwal, who retires by rotation and being eligible, offers him-self 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.

By order of the Board of Directors
For **MEWAR INDUSTRIES LIMITED**

SONIA GARG
Company Secretary

Delhi, 4th day of September, 2006

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 16/09/2006 to 30/09/2006 (both days inclusive) in connection with the Annual Report.
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 seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
6. Members are requested to notify immediately any change in their address (with PINCODE), if any, quoting their registered folio numbers. In case of demat shareholders the change of address, if any, may be notified to their respective Depository Participants.
7. Members are requested to quote their folio number and the Company's name in all correspondence with M/s Intime Spectrum Registry Limited, who are acting as our Registrar and Share Transfer Agents.
8. Corporate members intending to send their representatives are requested to send a duly certified copy of Board Resolution authorising their representatives to attend and vote at the Annual General Meeting.
9. In accordance with the provisions of Article 91 of the Articles of Association of the Company, Sh. Ramphal Bansal and Sh. Pramod Kumar Chhaparwal, will retire by rotation at the Annual General Meeting and being eligible, offer themselves for re-election. Additional information, pursuant to Clause 49 of the Listing Agreement with Stock Exchanges in respect of those Directors seeking election after retiring by rotation at the Annual General Meeting, are given hereunder:

Mr. Ramphal Bansal (79 years) is a graduate in law and is practicing as a Senior Lawyer in the Delhi High Court. He has a wide experience in legal field.

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

Name of the Company	Directorship	Committee Membership
Bharat Prakashan (Delhi) Limited	Director	-

Mr. Pramod Kumar Chhaparwal (52 years) is a practicing Chartered Accountant. He is having a very rich experience in various fields like accounts, finance and taxation etc.

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

Name of the Company	Directorship	Committee Membership
Saheli Marbles Private Limited	Director	-

By order of the Board of Directors
For **MEWAR INDUSTRIES LIMITED**

SONIA GARG
Company Secretary

Delhi, 4th day of September, 2006

MEWAR INDUSTRIES LIMITED**DIRECTORS' REPORT**

Dear Members,

Your Directors have the pleasure in presenting the 14th Annual Report together with the audited Accounts of the Company for the financial year ending on 31st March, 2006.

Financial Results		(Rs. in Lacs)
Particulars	Year ended 31.03.2006	Year ended 31.03.2005
Total Income	32.53	20.75
Profit after interest but before depreciation	18.67	3.20
Depreciation	1.21	1.11
Profit /(Loss) before tax	17.46	2.09
Less: Provision for taxation	2.83	0.28
Less: Income tax for earlier years	2.22	6.08
Less: Deferred tax liability	0.27	0.00
Profit /(Loss) after tax	12.14	(4.27)
Add: Balance in P&L Account c/d	31.93	36.04
Add: Deferred tax liability of earlier years reversed back	0.00	0.16
Balance carried to Balance Sheet	44.07	31.93

Performance

During the year under review, the total income of the Company has increased in comparison to the last year. The Company has earned a profit of Rs. 17.46 lacs before tax during the year in comparison to previous year profit of Rs. 2.09 lacs. The directors are hopeful for better performance during the year in view of improved condition of financial and monetary market.

Dividend

The Company has not declared any dividend during the year in order to maintain the liquidity of funds for the expansion of the business.

Directors

In accordance with the articles of the Company and the provisions of the Companies Act, 1956, Sh. Ramphal Bansal and Sh. Pramod Kumar Chhaparwal retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment on the Board of your Company.

Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that:

- i) In preparation of annual accounts, the applicable Accounting Standards have been followed alongwith proper explanation relating to material departures.
- ii) The accounting policies have been selected and applied consistently and the judgements and estimates made, 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 & Loss account 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 Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) 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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Delisting

The equity shares of the Company has been delisted from The Stock Exchange, Ahmedabad and Jaipur Stock Exchange Limited during the previous year. And the Company is in the process of delisting from The Delhi Stock Exchange Association Limited. The equity shares of the Company shall continue to be listed on Bombay Stock Exchange Limited (BSE) having nation-wide trading terminal.

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, customers and 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.

On behalf of the Board
For **MEWAR INDUSTRIES LIMITED**

ASHOK KUMAR GADIYA
Chairman

Delhi, 2nd day of September, 2006

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

The Company's philosophy of Corporate Governance is aimed at assisting the top management of the Company in the efficient conduct of its business and in meeting its obligations to stakeholders and adequate and transparent reporting of the financial information. A system to effectively manage risks has been implemented. The Company has been disclosing information on different issues concerning the Company's performance from time to time. The employees at all levels are bound by the Code of Conduct that sets forth the Company's policies on all important issues.

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	Category of Directorship	Number of Directorship in other companies	Number of Committee position held in other Companies	
			Member	Chairman
Mr. Ashok Kr. Gadiya (Chairman)	Non-Executive	7	2	1
Mr. Ramphal Bansal	Non-Executive, Independent	1	—	—
Mr. Govind Lal Gadiya	Non-Executive	—	—	—
Mr. Pramod Kumar Chhapparwal	Non-Executive, Independent	1	—	—
Mr. Ashok Kumar Singhal	Non-Executive	6	1	—

Board Meetings and Attendance :

During the previous year, Eighteen board meetings were held on 12th April, 15th April, 16th May, 30th May, 30th June, 15th July, 30th July, 16th August, 22nd August, 30th August, 1st September, 15th October, 25th October, 15th November of 2005 and 16th January, 30th January, 28th February and 30th March of 2006.

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

Name of Director	Attendance	
	Board Meetings	AGM
Mr. Ashok Kumar Gadiya	18	No
Mr. Ramphal Bansal	14	Yes
Mr. Govind Lal Gadiya	10	No
Mr. Pramod Kumar Chhapparwal	11	No
Mr. Ashok Kumar Singhal	18	Yes

Code of Business Conduct

The Company has adopted a Code of Business Conduct, which applies to all employees, and Directors of the Company. It is the responsibility of all employees and Directors to familiarize themselves with this code and comply with its standards.

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 Mr. Ashok Kumar Gadiya, Mr. Pramod Kumar Chhapparwal and Mr. 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 five times during the year on 8th April, 15th May, 23rd July, 25th October of 2005 and 23rd January 2006 and the attendance of members were as follows :

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Director	Status	No. of meetings attended
Mr. Ramphal Bansal	Chairman	5
Mr. Ashok Kumar Gadiya	Member	5
Mr. Pramod Kumar Chhapparwal	Member	5

The minutes of the meetings of Audit Committee were discussed and taken note of, by the Board of Directors.

Remuneration Policy :

No remuneration is paid to the directors.

Shareholders' Grievance Committee :

The committee was formed to review and redress the investors grievances / letters regarding various matters. It constitutes three members i.e. Sh. Ashok Kumar Gadiya, Sh. Ashok Kumar Singhal and Sh. Govind Lal Gadiya with Sh. Ashok Kumar Gadiya, a Non-executive Director as the Chairman of the committee.

Ms. Sonia Garg, Company Secretary of the Company has been designated as Compliance Officer of the Company.

During the year 2005-06, two meetings of the committee were held and attendance of members were as follows :

Director	Status	No. of meetings attended
Mr. Ashok Kumar Gadiya	Chairman	2
Mr. Ashok Kumar Singhal	Member	2
Mr. Govind Lal Gadiya	Member	2

The minutes of the meetings of the Shareholders' Grievance Committee were discussed and taken note of by the Board of Directors.

The functions of the committee include effective redressal of the complaints of the shareholders such as dematerialisation, transfer, non-receipt of balance sheet etc. The committee recommends steps to be taken for further improvement in the quality of service to the investors.

All the requests/complaints received during the year were attended to promptly and resolved to the satisfaction of the shareholders. No valid request for share transfer / transmission were pending as on March 31, 2006.

General Body Meetings

The location and time of the Annual General Meetings held during the last three years were as follows :

Financial Year	AGM	Date	Location of Meetings	Time
2002-2003	AGM	30.09.2003	4117, 1st Floor, Naya Bazar, Delhi-110006	10.30 A.M.
2003-2004	AGM	30.09.2004	-do-	10.30 A.M.
2004-2005	AGM	30.09.2005	-do-	10.30 A.M.

No resolution is proposed to be passed by postal ballot at the forthcoming Annual General Meeting.

Disclosures

The Company has not entered into any transaction of material nature that may have potential conflict with interests of the Company with any of the Directors or their relatives during the financial year ending 31st March 2006.

The Company has complied with the provisions of law and no penalties or strictures have been imposed by the Stock exchanges or SEBI or any other statutory authority, on any matter related to the capital markets, during the last 3 years.

Means of Communication

During the year the quarterly/ half-yearly/ annual unaudited / audited financial results of the Company were sent to the Stock Exchanges immediately after they were approved by the Board of Directors and were also published in one English and one Vernacular language newspaper i.e. Money Makers and Dainik Mahlaxmi Bhagyodaya respectively. Management Discussion and Analysis forms part of the Annual Report.

As per the requirements of Clause 51 of the Listing Agreement, all the data related to quarterly financial results, shareholding pattern etc. is provided to the special web-site www.sebidifar.nic.in within the time frame prescribed in this regard.

General Shareholder Information**A. 14th Annual General Meeting**

Date : 30th September, 2006
Time : 10.30 A.M.
Venue : 4117, 1st Floor, Naya Bazar, Delhi-110006