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17th
ANNUAL REPORT
2003 - 2004

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INDO ZINC LIMITED

601, Ravi Building, 189/191, Dr D.N. Road, Fort, Mumbai - 400 001

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189/191, Dr. D.N. Road, Fort, Mumbai

BOARD OF DIRECTORS :

Sanjay Agrawaal	- Chairman & Managing Director
Manoj Agrawal	- Joint Managing Director
S.K. Nuwal	- Whole-Time Director
J. Tauro	- Nominee (IDBI)
B.L. Kakrecha	- Director
Neeraj Jajoo	- Director
Vinita Puntambekar	- Director
R.K. Chaturvedi	- Director
Aditi Gupta	- Company Secretary

BANKERS :

State Bank of India

AUDITORS :

Chaturvedi SK & Fellows
B-133, Mittal Tower,
Nariman Point, Mumbai - 400 001

REGISTERED OFFICE :

601, Ravi Building, 189/191,
Dr. D.N. Road, Fort, Mumbai - 1

ADMINISTRATION OFFICE :

405, Apollo Tower, 2 M.G. Road,
Indore - 452 001

PLANT (ZINC) :

Plot No. 79,
Pithampur Industrial Area III
District Dhar (Madhya Pradesh)

PLANT (CEMENT) :

Mahi Cement, Wajwana
District Banswara
Rajasthan - 327 025

e-mail : agrawal@mantrafreenet.com

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Note : The members are requested to bring their copy of this annual report alongwith them at the Annual General Meeting.

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NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of the Members of INDO ZINC LIMITED will be held on Thursday, the 30th September, 2004 at 4.00 p.m. at the Registered Office of the Company situated at 601, Ravi Building, 189/191, Dr. D.N. Road, Fort, Mumbai - 400 001, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2004 and Balance Sheet as at that date and the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of Shri Neeraj Jajoo who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Smt. Vinita Puntambekar who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint Auditors for the year 2004-2005 and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

   "RESOLVED that Rajendra Kumar Chaturvedi, who was appointed as an Additional Director by the Board of Directors and who holds such office until this Annual General Meeting and in respect of whom the Company has received a Notice in writing from a member signifying his intention to propose Rajendra Kumar Chaturvedi candidature for the office of Director as required under Section 257 of the Companies Act, 1956, approval of the members be and is hereby accorded to the appointment of Rajendra Kumar Chaturvedi as Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

By Order of the Board
Sd/-

Place: Indore — **ADITI GUPTA**
Dated: 04.09.2004 — **Company Secretary**

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE ENCLOSED PROXY FORM, IF INTENDED TO BE USED, SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.**
2. Please bring your copy of the Annual Report to the Meeting.
3. Members/Proxies are requested to deposit the enclosed Attendance Slip duly filled in and signed for attending the Meeting.
4. The relative Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of item No. 5 under Special Business of the notice is annexed.
5. The Register of members and Share Transfer Books of the Company will remain closed from 27th September, 2004 to 30th September, 2004 (both days inclusive).
6. Shareholders seeking any information with regard to Accounts are requested to write to the Company at least seven days in advance of the Annual General Meeting, so as to enable the Management to keep the information ready.

ANNEXURE TO THE NOTICE

Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956

Items No. 5

As per the amended Clause 49 of the Listing Agreement of the Mumbai Stock Exchange and equivalent clauses of other stock exchanges the definition of Independent Director has been modified. The Company was required to appoint a new non-executive independent director having accounting or related financial management expertise. Accordingly, the Board of Directors of the Company appointed Shri Rajendra Kumar Chaturvedi as an Additional Director of the Company in its meeting held on 4th September, 2004. As Additional Director who hold office upto the date of this Annual General Meeting, certain member has given due notices under Section 257 of the Companies Act, 1956, of his intention to propose Shri Rajendra Kumar Chaturvedi as Director at this Meeting and he has deposited with the Company a sum of Rs. 500/- as required by the aforesaid Section.

Shri Rajendra Kumar Chaturvedi is a M.Com. & C.A. Inter and has got over 15 years of vast experience in the fields of Finance and Accounts. If appointed, as Director he would be liable to retire by rotation. To utilise his valuable services for the Company and in the sprit of Clause 49 of the Listing Agreement, the Board commends the said resolution for your approval.

None of the Directors of the Company are in any way concerned or interested in this Resolution.

By Order of the Board
For INDO ZINC LIMITED
Sd/-

Place: Indore — **ADITI GUPTA**
Dated: 04.09.2004 — **Company Secretary**

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REGD. OFFICE : 301, [illegible]
189/191, Dr. D.N. Road, Fort, Mumbai

DIRECTOR'S REPORT

To

The Members,

INDO ZINC LIMITED

Your Directors have pleasure in presenting the Seventeenth Annual Report on the affairs of the Company together with Audited Accounts for the year ended 31st March, 2004.

FINANCIAL PERFORMANCE (Rs. in lacs)

	2003-2004	2002-2003
Sales & other Income	594.90	963.78
Gross Profit/(Loss)	(37.32)	255.84
Less : Depreciation	25.40	28.49
Profit/(Loss)before Tax	(62.72)	227.35
Less: Provision for Income Tax	-	-
Profit/(Loss) After Tax	(62.72)	227.35
Less: Extra Ordinary items		
1.Pre-operative expenditure during construction relating to abandoned project	8.09	8.35
2.Provisions for doubtful debts	65.43	-
3.Goods in process	39.07	-
Add/(less): Balance brought forward	(3100.02)	(3319.02)
Balance carried to balance sheet	(3275.33)	(3100.02)

DIVIDEND

As your Company is a Sick Company registered with the Board of Industrial & Financial Reconstruction of India and as there are heavy accumulated losses, therefore, your Directors are unable to recommend any dividend for the year 2003-2004.

OPERATIONS

The sales and other income for the financial year under review were Rs. 594.90 lacs against Rs. 963.78 lacs for the previous financial year. The Company also registered the loss after tax of Rs. 175.31 lacs, during the current financial year as against the Profit of Rs227.35 lacs in the previous financial year.

FUTURE PROSPECTS

Your Directors are pleased to inform you that the Corporate Debt Restructuring Cell has approved the Rehabilitation Scheme envisaging the settlement of dues of Bank/ Institutions. All the secured creditors have also expressed their intention to support the scheme. Operating Agency i.e IDBI has forwarded the proposal to BIFR for final approval. Looking to the above development, your management has decided to restart it's Electrolytic Plant and your Directors are hopeful that your company will now run with its optimum efficiency and will register satisfactory performance in non-ferrous metal market and will turnaround in near future.

DIRECTORS

Smt. Vinita Puntambekar and Shri Neeraj Jajoo retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

Shri Rajendra Kumar Chaturvedi who was appointed as an Additional Director of the Company with effect from 4th September, 2004 who hold such office until the conclusion of this last Annual General Meeting of the Company. Notice has been received from a member under Section 257 of the Companies Act, 1956, signifying his intention to propose Shri Rajendra Kumar Chaturvedi as Director of the Company at this Annual General Meeting.

Shri Rajendra Kumar Chaturvedi is a M.Com. & C.A. Inter and has got over 15 years of vast experience in the fields of Finance and Accounts. To utilise his valuable services for the Company and in the sprit of Clause 49 of the Listing Agreement, the Board of the Company had appointed him as an Additional Director of the Company, subject to the approval of Financial Institutions and members of the Company.

AUDITORS

M/s Chaturvedi S K & Fellows, Chartered Accountants, Mumbai hold office until the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

FIXED DEPOSIT

During the year under review the Company has not accepted any fixed deposits from the public under Section 58A of the Companies Act, 1956, and Deposit Rules thereunder.

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Gas Authority of India Ltd. has proposed to lay the gas pipelines to supply Suppressed Natural Gas to Pithampur, Industrial Area. We would be able to generate better quality of power at lower rate, this will help in reducing the cost of production and increasing margins of profit.

There was no foreign earning but outgo of Rs. 3140/- during the year.

PARTICULARS OF EMPLOYEES

None of the employees were in receipt of remuneration, which qualify for disclosure Under Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended.

DIRECTORS RESPONSIBILITY STATEMENT

In compliance to the provisions of the Section 217 (2AA) of the Companies Act, 1956, your Directors state that:

(i) in the preparation of Annual Accounts the applicable

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accounting standards had been followed along with proper explanation relating to material departures;

(ii) that the directors had selected such accounting policies and applied them consistently and made judgments 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;

(iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) that the directors had prepared the annual accounts on a going concern basis.

DEMATERIALISATION OF SHARES

Your Company had applied to Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) vide its letter dated 6th January, 2003. In response thereof, CDSL informed vide their letter No. ADM-ISS/AKM/2003/400 dated July 11, 2003 that the capital base of the Company does not fulfill the criteria of CDSL and therefore the equity shares could not be dematerialised.

CORPORATE GOVERNANCE

The Securities & Exchange Board of India has introduced a code of corporate governance for implementation by the listed companies by an amendment to the listing agreement. Accordingly, all the stock exchanges amended the Clause 49 of the listing agreement on corporate governance, and the provisions thereof have been complied by your Company. The report on corporate governance is placed as Annexure A.

APPRECIATION

The Board of Directors express their appreciation of the dedicated efforts put in by Executives and staff members at all levels of the Company. The Board record their gratitude to the Financial Institutions, Bankers, Shareholders for their assistance, co-operation and continued support which have been a source of strength to the Company. The Board of Directors also wish to thank the Central and the State Governments for their continued guidance and support.

For and on behalf of the Board

Indore
Date : 04.09.2004

(SANJAY AGRAWAAL)
Chairman & Managing Director

ANNEXURE - 'A'

CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

1. BOARD OF DIRECTORS

1.1 Composition

The present strength of the Board of Directors is 7, comprising of 3 Executive Directors and 4 Non Executive Directors. The details of the present Board of Directors alongwith the details of their other Directorship/Committee Membership are as under:

Name of the Director	Position	Category	Other Director-ships	Committee Member-ships	Committee Chairman-ships
Sanjay Agrawaal	Chairman & MD	Executive	2	-	-
Manoj Agrawal	Jt.MD	Executive	2	-	-
Surendra Kumar Nuwal	WTD	Executive	1	-	-
B.L. Kakrecha	Director	Non-Executive	-	-	-
J. Tauro	Nominee (IDBI)	Non-Executive	1	3	-
Neeraj Jajoo	Director	Non-Executive	1	3	-
Vinita Puntambekar	Director	Non-Executive	-	3	3

* Only three committees, namely, Audit Committee, Investors Grievance Committee and Remuneration Committee are considered.

1.2 Meetings and attendance record of each Director

(i) 4 Meeting of the Board of Directors were held during the year ended on 31st March, 2004. These were held on:-

1. 28th April, 2003
2. 11th August, 2003
3. 27th November, 2003
4. 22nd January, 2004

(ii) The attendance record of the Directors of the Board Meetings during the year ended on 31st March, 2004 and the last Annual General Meeting is as under:-

Name of the Director	Attendance at Board Meetings	Attendance at Last AGM
Mr. Sanjay Agrawaal	4	Yes
Mr. Manoj Agrawal	2	Yes
Mr. Surendra Kumar Nuwal	3	Yes
Mr. B.L. Kakrecha	0	No
Mr. J. Tauro	3	Yes
Mr. Neeraj Jajoo	2	Yes
Ms. Vinita Puntambekar	4	Yes

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1.3 Remuneration of Directors

(i) The details of remuneration paid to the Executive Directors of the Company are given below:

Name of the Director	All elements of Remuneration Package
Mr Sanjay Agrawaal	Rs. 30,000/- P.M.
Mr. Manoj Agrawal	Rs. 25000/- P.M.
Mr. Surendra Kumar Nuwal	Rs. 22500/- P.M.

(ii) The remuneration paid to the Non-Executive Directors of the Company is Nil.

2. Audit Committee

The Audit Committee comprises of three Members all of them are non-executive and independent Directors i.e. Mrs Vinita Puntambekar ,Mr. J. Tauro and Mr. Neeraj Jajoo. They possess adequate knowledge of accounts, audit, finance, etc. Mrs Vinita Puntambekar is the Chairman of the Audit Committee. The Audit Committee meets from time to time and presents its report to the Board of Directors. The Committee met 3 times during the year (on 28.04.2003 11.08.2003 and 27.11.2003), and the attendance of the members at the meetings was as follows:

Name of Member	Status	No. of Meetings Attended	Remarks
Smt. Vinita Puntambekar	Chairman	3	
Shri J. Tauro	Member	3	
Shri Neeraj Jajoo	Member	1	

3. Remuneration Committee

The Remuneration Committee comprises of three Members all of them are non-executive and independent Directors i.e. Mrs. Vinita Puntambekar, Mr. J. Tauro, and Mr. Neeraj Jajoo. Mrs.Vinita Puntambekar is the Chairman of the Remuneration Committee.

The Committee reviews the remuneration package of the executive directors, recommends suitable revisions to the Board and recommends compensation of the non-executive directors in accordance with the Companies Act, 1956. The remuneration of the Managing Director, Joint Managing Director and Whole-Time Director is subject to approval of the Board and shareholders at the Annual General Meeting, as well as the ceilings laid down in Schedule XIII to the Companies Act, 1956. Since, the appointment of all the non-executive directors is on the honorary basis and no remuneration is paid to them there was no need to conduct any meeting of the Remuneration Committee till 31st March, 2004.

4. Shareholders/ Investors Grievances Committee

The Board of the Company has a Shareholders/investors Grievances Committee comprising three members all of them are non-executive and independent Directors i.e. Ms. Vinita Puntambekar, Mr. J. Tauro and Mr. Neeraj Jajoo. Ms. Vinita Puntambekar is the Chairman of the Shareholders/investors Grievances Committee. The Committee meets from time to time and presents its report to the Board of Directors. The Committee met on 11.08.2003 during the year. Smt. Vinita Puntambekar and Shri J. Tauro attended the meeting.

During the year 19 letters/complaints were received from the shareholders/ investors. These were basically on account of non-receipt of annual reports, transferred shares, change in address. All the complaints were resolved, and letters were replied, to the satisfaction of the investors. Thus, as on 31st March, 2004 there were no pending letters or complaints.

5. General Body Meeting

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Venue
2000-2001	29.09.2001	4.00 p.m.	Registered Office
2001-2002	30.09.2002	4.00 p.m.	Registered Office
2002-2003	29.09.2003	4.00 p.m.	Registered Office

6. Disclosures

(i) During the year, there were no transactions of material nature with the directors or the management or there subsidiaries or relatives that had potential conflict with the interest of the Company.

(ii) There is no incidence of non-compliance by the Company during the year except non-payment of listing fee to some stock exchanges as our Company is a Sick Company registered with the Board of Industrial & Financial Reconstruction of India (BIFR) and we are facing heavy financial crises.

7. Means of Communication

The quarterly, half yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately as and when the Board approves them.

8. General Shareholders Information

8.1 Address for Correspondance:

Registered Office : 601, Ravi Building, 189/191, Dr. D.N. Road, Fort, Mumbai-400001.

Administration Office : 405, Apollo Tower, 2, M.G. Road, Indore-452 001 (M.P.)

8.2 Plant Location: The Company's Plant is located at Plot No. 79, Sector III Industrial Area, Pithampur, Distt. Dhar (M.P.).

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8.3 Annual General Meeting:

Day	:	Thursday
Date	:	30th September, 2004
Time	:	4.00 P.M.
Venue	:	Registered Office

8.4 Book Closure: From 27th September, 2004 to 30th September, 2004 (Both days inclusive).

8.5 Financial Calendar 2003-2004:

I. quarterly results ending 30.06.2003 : 11th August, 2003
II. quarterly results ending 30.09.2003 : 27th November, 2003
III. quarterly results ending 31.12.2003 : 22nd January, 2004
IV. quarterly results ending 31.03.2004 : 4th September, 2004
V. Audited results ending 31.03.2004 :4th September, 2004
VI. AGM for the year ending 31.03.2004 : 30th September, 2004

8.6 Listing of Securities:

Name of the Stock Exchanges:
The Stock Exchange, Mumbai
The Delhi Stock Exchange Association Ltd.
The Stock Exchange, Ahmedabad
M.P. Stock Exchange, Indore

8.7 Dematerialisation of Shares: The Company had applied to Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) vide its letter dated 6th January, 2003. In response thereof, CDSL informed vide their letter No. ADM-ISS/AKM/2003/400 dated July 11, 2003 that the capital base of the Company does not fulfill the criteria of CDSL and therefore the equity shares could not be dematerialised.

8.8 Share Transfer System: The Company has not appointed any registrar & share transfer agent for share registry work and the Company is looking after all the work in house. The share certificates sent for transfer in physical form are registered within 30 days of receipt of the documents, if documents are found in order. Shares under objection are returned within two weeks.

8.9 (a) Distribution of Shareholding:

The shareholding distribution of equity shares as on 31st March, 2004 is given below:

No. of Shares held			No. of Share-holders	% of Share-holders	Share-holding	% of Share-holding
Upto		500	4236	90.92	670434	14.90
501	-	1000	229	4.92	196220	4.36
1001	-	2000	81	4.74	127727	2.84
2001	-	3000	17	0.37	43900	0.98
3001	-	4000	15	0.32	55200	1.23
4001	-	5000	13	0.28	61033	1.36
5001	-	10000	15	0.32	109467	2.43
10001	and	above	53	1.14	3236019	71.91
			4659	100.00	4500000	100.00

(b) Shareholding Pattern (as on 31.03.2004)

Category	No. of Shares Held	% Shareholding
Promoters	1922300	42.72
Mutual Funds	100700	2.24
Banks	115700	2.57
Bodies Corporate	842560	18.72
Indian Public	1487540	33.06
NRIs	31200	0.69
Total	4500000	100.00

(c) Market Price Data:

The Shares of the Company have not been traded at above Stock Exchanges since long time. Therefore, authenticated price quotations are not available.

9. Outstanding GDRs/ADRs/Warrants or any convertible instruments conversion date and likely impact on equity:

No GDRs/ADRs/Warrants or any convertible instruments have been issued by the Company and hence, there would not be any impact on the equity.

Auditor's Certificate on Compliance of Conditions of Corporate Governace

To the Members of
Indo Zinc Ltd.

We have reviewed the compliance of conditions of corporate Governance by Indo Zinc Ltd., for the year ended on 31st March, 2004, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges in India. We have conducted our review on the basis of the relevant records and documents maintained by the Company for the year ended 31st March, 2004 and furnished to us for the purpose of the review and the information and explanations given to us by the Company during the course of such review.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our review was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither and 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, subject to remarks given in the Report on Corporate Governance, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Chaturvedi SK & Fellows
Chartered Accountants

Mumbai
Date : 4th September, 2004

(Srikant Chaturvedi)
Membership No. 70019
Partner

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