

**16th
ANNUAL
REPORT**

MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		IV	ND
TRA	NA			✓
AGM	✓	✓		✓
YE	✓	✓		✓

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**MY
FAIR
LADY
LIMITED**

MY FAIR LADY LIMITED

BOARD OF DIRECTORS

Shri S.N. Chopra, Chairman & Managing Director

Smt. Santosh Chopra

Shri S.C.Chhibber, Wg Commander (Retd.)

Shri A.K.Yadav

COMPANY SECRETARY

Shri N.K.Malhotra

AUDITORS

M/s. Chandiwalla Gupta & Associates

Chartered Accountants

New Delhi

BANKERS

Dena Bank

State Bank of India

REGISTERED OFFICE

X-12, Okhla Industrial Area

Phase - II

New Delhi - 110 020.

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MY FAIR LADY LIMITED

NOTICE

Notice is hereby given that the 16th Annual General Meeting of My Fair Lady Limited will be held on Tuesday, the 30th March, 1999 at 9:00 a.m. at A-18, Ansal Farm Villas, Satbari, New Delhi - 30, to transact the following business:

ORDINARY BUSINESS:

ITEM NO. 1

To receive, consider and adopt the Audited Accounts of the Company for the extended year ended 30th September, 1998 together with the reports of the Auditors and Directors thereon.

ITEM NO. 2

To appoint a Director in place of Shri S. C. Chhibber, who retires by rotation and is eligible, for re-appointment.

ITEM NO. 3

To receive, consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that M/s. Chandiwala Gupta & Associates, Chartered Accountants, be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at such remuneration as may be fixed by the Board of Directors of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds & things, as they deem fit, for giving effect to the above resolution."

SPECIAL BUSINESS:

ITEM NO. 4

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 198, 309, 310, 269 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and Articles of Association of the Company, the sanction of the company is hereby given for the reappointment of Shri S.N.Chopra as Chairman and Managing Director of the Company for a period of five years with effect from 1st

September, 1998 on the terms and conditions as contained in the Explanatory Statement annexed hereto."

"RESOLVED FURTHER THAT the same salary and perquisites, as mentioned in the explanatory statement annexed hereto be paid to Shri S.N.Chopra, as minimum remuneration in the event of loss or inadequacy of profits in any financial year during the currency of his tenure subject to the overall limit laid down in Schedule XIII of the Companies Act, 1956."

"RESOLVED FURTHER THAT the Board of Directors be and he hereby authorised to do all such acts, deeds, matters and things as may be necessary, requisite, desirable or expedient for giving effect to the foregoing resolutions."

ITEM NO. 5

To consider and, if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 309, 310, 269 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and Articles of Association of the Company, the sanction of the company is hereby given for the reappointment of Shri A.K.Yadav as Whole-Time Director of the Company for a period of five years with effect from 1st September, 1998 on the terms and conditions as contained in the Explanatory Statement annexed hereto."

"RESOLVED FURTHER THAT the same salary and perquisites, as mentioned in the explanatory statement annexed hereto be paid to Shri A.K.Yadav, as minimum remuneration in the event of loss or inadequacy of profits in any financial year during the currency of his tenure subject to the overall limit laid down in Schedule XIII of the Companies Act, 1956."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, requisite, desirable or expedient for giving effect to the foregoing resolution."

BY ORDER OF THE BOARD
For MY FAIR LADY LIMITED

Place: New Delhi

(N.K.MALHOTRA)

Date: 26th February, 1999

COMPANY SECRETARY

MY FAIR LADY LIMITED

NOTES:

1. Relative Explanatory Statements pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Item Nos. 4 & 5 set out above are annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY MAY BE SENT IN THE FORM ENCLOSED AND IN ORDER TO BE EFFECTIVE MUST REACH THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE MEETING.
3. The Directors' Report, Auditors' Report and Audited Balance Sheet as at 30th September, 1998 and the Profit & Loss Account for the year ended on that date are enclosed.
4. Members are requested to quote their Folio Number in all future correspondence with the Company.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, the 25th March, 1999 to Monday, the 29th March, 1999, both days inclusive.
6. The members desiring any information about the accounts are requested to write to the Company at least 10 days in advance of the date of AGM to facilitate the compilation of the same.
7. Members are requested to bring their copy of Annual Report/Accounts at the meeting since the same will not be available at the venue of Annual General Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 4

Shri S.N.Chopra, Director of the company was appointed as Chairman and Managing Director of the Company for a period of five years with effect from 1st September, 1993. After the expiry of the term of his office, the Board of Directors in their meeting held on 1st September, 1998 reappointed Shri S.N.Chopra as Chairman and Managing Director of the Company with effect from 1st September,

1998 for a further period of five years on the following terms and conditions as agreed and acceptable to Shri S.N.Chopra:

1. Shri S.N.Chopra, as Chairman & Managing Director of the Company shall conduct the day to day management of the affairs of the Company subject to the directions & control of the Board of Directors and shall also perform such other duties and exercise such powers that shall, from time to time, be entrusted to him by the Board of Directors.

2. Remunerations:

- a) Salary : Rs. 10,000/- (Rupees Ten Thousand only) per month
- b) Perquisites : These will be in addition to salary.

i) Housing

Actual payment on repairs & maintenance, insurance etc. by the Company in respect of residential accommodation owned by the Managing Director (not forming part of remuneration as defined in Section 198 and 269) or Actual payment by the Company on hiring unfurnished accommodation subject to a maximum of 60% of the salary per month over & above 10% payable by Shri S.N.Chopra himself or the House Rent Allowance per month (subject to a ceiling of 60% of the salary)

Further, the expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per Income Tax Rules, 1962. This however, shall be subject to a ceiling of 10% of salary.

ii) Medical Reimbursement

Expenses incurred by Shri S.N.Chopra & his family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.

iii) Leave Travel Concession

For self and family once a year, to and from any place in India, subject to the conditions that only actual fares and no boarding & lodging expenses etc. will be allowed.

iv) Club Fees:

Fees of clubs subject to a maximum of two clubs will be allowed. However, admission or life membership fee will not be permissible.

v) Personal Accident Insurance:

Of an amount the annual premium of which does not exceed Rs. 1,000/-.

MY FAIR LADY LIMITED

vi) The gratuity payable shall not exceed half a month's salary for each completed year of service, subject to a ceiling of Rupees Two lakhs fifty thousand.

vii) Permission of car for use on company's business and telephone at residence will not be considered as perquisites. But personal long distance calls on telephone and use of car for private purpose shall be billed by the company to Shri S.N.Chopra.

viii) Leave Encashment:

On full pay and allowances but not more than one month's salary for every 11 months of service in a calendar year.

ix) Entertainment & other Expenses

Shri S.N.Chopra shall be entitled to reimbursement of actual entertainment, travelling, boarding and lodging expenses and such other expenses incurred by him in connection with company's business.

x) Sitting Fees:

No sitting fee shall be paid to Shri S.N.Chopra for attending meetings of Board of Directors or Committee thereof from the date of his reappointment as Chairman & Managing Director.

Your Directors recommend the resolutions set out against item No. 4 in the notice for your approval.

Except Shri S.N.Chopra and Smt. Santosh Chopra, none of the Directors may be deemed to be concerned or interested in the proposed resolutions.

ITEM NO. 5

Shri A.K. Yadav, Director of the Company was appointed as Whole-Time Director of the company for a period of five years with effect from 1st September, 1993. After the expiry of the term of his office, the Board of Directors in their meeting held on 1st September, 1998 reappointed Shri A.K. Yadav as Whole-Time Director of the Company with effect from 1st September, 1998 for a further period of five years on the following terms and conditions as agreed and acceptable to Shri A.K. Yadav:

i. **Salary** : Rs.10,000/- per month (Rupees Ten Thousand only)

ii. Perquisites

: Perquisites shall be allowed in addition to salary.

a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

Gratuity payable shall not exceed half a month's salary for each completed year of service, subject to the ceiling of Rupees Two lakhs fifty thousand.

b) Provision of Car for use on Company's business or reimbursement of actual conveyance expenses for Company business restricted to 50% of salary and telephone at residence will not be considered as perquisites. But personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to Shri A.K. Yadav.

iii. Entertainment & Other Expenses:

Reimbursement of actual entertainment, travelling, boarding and lodging and such other expenses incurred by him in connection with Company's business.

iv. Sitting Fees:

No sitting fee shall be paid to Shri A.K. Yadav for attending meetings of Board of Directors or Committee thereof from the date of his appointment as Whole-Time Director.

Your Directors recommend the resolutions set out against Item No. 5 in the notice for your approval.

Except Shri A.K. Yadav, none of the Directors may be deemed to be concerned or interested in the proposed resolutions.

BY ORDER OF THE BOARD
For **MY FAIR LADY LIMITED**

Place : New Delhi

(N.K.MALHOTRA)

Date : 26th February, 1999 **COMPANY SECRETARY**

MY FAIR LADY LIMITED

DIRECTORS' REPORT

Your Directors have immense pleasure in presenting the 16th Annual Report of the Company together with Audited Accounts for the extended year ended 30th September, 1999.

FINANCIAL RESULTS

	(Rs. in lakhs)	
	1997-98 (15 months)	1996-97
Sales & other income	644.82	815.59
Profit/(Loss) before interest depreciation & taxation	(46.05)	(20.54)
Interest	49.81	31.26
Depreciation	8.57	5.93
Profit/(Loss) before taxation	(104.43)	(57.73)
Provision for taxation	Nil	Nil
Less: Short Provision for taxation of earlier years	Nil	(11.75)
Profit/(Loss) after taxation	(104.43)	(69.49)
Less: Prior Period Adjustments	6.41	0.17
Add: Balance brought forward from previous year	28.10	97.76
Profit/(Loss) carried to Balance Sheet	(106.68)	28.10

BUSINESS OPERATIONS

The current accounting year had been extended by three months viz. from July, 1997 to September, 1998.

The Company's Sales & other income during the year under review was Rs. 644.82 lakhs as compared to Rs. 815.59 lakhs in the previous year and net loss after taxation and prior period adjustments was Rs. 110.84 lakhs as compared to the loss of Rs. 69.66 lakhs in the previous year.

The reasons for the loss in the operations of the Company was due to slump in the industry, general economic slow-down, depressed market conditions, decline in sales, high cost of inputs, higher financial expenses and other overheads.

In view of the loss incurred by the Company, your Directors have not recommended any dividend for the current year under review.

FIXED DEPOSITS

The outstanding deposits as of 30th September, 1998 are Rs. 12.25 lakhs. Except for unclaimed deposit of Rs. 5000/- there was no other overdue and unclaimed deposit as on that date.

DIRECTORS

Shri S.C.Chhibber, Director of the Company, retires by rotation and being eligible, offers himself for reappointment.

Shri N.K. Anand resigned from the directorship in the Company due to his preoccupation. The Board placed on record their sincere appreciation of valuable counsel rendered by him to the Company.

AUDITORS

M/s. Chandiwala Gupta & Associates, Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting, and being eligible, have expressed their willingness for reappointment.

The Company has obtained a certificate as required under Section 224(1B) of the Companies Act, 1956 to the effect that their re-appointment, if made, would be within the limits specified in that section.

AUDITORS REPORT

The Auditors in their Report have referred to the notes forming part of the Accounts. The said notes are self explanatory and do not require any further elucidation.

PARTICULARS OF EMPLOYEES

No employee of the Company is covered under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended to date.

MY FAIR LADY LIMITED

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

Information under to Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the Report of Board Directors) Rules, 1988, is furnished in Annexure 'A' and form part of this Report.

ACKNOWLEDGEMENTS

Your Directors convey their sincere appreciation for the continued valued assistance, co-operation and support given to the Company by government authorities and Company's bankers. The Directors also acknowledge with gratitude the support and goodwill extended to the Company by the dealers, customers and suppliers, Shareholders, deposit holders and investors indeed deserve a special mention for their faith and confidence reposed by them in the Company.

FOR AND ON BEHALF OF THE BOARD

(SN CHOPRA)

Place : New Delhi Chairman & Managing Director
Date : 26th February, 1999

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Information regarding conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 forming part of the Directors' Report.

1. CONSERVATION OF ENERGY

Your Company is not a major consumer of power yet it recognises the vital national need to conserve energy and gives due importance to the reduction of power consumption in its manufacturing process. For this purpose the power consumption in the plant as well as in the offices is monitored regularly and efforts are made to save the energy wherever possible.

POWER & FUEL CONSUMPTION

	Current year	Previous Year
a) Purchased		
Unit	217891	288250
Total Amount (Rs.)	784407	922402
Rate/Unit	3.60	2.90
b) Own Generation		
Through Diesel Generator Set		
Unit	5251	5834
Litre per unit	0.85	0.70
Rate/Unit	4.05	3.90

2. RESEARCH AND DEVELOPMENT (R&D)

The operations of the Company do not require any elaborate R&D activities. The Company however maintain the quality of its products by constant quality control and evaluation for the improvement of existing products.

3. TECHNOLOGY ABSORPTION, ADOPTION & INNOVATION

No technical tie up has been entered so far. The Company however keeps itself abreast of the latest technological changes.

4. FOREIGN EXCHANGE EARNINGS AND OUTGO

(a) Activities relating to Exports, Initiatives taken to increase Exports; Development of New Export Markets for products and services and Export Plans :

During the year under review, the company is continuing its efforts to tap the export market for its products.

(b) Total foreign exchange earned and used:

(i) Foreign Exchange earned	Nil
(ii) Foreign Exchange used (CIF value of import of raw material)	Nil

FOR AND ON BEHALF OF THE BOARD

(SN CHOPRA)

Place : New Delhi Chairman & Managing Director
Date : 26th February, 1999.