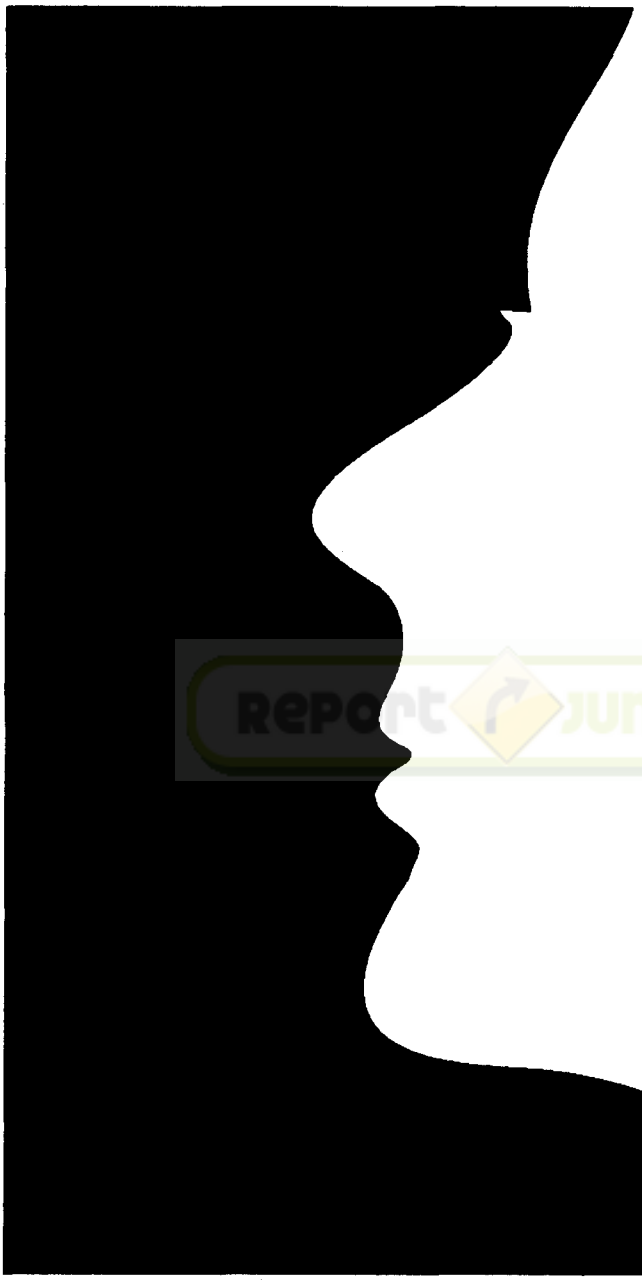
SANSCO SERVICES - Annual Reports Library Services - www.sansco.net



20TH ANNUAL REPORT 2002-2003

MY FAIR LADY LIMITED

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

My Fair Lady Limited

BOARD OF DIRECTORS

Shri S. N. Chopra
Chairman & Managing Director

Smt. Santosh Chopra
Director

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

Shri A. K. Mittal
Director

Soumendra Das
Company Secretary

AUDITORS
M/s Chandiwala, Gupta & Associates
Chartered Accountants
New Delhi

ReportJunction.com

BANKERS
Tamilnad Mercantile Bank Ltd.
State Bank of India

SHARE TRANSFER AGENTS
Intime Spectrum Registry Ltd.
A-31, 3rd Floor, Near PVR,
Nariana Industrial Area, Ph-I, New Delhi-28
Tel. : 91-11-51410592-93-94
Fax : 91-11-51410591
E-mail : delhi@intimespetrum.com

For Dematerialisation of Shares
ISIN No. - INE 244CO1012

REGISTERED OFFICE
Z-37, Okhla Industrial Area, Phase-II,
New Delhi - 110 020

CONTENTS **PAGE NO.**

1.	Notice	1-2
2.	Directors' Report	3-4
3.	Corporate Governance Report	5-9
4	Auditors' Report	10-12
5.	Balance Sheet	13
6.	Profit & Loss Account	14
7.	Schedule & Notes	15-22
8.	Cash Flow Statement	23
9.	Balance Sheet Abstract	24

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

NOTICE

Notice is hereby given that 20th Annual General Meeting of My Fair Lady Limited will be held on Tuesday, the 30th December, 2003 at 9.00 A.M at Community Hall, Kilokiri, New Delhi –110 014 to transact the following business.

As Ordinary Business:

Item No.1

To receive, consider and adopt the Audited accounts of the Company for the period ended 30th June, 2003 together with the Reports of auditors thereon.

Item No.2

To appoint a Director in place of Mrs. Santosh Chopra, who retires by rotation and being eligible, offers herself for re-appointment.

Item No.3

To receive, consider and, if thought fit to pass, with or without modifications, the following resolution as an ordinary resolution.
"**RESOLVED THAT** M/s. Chandiwala, Gupta & Associates, Chartered Accountants be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of the next Annual General Meeting as such remuneration as may be fixed by the Board of Directors of the Company."

As Special Business:

Item No.4 : Appointment of Mr. A. K. Mittal as Director
To receive, consider and, if thought fit to pass, with or without modifications, the following resolution as an ordinary resolution.
"RESOLVED THAT Mr. A.K. Mittal, who was appointed as an additional Director of the Company on 30.01.2003 be and is hereby elected as Director of the Company."

Item No. 5

To receive, consider and, if thought fit to pass, with or without modifications, the following resolution as an special resolution.
"**RESOLVED THAT** subject to the provisions of the Companies Act, 1956 (Including any statutory modification(s) or re-enactments thereof for the time being in force), The Securities and Exchange Board of India Act, Securities Contracts regulation Act, 1956 and the rules framed thereunder. Listing Agreements with Stock Exchanges and all other applicable laws, rules, regulations and guidelines and subject to such approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, the consent of members be and is hereby accorded to de-list the Equity Shares of the Company from all or any of the Stock Exchanges at Ahmedabad, Delhi & Jaipur."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds and things which are required, considered necessary or incidental thereto."

By the Order of the Board
For **My Fair Lady Limited**

Place : New Delhi
Date : 28th November, 2003

(S.N.Chopra)
Managing Director

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

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. A PROXY MAY BE SENT IN THE FORM ENCLOSED AND IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY COMPLETE IN ALL RESPECT NOT LESS THAN 48 HOURS BEFORE THE MEETING.

2. The members are requested to intimate the Company immediately, any change in their registered address.

3. The register of members and Share transfer books of the company shall remain closed from Monday to Tuesday, the 29th December, 2003 to 30th December, 2003 (both days inclusive).

4. Member/proxies should bring the attendance slip duly filled in for the meeting.

5. Members are requested to bring their copy of the notices at the Annual General Meeting.

ANNEXURE TO THE NOTICE
(Explanatory Statements required under section 173(2) of the Companies Act, 1956)

Item No. 4

Mr. A.K. Mittal was appointed as an additional director of the Company pursuant to Section 260 of the Companies Act, 1956 w.e.f. 30.01.2003 to hold the office upto the date of this Annual General Meeting. Mr. Mittal has vast experience of twenty six years in the field of Finance & Accounts.
As per section 257(1) of the Companies Act, 1956 & clause 133(1) of Articles of Association of the Company, the Company has received a notice along with requisite deposit from a member of the Company proposing the name of Mr.A.K.Mittal.

ReportJunction.com

The Board recommends this resolution for the approval of Shareholders.

None of the Directors except Mr. A.K. Mittal is interested in this resolution.

Item No. 5

The Company's securities are listed on the Stock Exchanges of New Delhi, Bombay, Ahemdabad & Jaipur. The transactions on the Stock Exchanges of Ahemdabad, Delhi & Jaipur are scanty and it has been observed that the listing fees of these stock exchanges are disproportionately higher and very often the shares are not being traded in these stock exchanges. As a part of cost reduction measure, it is proposed to de-list the equity shares of the Company from these stock exchanges.
The same is proposed to be considered and approved. The Board recommends the resolution for approval of shareholders.

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

By the Order of the Board
For **My Fair Lady Limited**

Place : New Delhi
Date : 28th November, 2003

(S.N.Chopra)
Managing Director

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

DIRECTORS' REPORT

To
The Members,
Your Directors have pleasure in presenting the 20th Annual Report of the Company together with Audited Accounts for the year ended 30th June, 2003.

FINANCIAL RESULTS **(Rs. In Lacs)**

Particulars	2002-2003 (15 Months) (Amalgamated Balance Sheet)	2001-2002 (12 months)
Sales, other income & prior period income	264.96	64.72
Profit/(Loss) before interest depreciation and taxation	(18.39)	(18.84)
Depreciation	5.52	4.69
Profit/(Loss) before taxation	(23.91)	(23.78)
Deferred Tax Assets	0.92	Nil
Profit / (Loss) after taxation	(16.99)	(23.78)
Less: Prior period expenses written back	0.06	(0.02)
Add: Prior period expenses	(0.06)	0.22
Less: Excess Dep.	0.15	26.73
Add: Balance b/f from previous year	(257.72)	(252.30)
Profit/(Loss) carried to Balance Sheet	(274.56)	(249.55)

MANAGEMENT DISCUSSION & ANALYSIS AND REVIEW OF OPERATIONS AND FUTURE LAW

The finacial year under review was a very difficult one. The sales & other income of the company during the period was Rs. 264.96 lacs as compared to Rs.64.72 lacs in the previous year and the net loss after taxation and prior period expenses is 16.99 lacs as compared to profit of Rs. 2.75 lacs in the previous year. The operations of the company was slow down due to the Industry recession, general economic slow down, depressed market conditions, decline in sales, high cost inputs and high operation expenses and overheads.

The WTO regime and opening up of the Indian market to international competition had its maximum impact on the Small Scale Industries, particularly the FMCG sector. The quality of the products and their presentation while maintaining the low prices must be re-assuring to the Indian Consumer. The Company is therefore concentration on its core business of cosmetics. The product base is being widened. The brand spectrum has been enlarged. The technology, processes and equipment of our manufacturing associates has been augmented in consolation with us. The marketing structure and network is going through various innovations. At this stage we are experimenting with various ideas in order to keep our marketing costs under control while improving our volumes. Our first priority is survival under the present difficult conditions. We are confident that the future potential for our Company is enormous, once the current phase of transformation is completed. We are not underestimating the difficult market conditions but we feel our present approach towards the profitable working will show good results in time.

MERGER & AMALGAMATION

During the year the company had submitted in the Hon'ble High Court, New Delhi for merger of MFL Pharma Limited , an associate company with the Company. The effective date for this scheme was 1.04.2002. The Hon'ble High Court of Delhi has approved the Scheme of Merger of MFL Pharma Limited into My Fair Lady Limited and the merger is effective from 21.11.2003. Shares of My Fair Lady Limited will be issued to shareholders of MFL Pharma limited on 1:1 basis without any lock-in-period after the completion of necessary formalities.

EXTENSION OF FINANCIAL YEAR

The Company has extended the Financial Year for a period of three months upto 30th June 2003 because of the aforesaid merger. Subsequent to the merger, the consolidated accounts are for a period of 15 months.

DIVIDEND

In view of inadequacy of profits, no dividend is recommended for the financial year 2002-2003.

FIXED DEPOSITS

The unclaimed deposit of Rs.5000/- has been paid and there was nothing outstanding against the company as on date. During the year the Company has not accepted any money from the public as Fixed Deposits.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 & Articles of Association of the Company Mrs. Santosh Chopra, Director of the Company, who retires by rotation and being eligible, offers herself for re-appointment.

During the period under review, Mr. A.K. Mittal was appointed as an additional Director of the Company. Pursuant to section 260 of the Companies Act, 1956 and he is liable to vacate his office on the date of forthcoming Annual General Meeting. Being eligible, he offers himself for appointment as Director of the Company.

DIRECTORS RESPONSIBILTY STATEMENT

In terms section 217(2AA) of the Companies Act, 1956 your directors confirms as under :

1. That the preparations of Annual Accounts and the applicable accounting standards have been followed and no materials departures have been made from the same.
2. That they have selected such accounting policies and applied them consistently, except where changes have been made and disclosed appropriately and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of state affairs of the Company at the end of profit or loss of the Company that period.

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

3. That they have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for the safeguarding the assets of the company and preventing and detecting fraud and other irregularities.
4. That they have prepared the Annual Accounts on a going concern basis.

AUDITOR'S REPORT

The Auditors in their report have referred to the notes forming parts of Accounts. The said notes are self-explanatory and need not any further clarifications. The suggestion given by them have taken note for future operation.

AUDITORS

M/s Chandiwala , Gupta & Associates, Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received a certificate under section 224 (1-B) of the Companies Act, 1956 to the effect that their re-appointment, if made, will be within the prescribed limit.

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, 1980 as amended to date.

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

Information u/s 217(1) (e) of the Companies Act, 1956 read with companies (Disclosures of Particulars in the report of Board of Directors) Rules, 1988 is furnished in Annexure "A" and forms part of this report.

REPORT ON CORPORATE GOVERNANCE

As stipulated by clause 49 of the Listing Agreement, the Report on Corporate Governance is given separately in this Annual Report. The Certificate of M/s. Chandiwala, Gupta & Associates, Statutory Auditors of the Company regarding the Compliance of Corporate Governance Code is enclosed herewith and form part of Director's Report.

ACKNOWLEDGEMENT

Your Director take this opportunity to express their sincere appreciation for valuable & continuous assistance, Co-operation and support given to the Company by Bankers. The Directors also acknowledge with gratitude the support given to the Company by the dealers, customers and suppliers, shareholders and investors who indeed deserve a special mention for their faith and confidence reposed by them in the Company.

By the Order of the Board

Place : New Delhi
Date : 28th November, 2003

(S.N.Chopra)
Chairman Cum Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

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

1. **CONSERVATION OF ENERGY**

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

A) Power & fuel consumption

Purchased	Current year	Previous year
Unit	7406	2887
Total Amount	39994	15446
Rate/unit	5.40	5.35

B) Own generation through diesel set

	Current Year	Previous year
Unit	2629	1641
Litre per unit	2.63	1.45
Rate/unit	7.57	7.07

2. **RESEARCH & DEVELOPMENT**

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

3. **TECHNOLOGY ABSORPTION, ADOPTION & INNOVATION**

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

4. **FOREIGN EXCHANGE EARNINGS & OUTGO**

Total foreign exchange earned & used

i) Foreign exchange earned	NIL
ii) Foreign exchange used	NIL
(CIF value of import of raw material)	

By the Order of the Board

Place : New Delhi
Date : 28th November, 2003

(S. N. Chopra)
Chairman Cum Managing Director

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

CORPORATE GOVERNANCE REPORT

(Pursuant to Clause 49 of the Listing Agreement)

As a listed Company on the various stock exchanges viz. Mumbai, Delhi, Jaipur & Ahemdabad, the Company has to comply with the requirements of clause 49 of the Listing Agreement.

An industry wide corporate governance initiative in India was pioneered by the Confederation of Indian Industry (CII) in 1997-98. Subsequently, the Securities and Exchange Board of India (SEBI) set up a committee on corporate governance. Based on the recommendations of this committee, a new clause 49 has been inserted into the listing agreement of all stock exchanges in the country, which specifies the standards that the listed Indian Companies have to meet disclosures they have to make with regard to corporate governance.

As per the schedule of implementation specified thereunder, our Company had to implement the corporate Governance stipulations on or before 31st March, 2003. In compliance with the terms & conditions, the Company has constituted three Committees i.e. Audit Committee, Remuneration Committee and Shareholder's/Investor's Grievance Committee on 30th January, 2003

Company's policies on Corporate Governance and due compliance report on specific areas wherever applicable for the period ended 30th June 2003 are given hereunder and divided into following areas.

I. Company's philosophy on Corporate Governance :-

The Company's philosophy on Corporate Governance envisages the attainment of transparency, accountability, integrity and efficiency in all fields of its operations and in all its interactions with its stakeholders including shareholders, employees, customers, Government and the banks and financial institutions.

II. Board of Directors

(a) Composition of the Board

My Fair Lady Limited Board represents an optimum combination of executive and non-executive directors and is in conformity with the provisions of the Listing Agreement on Corporate Governance. The Composition of the Board of Directors as on 30th June, 2003 is given below :

Name of Directors	Categories of Directors	No of other Directorships held he is a Chairperson	No of Board Committees of which he is a member	No. of other Board Committee(s) of which
Sh. S.N.Chopra	Promoter & Executive Director	3	-	-
Smt. Santosh Chopra	Promoter Director	3	-	-
Sh.S.C.Chibber	Director	-	3	1
Sh.A.K.Mittal	Independent Non-Executive Director	-	3	1

(b) Number of Board Meetings held and attended by Directors

(i) 9 Meetings of the Board of Directors were held during the period ended 30th June 2003. These were held on:-

(1) 30th April 2002
(2) 30th July 2002
(3) 12th August 2002
(4) 2nd September 2002
(5) 30th October 2002
(6) 16th December 2002
(7) 30th January 2003
(8) 26th March 2003
(9) 30th April 2003

(ii) The attendance record of each Directors at the Board Meetings during the period ended on 30th June 2003 and

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

of last Annual general meeting is as under:-

Name of Directors	No. of Board meeting attended	Attendance at the last AGM
Sh.S.N.Chopra	9	Yes
Smt.Santosh Chopra	9	Yes
Sh.S.C.Chibber	4	Yes
Sh.A.K.Mittal	3*	N/A

* Out of the 9 only 3 meetings hold after his appointment

III. Audit Committee

(i) The Audit Committee was constituted by the Board at their meeting held on 30th January 2003. The Audit Committee comprised of three Directors viz:-
(1) Sh. A.K.Mittal (Chairman) (2) Sh.S.C.Chibber
(3) Smt. Santosh Chopra

(ii) The Audit committee meetings were held on 18th August 2003 & 28th October 2003 which were attended by all members.

(iii) The role and terms of reference of the Audit Committee covers the matters specified for Audit committees under clause 49 of the Listing agreement as well as in section 292A of the Companies Act, 1956.

IV. Remuneration Committee

(i) The Remuneration Committee was constituted by the Board at their meeting held on 30th January 2003. The Audit Committee comprised of three Directors viz:-
(1) Sh. S.C.Chibber (Chairman) (2) Sh.A.K.Mittal (3) Smt. Santosh Chopra

(iii) The Remuneration committee meeting was held on 30th April 2003 which was attended by all members.

Remuneration policy

The Company has one whole time Director on the Board and whose appointment and remuneration has been fixed by the Board in terms of resolution passed by the members. The details of such remuneration are given below.

Details of remuneration of whole-time Director are as under

Name of Director	Salary(Rs.)	Perquisites (Rs.)	Total (Rs.)
Sh.S.N.Chopra	1,20,000/-	Nil	1,20,000/-

Details of sitting fees paid during the period:

Sitting fees of Rs.1000/- per meeting are paid to Non-executive non –promoter Director for attending the Board meeting. Whole-time Director & other Director is not paid any sitting fees for attending the Board Meeting and its committees.

V. Shareholders Grievance Committee

(a) The Company has constituted a Share Transfer and Shareholders/Investor Grievance Committee consisting of non executive directors of which Smt. .Santosh Chopra is the Chairperson and the Company Secretary has been designated as the Compliance Officer. During the period ended 30th June 2003 there are some complaints were received by the Company. Details are as under:

No. of Complaints received	No. not solved to the satisfaction of Shareholders	No. of pending
17	Nil	Nil

VI. Board Procedure

The board meetings are generally held at its registered office of the company at Delhi. The Board meets at least once

www.reportjunction.com