

ROSE ZINC LIMITED



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TENTH ANNUAL REPORT
(1999 - 2000)

BOARD OF DIRECTORS

Shri Pawan N. Mehta, Managing Director
 Shri Nagraj Mehta, Executive Director
 Smt. Aarti N. Mehta
 Shri P. L. Agarwal
 Shri P. K. N. Paniker
 Shri N. S. Mehta

BANKERS

State Bank of Bikaner & Jaipur,
 Shastri Circle,
 Udaipur.

AUDITORS

M/s Ajay Kumar Vijayvergia & Associates,
 Chartered Accountants,
 D-172, Jagraj Marg, Bapu Nagar,
 Jaipur - 302 015.

REGISTERED OFFICE

505-508, S. M. Lodha Complex,
 Opp. Shastri Circle Post Office,
 Udaipur - 313 001.

WORKS

Tulsi Das Ji Ki Sarai,
 Airport Road, Post Gudli,
 Udaipur (Raj.)

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NOTICE

NOTICE is hereby given that the **Tenth Annual General Meeting** of the Members of **ROSE ZINC LIMITED** will be held at 505-508, S. M. Lodha Complex, Opp. Shastri Circle Post Office, Udaipur on Monday the 18th Day of September, 2000 at 11.00 A.M. to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited statement of accounts of the Company for the year ended 31st March, 2000 together with reports of the Directors and Auditors thereon.
2. To appoint Director in place of Shri P. L. Agrawal who retires by rotation and is eligible for re-appointment.
3. To appoint Director in place of Shri N. S. Mehta who retires by rotation and is eligible for re-appointment.
4. To appoint auditors to hold office from the conclusion of this Annual General Meeting until conclusion of next Annual General Meeting and to fix their remuneration.

By Order of The Board of Directors

(Pawan N. Mehta)
Managing Director

Place : Udaipur
Dated : 15th July, 2000.

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
2. The proxy in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. The Register of Members and the Share transfer books of the Company will remain closed from 16th Day of Sept., 2000 to 18th Day of Sept., 2000 (both days inclusive).
4. Members are requested to intimate the change, if any, in their registered address immediately.

DIRECTORS' REPORT

The Share Holders,

The Directors of your Company have pleasure in presenting the Tenth Annual Report for the year ended 31st March, 2000 together with the audited statement of account and auditors report thereon.

FINANCIAL PERFORMANCE

	Year Ended on 31-03-2000 (Rs. in Lacs)	Year Ended on 31-03-1999 (Rs. in Lacs)
Turnover	1,465.34	425.88
Other Income	4.34	0.04
Gross Profit Before Depreciation & Financial Charges.	112.89	52.54
Financial Charges	91.12	35.50
Depreciation	15.42	13.11
Profit Before Tax	6.35	3.93
Income Tax	0.75	0.87
Profit after Tax	5.60	3.06

PERFORMANCE REVIEW

Your Directors are happy to inform that your has company achieved ever highest levels of performance since its inception. Your company accomplished a record sales turnover of Rs. 1465.34 lacs registering an increase of 344% over the previous year. There was significant improvement in the performance of the GOB plant.

During the year under report, rehaulage of old plant was got done to increase efficiencies & productivity and commenced production in the existing Electrolytic Zinc Plant. As intimated earlier, in order to diversify product line, your company has procured licence to import of Brass Dross to manufacture value added items like Brass Ingots and Copper Cathode.

In the current financial year, Company has established plant to manufacture Brass Ingots with the installed capacity of 3600 TPA and installed capacity of GOB plant has been increased to 5400 TPA from 3600 TPA . We are pleased to inform you that company has successfully commenced production of Brass Ingots Plant. The existing Electrolytic Zinc Plant will be converted into Copper Cathode Plant which will be having installed capacity of 1250 TPA.

IMPLEMENTATION OF EXPANSION PROJECT

The expansion project which was left in between has been taken up and it is expected to complete during this current year. However, while implementing the expansion project, based on recommendation of technical consultants and considering ultimate cost benefit analysis, your company has finally decided to increase installed capacity of Electrolytic Zinc Plant to 5550 TPA from originally envisaged capacity of 2550 TPA in the offer documents. However, if required, then company will approach bank(s)/ financial institution(s) to part finance the revised project cost.

FUTURE OUTLOOK

With the starting of production in the expansion plant, this year will prove to be a turn around year for the company. Future of your company is bright as company has diversified its product line into Brass Ingots and Copper Cathode. Company is regularly focusing on new area of metal lines.

ENVIRONMENT

The various pollution control measures taken by the company are operating effectively. Your company continues to accord high priority to pollution control besides health and safety of the employees.

YEAR 2000 (Y2K) COMPLIANCE

The Company transition to Y2K has been smooth and without any problem. There has no significant cost incurred in transition process.

LISTING

Company's shares are listed on The Stock Exchange Mumbai, Mumbai; Jaipur Stock Exchange Ltd., Jaipur and The Stock Exchange, Ahmedabad.

HUMAN RESOURCES

The Directors are very appreciative of the steps taken by its employees to increase production and sales. Throughout the year, cordial relations prevailed between the management and employees.

DIRECTORS

Shri P. L. Agrawal and Shri N. S. Mehta shall retire by rotation and are eligible for reappointment.

AUDITORS

M/s. Ajay Kumar Vijayvergia & Associates, Chartered Accountants, Jaipur, the Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

AUDITORS' REPORT

The notes on the accounts referred to in the Auditor's Report are self explanatory and therefore do not call for any further comments.

PARTICULARS OF EMPLOYEES

The information required under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, be treated nil.

PUBLIC DEPOSIT

The Company has not accepted any deposit from the public within the meaning of Section 58 A of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

The utmost priority has been given for the conservation of energy in the plant and appropriate actions are taken for the conservation of energy and effective absorption of technology.

The technology adopted by the company for extracting metals is environment friendly and cost effective. Company proposes to use same technology i.e. Hydro Metallurgical Process for the expansion project.

FOREIGN EXCHANGE EARNING & OUT GO

(a) Earnings	Nil
(b) Out go	Rs. 897.88 Lacs

ACKNOWLEDGMENT

The Directors wish to place on record their appreciation of the assistant, support, co-operation extended by various Central and State Govt. department/agencies, financial institution(s) and bank(s). In the end, the director wish to sincerely thank all the shareholders for their support.

for and on behalf of the Board of Directors,

Place: Udaipur
Dated : 15th July, 2000

(N.R. Mehta)
Chairman

AUDITOR'S REPORT

To the Members of
ROSE ZINC LIMITED.

We have audited the attached Balance Sheet of ROSE ZINC LIMITED as at 31st March, 2000 and Profit and Loss Account of the Company for the year ended on that date annexed thereto and report that :

- A. (1) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (2) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examinations of such books.
- (3) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of account.
- (4) In our opinion, the Profit & Loss account and Balance Sheet comply with the mandatory accounting standards referred to in section 211 (3C) of the Companies Act, 1956.
- (5) In our opinion and to the best of our information and according to the explanation given to us, the said accounts, subject to Note No. H of Schedule No. 17 regarding non provision of gratuity of Rs. 6,37,730/- and accounting policy read together with the other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :
- (i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2000, and
- (ii) In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date.
- B. As required by the paragraph 4 & 5 of the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956. We further report that :-
- (1) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. In our opinion and according to the information and explanations given to us, the fixed assets have been physically verified at reasonable intervals and no material discrepancies have been noticed on such verification.
- (2) None of the fixed assets have been revalued during the year.
- (3) The stocks of finished goods, stores, spare parts and raw materials have been physically verified during the year by the management. In our opinion the frequency of verification is reasonable and that no material discrepancies have been noticed on such verification as compared to book records.

- (4) The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (5) The discrepancies noticed on verification between the physical stocks and book records were not material.
- (6) In our opinion the valuation of stock is fair and proper in accordance with the normally accepted accounting principals and is on the same basis as in the preceding year.
- (7) The company has not taken unsecured loans from firm's & other parties listed in the register maintained U/S 301 of the Companies Act, 1956. As informed to us, there is no Company under the same management as defined under Sub-Section (1B) of Section 370 of the Companies Act, 1956.
- (8) The Company has granted unsecured loans to the parties listed in the register maintained under Section 301 of the Companies Act, 1956 and the terms and conditions thereof are Prima Facie not prejudicial to the interest of the Company. As informed to us, there is no company under the same management as defined under Section 370(1B) of the Companies Act, 1956.
- (9) The Company has granted unsecured loans to various parties and interest free secured loan to the landlord of office premises in lieu of rent. Interest free advance in the nature of loans given to the employees of the Company were realised as stipulated.
- (10) There are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchases of finished goods, stores, raw material, including components, plant and machinery, equipments and other assets and for the sale of goods.
- (11) The Company has not entered into any contracts or arrangement for purchase of goods and materials and sale of goods, materials and services with parties listed in the register maintained under Section 301 of the Companies Act, 1956, aggregating during the year to Rs. 50000/- or more in respect of each parties.
- (12) As explained to us there was no unserviceable or damaged stores, raw materials and finished goods.
- (13) The company has not accepted any deposits from the public covered by the provisions of Section 58 A of the Companies Act, 1956 and rules framed thereunder.
- (14) As explained to us, the Company does not have any by product.
- (15) In our opinion, the company has an internal audit system commensurate with it's size and the nature of it's business.
- (16) As informed to us, the maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 for products manufactured by the Company.
- (17) According to the records of the company the provident fund have been generally regularly deposited during the year with appropriate authority except Rs. 10,887/-.
- E.S.I.C. have been generally regularly deposited during the year with the appropriate authority except Rs. 1422/-. However, there was arrears of the E.S.I.C. dues at the year end was Rs. 56,346/- relating to previous years.
- (18) According to the information and explanations given to us and the books and records examined by us, there are no undisputed amounts payable in respect of Income Tax, Sales Tax, Customs Duty and Excise Duty outstanding as at 31.03.2000 for period exceeding six months from the date they become payable.
- (19) The company has policy of authorising expenditure based on reasonable checks and balances. The policy is intended to ensure that expenses are authorised on the basis of contractual obligations or accepted business practices having regard to the Company's business needs and exigencies. In terms of these observations, we have not come across any expenses charged to revenue account which, in our opinion and judgment and to the best of our knowledge and belief could be regarded as personal expenses.
- (20) The Company is not a Sick Industrial Company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985.

For Ajay Kumar Vijayvergia & Associates,
Chartered Accountants

Camp At : Udaipur
Dated : 15th July, 2000

Ajay Kumar Vijayvergia
(Partner)