



ROSE ZINC LIMITED

**FOURTEENTH ANNUAL REPORT
(2003-2004)**



BOARD OF DIRECTORS

Shri Pawan N. Mehta, Managing Director
Shri Nagraj Mehta, Executive Director
Shri Ashok Kumar Mehta, Director
Shri Lalit Behari Baxi, Director
Shri Ranjeet Singh Sarupria, Director

BANKERS

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

COMPANY SECRETARY

M.C. Bhalawat

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,
Air Port Road, Post Gudli, Udaipur (Raj.)



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**NOTICE**

NOTICE is hereby given that the Fourteenth 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 Thursday, the 30th Day of September, 2004 at 11.30 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, 2004 together with reports of the Directors and Auditors thereon.
2. To Consider and if thought fit, to pass with or without modification, the following resolution as a Ordinary Resolution:

"Resolved that Mr. Lalit Behari Baxi be and is hereby appointed as Director of the company."
3. To Consider and if thought fit, to pass with or without modification, the following resolution as a Ordinary Resolution:

"Resolved that Mr. Ranjeet Singh Sarupria be and is hereby appointed as Director of the company."
4. To appoint Director in place of Shri Ashok Kumar Mehta who retires by rotation and is eligible for re-appointment.
5. To appoint Ajay Kumar Vijayvergia & Associates, the retiring Auditors to hold office from the conclusion of this Annual General Meeting until conclusion of next Annual General Meeting and to authorise the board to fix their remuneration.

By Order of The Board of Directors,
For Rose Zinc Limited,

Place : Udaipur
Dated : 2nd September, 2004

(Pawan N. Mehta)
Managing Director

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 29th Day of Sept., 2004 to 30th Sept., 2004 (both days inclusive).
4. Members are requested to intimate the change, if any, in their registered address immediately.

Explanatory Statement, Pursuant to Section 173 (2) of the Company's Act, 1956 - Item No. 2

The Board of Directors at its meeting held on 11th August, 2004 had appointed Shri Lalit Behari Baxi as Additional Director pursuant to Section 260 of the Companies Act, 1956. Shri Lalit Behari Baxi holds office of the director upto the date of this Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956, together with requisite deposit from a member of the Company proposing the name of Shri Lalit Behari Baxi for appointment as a Director of the Company liable to retire by rotation. Your directors recommend this resolution for your approval. The particulars of Shri Lalit Behari Baxi are given in the Director's Report appended herewith.

None of the Directors except Shri Lalit Behari Baxi may be deemed to be concerned or interested in the proposed resolution.

Explanatory Statement, Pursuant to Section 173(2) of the Company's Act, 1956 - Item No. 3

The Board of Directors at the meeting held on 31st August, 2004 had appointed Shri Ranjeet Singh Sarupria as Additional Director pursuant to Section 260 of the Companies Act, 1956 Shri Ranjeet Singh Sarupria holds office of Director upto the date of this Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 together with requisite deposit from a member of the Company proposing the name of Shri Ranjeet Singh Sarupria for appointment as a Director of the Company liable to retire by rotation. Your directors recommend this resolution for your approval. The particulars of Shri Ranjeet Singh Sarupria are given in the Director's Report appended herewith.

None of the Directors, except Shri Ranjeet Singh Sarupria may be deemed to be concerned or interested in the proposed resolution.



DIRECTORS' REPORT

The Share Holders,

The Directors of your Company have pleasure in presenting the Fourteenth Annual Report for the year ended 31st March, 2004 together with the audited statement of account and auditors report thereto.

FINANCIAL PERFORMANCE

	Year Ended on 31.03.2004 (Rs. in Lacs)	Year Ended on 31.03.2003 (Rs. in Lacs)
Turnover	5052.67	2718.82
Other Income	195.01	269.27
Profit Before Dep., Preliminary Exp. W/off & Financial Charges	285.37	259.96
Financial Charges	182.22	169.92
Profit before Dep. & Preliminary Exp.	103.15	90.04
Depreciation	53.25	52.89
Preliminary Exp. W/off	5.60	5.60
Profit Before Tax	44.30	31.55
Income Tax Provision	3.40	2.28
Deferred Tax	15.40	13.98
Profit After Tax	25.50	15.29

PERFORMANCE REVIEW

We are delighted to present the outstanding financial results of your company for the year ended 31.03.2004. The annual sales of Rs. 5052.67 lacs (Rs. 2718.82 Lacs) was up by 85.85% over the previous year and profit before tax at Rs. 44.30 Lacs (Rs. 31.55 Lacs) grew by 40.03% over the previous year. It include contributions of trading activities of Ferrous Metal which was started in this year. Superior quality of zinc sulphate has also contributed to a great extent in this performance.

The Indian economy has shown encouraging trends in recent months. On the basis of good monsoon in most part of the country in this year, it is expected that this trend would continue leading specifically to increase the demand of your company's product.

Internationally trends in commodity prices alongwith the increase in fuel cost continue to be an area of concern. This would be challenged with the innovative ways to redefine their product mix, marketing mix on mass based, which will counter the increased cost. Your company initiated several measures to contain costs. These include improving operational efficiencies, reduce manufacturing cost, enhancing capacity utilization.

In view of insufficient profit during the year under report, your Directors express their inability to recommend any dividend on equity shares.

DIRECTORS

Shri V.C. Puri and Shri K.S. Khamesra Directors of the company resigned from the Board of Directors of the Company w.e.f. 11.08.2004 and 31.08.2004, respectively. Shri Lalit Behari Baxi was appointed as an Additional Director to fill up the casual vacancy caused by the resignation of Shri V.C. Puri. Similarly Shri Ranjeet Singh Sarupria was also appointed as an Additional Director on 31.08.2004 to fill up casual vacancy caused due to resignation of Shri Keshar Singh Khamesra.

The Board places on record its appreciation for the valuable services rendered by both Shri V.C. Puri and Shri Keshar Singh Khamesra during their respective tenures of office as a Director of the company.

The company has received notices pursuant to Section 257 of the Companies Act, 1956 from two members proposing the candidature of Shri Lalit Behari Baxi and Shri Ranjeet Singh Sarupria for appointment as Directors of the company. The Board recommends the appointment of Shri Lalit Behari Baxi and Shri Ranjeet Singh Sarupria as Director.

The brief resume of the new directors proposed to be appointed at the annual general meeting are as under:-

Name	Shri Lalit Behari Baxi	Sh. Ranjeet Sing Sarupria
Age	74 year	68 years
Education	Be (Civil), M.Sc (Engg.)	B.Com.
Experience in specific area	Retd. Civil Engg. P.W.D., Govt. of Raj.,	Retd. Regional Manager Punjab National Bank
Date of appointment on the Board	11.08.2004	31.08.2004
Name of other companies in which directorship is held (as per Section 275 and 278 of the companies Act, 1956)	Nil	Nil

LISTING OF SECURITIES.

Now the shares of your company is listed only at Bombay Stock Exchange, Mumbai which has got nationwide coverage. During the year after completing all the formalities for delisting of shares from The Ahmedabad Stock Exchange, Ahmedabad, and Jaipur Stock Exchange Ltd., Jaipur, the shares were got delisted from the Ahmedabad Stock Exchange, Ahmedabad, Jaipur Stock Exchange Ltd., Jaipur, w.e.f 21st May, 2004 and 17th August, 2004 respectively.

The Trading in the shares of your company remained suspended with B.S.E. during the year and since all the formalities has been completed for revocation of suspension and it is expected that same will be revoked sooner.



DEMATERIALISATION OF EQUITY SHARES

Company has appointed M/s System Support Services (SSS), Mumbai to act as registrar and transfer agent (RTA) and we have entered into a tripartite agreement with Central Depository Services Limited for dematerialisation of company's equity shares. It is expected that with the end of this year, shares of the company will also be dealt in DEMAT form.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors confirm:

- i) that in preparation of annual accounts, the applicable accounting standards have been followed by your company along with proper explanation relating to material departures, if any.
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgements 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 have taken proper and sufficient care 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) that the Directors has prepared the annual accounts on a going concern basis.

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.

ENVIRONMENT

We as a company are committed to sound environmental health and safety management across all aspect of the business. There is continuous trust on conservation of energy, reduction in waste and reduction in the usage of water across our manufacturing centers. Constant analysis and evaluation of new technologies help us in these areas. We measure, monitor and record environmental performance to demonstrate our commitment to regulatory compliance. We are regularly using expertise of external agencies for pollution controls and their recommendations are being implemented regularly.

MAINTENANCE OF COST RECORDS

Company is maintaining cost accounting records as required under section 209(1) (D).

CORPORATE GOVERNANCE

Your company has complied with all mandatory provisions of Corporate Governance as prescribed under the Listing Agreement of the Stock Exchanges with which the company shares are listed.

A Separate report on Corporate Governance alongwith auditor's statement on the compliance is attached to this report.

HUMAN RESOURCES

For any company, its employees are greatest assets. The company is working to create a workplace where every employee can exercise his full potential. The company has been imparting internal training so as to improve their knowledge, technical skills, and management techniques. Employee's involvement is encouraged and problem solving abilities are improved by motivating them.

The Board of Directors wishes to place on record their sincere appreciation to all the employees of the company for their dedication, commitment and loyalty to the company. Throughout the year, cordial relations prevailed between the management and employees.

PARTICULARS OF EMPLOYEES

There were no employees whose remuneration were in excess of the limits prescribed under section 217 (2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules, 1975.

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 being 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.

FOREIGN EXCHANGE EARNING & OUT GO

- | | |
|-------------|------------------|
| a. Earnings | NIL |
| b. Out go | Rs. 1709.88 Lacs |

ACKNOWLEDGMENT

The management is grateful to Central and Various State Government and department/agencies of Government, financial institution(s) bank(s), employees, shareholders, suppliers, and all other business associates for the continuous support given by them to the company and its management.

For and on behalf of the Board of Directors,

(Pawan N Mehta)
Managing Director

(N.R. Mehta)
Executive Director

Place: Udaipur

Dated: 2nd September, 2004

**ANNEXURE – 'A'****1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The philosophy of the Company on corporate governance envisages the attainment of the highest level of transparency, accountability, trusteeship, integrity and equity in all areas of its operations. Your company consider good corporate governance a pre-requisite for meeting the needs and aspirations of its shareholders. Company is committed to good corporate governance. The fundamental objective of the Company is enhancement of shareholder value, whilst taking into account the interest of all other stakeholders for wealth creation. Your company has made substantial disclosures on the Board, Board Committees as also on the financial and stock performance.

2. BOARD OF DIRECTORS.

The Board of Directors is comprised of 5 Directors of which three are executive and two are non-executive independent Director.

Shri Pawan N. Mehta	Managing Director	Executive
Shri Nagraj Mehta	Executive Director	Executive
Shri Ashok Kumar Mehta	Whole Time Director	Executive
Shri Lalit Behari Baxi	Independent	Non Executive
Shri R.S. Sarupria	Independent	Non Executive

3. Details of Board Meeting, attendance at Board Meetings and last AGM and details of memberships in other Boards & Committees:**a. Details of Board Meeting**

The Board met 7 times during the year on 20.05.2003, 21.07.2003, 14.8.2003, 30.9.2003, 23.10.2003, 28.01.2004 and 6.02.2004.

b. Attendance and details of membership in other Board & Committees:

Name of Directors	No. of Board Meetings Attended	Whether Attended Last A G M	Catogery of of Director	Director ship in other Boards	Comm- ittee Member
Pawan N. Mehta	5	Yes	M.D.	-	1
N.R. Mehta	6	Yes	E.D.	-	1
Ashok Kumar Mehta	5	Yes	Executive	1	3
V.C. Puri	3	Yes	Independent	-	2
K.S. Khamesara	3	Yes	Independent	-	2

4. AUDIT COMMITTEE

The audit committee met two times during the year and it was reconstituted on 31.08.2004 under section 292A of the Companies Act, 1956 and as per compliance of clause 49 of Listing Agreement. The statutory auditors were also present as invitees in the meeting. It consists of the following members.

a.	Shri Pawan N. Mehta	Chairman	1
b.	Shri Lalit Behari Baxi	Member	1
c.	Shri Pawan N. Mehta	Member	2

The scope of reference to the committee includes:

- Review of audit with Statutory Auditors.
- Limited Review of accounts with Statutory Auditors.
- Review of annual financial statements with Auditors and Management before submission to the Board.

5. SHARE HOLDERS/INVESTORS GRIEVANCE COMMITTEE/ TRANSFER COMMITTEE.

In compliance of Clause 49 of Listing Agreement with Stock Exchange, a Share holders/Investors Grievance Committee was reconstituted on 31.08.2004 which consists of following members:

a.	Shri Lalit Behari Baxi	Chairman	(Non-executive and independent Director)
b.	Shri R.S. Sarupria	Member	
c.	Shri Ashok Kumar Mehta	Member	
d.	Shri M.C. Bhalawat	Member	(Company Secretary)

This committee facilitates prompt and effective redressal of shareholders complaints and to look into their grievances. The Board has empowered this committee to approve transfer and sub-division of shares etc. There were no complaints remaining unsolved as on 31.03.2004.

6. REMUNERATION COMMITTEE

The Board has reconstituted remuneration committee consisting of following members:-

- | | |
|---------------------------|----------|
| a. Shri N.R. Mehta | Chairman |
| b. Shri Ashok Kumar Mehta | Member |
| c. Shri Lalit Behari Baxi | Member |

The details of remuneration of the managerial personnel for the year 2003-2004 are given in Note No. 14 of Schedule 19 in Notes on Accounts.

No sitting fee has been paid to any director for attending the board meeting and committee meeting.

7. DIRECTORS

Particulars about Directors who are retiring and are eligible for re-appointment and for those who are proposed to be re-appointed have been given in the notice convening the Annual General Meeting and Explanatory Statement.

8. GENERAL BODY MEETINGS

The last three Annual General Meetings:

Year & No. of Meeting	Date	Time	Venue
2000-2001 11 th A.G.M.	29.09.2001	11.00 AM	505-508 S.M. Lodha Complex, Opp. Shastri Circle P.O., UDAIPUR
2001-2002 12 th A.G.M.	30.09.2002	11.00 AM	- do -
2002-2003 13 th A.G.M.	30.09.2003	11.30 AM	- do -

There were no special resolutions passed through postal ballot during the financial year 2003-2004.

**9. DISCLOSURES:**

- a. Disclosures on materially significant related party transactions i.e. transaction of the company in material nature with its promoters, the Directors or the Management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the company at large:
- None of the related party transaction were in conflict with the interest of the company at large.
- b. Details of non compliance by the company, penalties, strictures imposed on the company by Stock Exchange or Securities and Exchange Board of India or any Statutory Authority, on any matter related to capital markets during the last three years;
- No penalties/strictures have been imposed on the company by any regulatory authority for non compliance of any laws/regulations relating to capital market.

10. INSIDER TRADING

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the company has adopted a code of conduct for prevention of insider trading and required disclosure practices.

11. CAUTIONARY STATEMENT

Any statement made in the Management Analysis and report relating to Company's objectives, projections, outlook, expectations, estimates etc. may constitute forward looking statements within the meaning of applicable laws and regulations. Actual result may differ from such expectations, projections etc., whether express or implied.

Several factors like climatic conditions, economic conditions, auction and private sale regulations, taxations, natural calamity, changes in tax laws might have an impact on the working of the Company.

12. MEANS OF COMMUNICATION

The quarterly results are published in the Jai Rajasthan (Udaipur). During the year there were no presentations made to Institutional Investors. As per the requirement of listing agreement, all the data relating to quarterly financial results, shareholding pattern, etc. are provided to the Stock Exchange within the time prescribed in this regard.

13. GENERAL SHAREHOLDERS INFORMATION

a	Annual General Meeting	Thursday 30 th Sep. 2004. at 505-508 S.M. Lodha Complex, Opp. Shastri Circle Post Office, UDAIPUR (RAJ.)
b	Book Closure	29.09.2004 to 30.09.2004 (Both days inclusive)
c	Listing on Stock Exchange	The Stock Exchange, Mumbai
d	Stock Code	BSE - 530631
e	Listing Fee	Annual Listing fee for the year 2003-2004 has been paid to all the Stock Exchanges.
f	Share Price Data	There has been no trading at Mumbai Stock Exchange as the same was suspended temporarily.
g	Registrar & Transfer Agents	The Share Transfer work is being done by in-house Share Deptt. of Company at Regd. Office. We have Dolphin Software for the above job.
h	Share Transfer System	The power to approve transfer of shares had been delegated by the Board to the Share Transfer Committee. Share Transfers are normally processed within 20 days from the date of receipt.
i	Dematerialisation of Shares.	Company has Completed all the formalities for getting its shares dematerialized and entering into a tripartite agreement with CDSL shortly. Presently shares are held in physical form.
j	Plant Locations	Air Port Road, Post Gudli, Udaipur (Raj.)
k	Address for correspondence	All correspondence regarding shares should be addressed to company's share deptt. M.C. Bhalawat, Company Secretary, M/s Rose Zinc Limited, 505-508 S.M. Lodha Complex, Opp. Shastri Circle Post office, UDAIPUR - 313 001 (RAJ.)

I. Distribution of Shareholdings as on 31st March, 2004

No. of share held	Folio		Shares	
	Number	%	Number	%
100 - 1000	5008	86.22	2069800	25.60
1001 - 2000	428	7.37	633700	7.84
2001 - 3000	170	2.93	426700	5.28
3001 - 5000	95	1.64	387500	4.80
5001 - 10000	58	1.00	432000	5.35
10001 - 20000	35	0.60	525600	6.50
Above 20001	14	0.24	3606820	44.63
TOTAL	5808	100	8082120	100.00

m. Pattern of Share Holding as on 31st March, 2004

Sr. No.	Category	No. of Shares	% of Share Holding
1.	Promoters and Promoters Group	2288180	28.31
2.	Mutual Funds	9400	0.12
3.	Private Bodies Corporate	1072700	13.27
4.	Indian Public	3918740	48.49
5.	NRIs/OCBs	793100	9.81
	TOTAL	8082120	100.00

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, 2004 and the Profit and Loss Account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- Further to our comments in the Annexure referred to above, we report that :
 - 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.
 - In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - The Balance Sheet, Profit and Loss Account and cash flow statement dealt with by this report are in agreement with the books of account.
 - In our opinion, the Balance Sheet, Profit and Loss Account and cash flow statement dealt with by this report comply with the Accounting Standards referred to in Sub-Section(3C) of Section 211 of the Companies Act, 1956 of India (the "Act") to the extent applicable;
 - On the basis of written representations received from the directors, as on 31st March, 2004 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2004 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956,