



ZINC
BRASS
ZINC SULPHATE

Always
believe
in
Quality

FIFTEENTH
ANNUAL REPORT
(2004-2005)



ROSE ZINC LIMITED



ROSE ZINC LIMITED

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

COMPANY SECRETARY

M.C. Bhalawat

AUDITORS

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

REGISTERED OFFICE

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

WORKS

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



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ROSE ZINC LIMITED

NOTICE

NOTICE is hereby given that the **Fifteenth 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 Friday, the 30th Day of September, 2005 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, 2005 together with reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Lalit Bihari Baxi, who retires by rotation and being eligible himself for re-appointment.
3. 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 : 24th June, 2005

(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 / herself 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., 2005 to 30th Sept., 2005 (both days inclusive).
4. Members are requested to intimate the change, if any, in their registered address immediately.

DIRECTOR'S REPORT

To,
The Members,

The Directors of your Company have pleasure in presenting the Fifteenth Annual Report for the year ended 31st March, 2005 together with the audited statement of accounts and auditor's report thereto.

FINANCIAL PERFORMANCE

	Year Ended on 31.03.2005 (Rs. in Lacs)	Year Ended on 31.03.2004 (Rs. in Lacs)
Turnover	4366.08	5052.67
Other Income	18.26	195.01
Profit Before Dep., Preliminary Exp. W/off & Financial Charges	287.82	285.37
Financial Charges	169.15	182.22
Profit before Dep. & Preliminary Exp.	118.67	103.15
Depreciation	55.76	53.25
Preliminary Exp. W/off	5.60	5.60
Profit Before Tax	57.31	44.30
Income Tax Provision	5.00	3.40
Deferred Tax	12.54	15.40
Profit After Tax	39.77	25.50

PERFORMANCE REVIEW

Your company posted turnover of Rs.4366.08 Lacs (Previous year Rs.5052.67 Lacs). Profit before tax improved by 29.36% to Rs. 57.31 Lacs over the previous year of Rs. 44.30 Lacs despite of increase in input cost and hampering in turnover on account of closure of plant for more than two and half month for compliance of legal formalities. Improvement in profit was the result of concerted and systematic efforts in several areas such as enhancement of operational efficiency, cost reduction measures, improvement in quality. Your directors reviewed business scenario and it was observed that focus should continue be given on the trading activity of metals, as a result company's business grew in this field also. Your company is manufacturing Zinc Sulphate out of stand still of Zinc and Brass metal. With the some investment in the plant for rationalizing the capacity of zinc and brass ingots, the capacity of Zinc sulphate has also got increased. Constant increase in demand of your company's product shows good indication for future.

DIVIDEND

Your director consider prudent not to recommend any dividend on the equity shares of the company to conserve the resources in order to meet various commitments.



DIRECTORS

Shri Lalit Bihari Baxi retire by rotation at the forthcoming Annual General Meeting and being eligible offer himself for re-appointment.

LISTING OF SECURITIES.

Shares of your company is listed at Bombay Stock Exchange Ltd., Mumbai which has got nationwide coverage. The Bombay Stock Exchange Ltd., Mumbai revoked its suspension in the month of October, 2004. Since then shares of your company are traded continuously in demat form.

DIRECTOR'S 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.

AUDITOR'S 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

Your company accord high priority to pollution control besides health and safety of the employees. All the pollution control measures taken by the company are operating effectively. We measure, monitor and record environmental performance to demonstrate our commitment to regulatory compliance. Recommendations of expert external agencies for pollution control are being implemented regularly.

MAINTENANCE OF COST RECORDS

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

CORPORATE GOVERNANCE

In compliance with clause 49 of Listing Agreement with the Stock Exchange, the management discussion and analysis, a Corporate Governance Report, and a certificate regarding compliance of the conditions of Corporate Governance are made part of the Annual 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 & 58 AA 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. 1125.94 Lacs

ACKNOWLEDGMENT

The Directors would like to thanks Central and Various State Government and departments/ agencies of Government, financial institution(s) and 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: 24th June, 2005



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ANNEXURE – 'A'

1. INDUSTRY STRUCTURE AND DEVELOPMENTS:-

Galvanizing continue to occupy lion share in the market for the zinc industry by consuming about 75% of total usage. Remaining zinc is being consumed by other industries like die casting, defence. The demand of Zinc will continue to grow in view of Power sectoral reforms, industrial growth and infrastructure development.

2. OPPORTUNITIES, THREATS AND OUTLOOK

Company has been availing benefits of opportunities in metal sector. It has developed the new market in the Zinc Sulphate with leading fertilizers companies and demand of this product is likely to remain upsurged. However, the raw materials of the company are being procured from international market and any change in the international market may effect profitability.

Future of the zinc industries in India is bright as zinc is the one of the element, which is essential for the normal healthy man, as well as production of the crop plant.

3. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

As a evident in the last two years fuel prices continuous to be a big areas of concern as fuel is widely used in the manufacturing which has direct impact on total cost ,apart from this international fluctuation in the raw material price with the fluctuation in the sulphuric acid price are major areas of the concern. Your company has taken the various steps to minimize the effect of the fluctuation in the prices by efficiency utilization and cost reductions measures as a result, operating margin improved from Rs. 44.30 Lacs to Rs. 57.31 Lacs.

4. SEGMENTWISE AND PRODUCTWISE PERFORMANCE

Company's entire business is in the form of manufacturing and trading activities. Both the segments shows positive results.

5. INTERNAL CONTROL SYSTEM AND ADEQUACY

The company has an adequate system of internal control relating to purchase of raw materials, components, plant and machinery, equipment and other assets and for sale of goods commensurate with its size and the nature of its business. The Company has also adequate systems and controls for:

- Proper recording and safeguarding of assets.
- Maintaining proper accounting records and reliability of financial information.

CORPORATE GOVERNANCE REPORT

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 considers 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.

S. No.	Name of Directors	Designation	Category of directorship
1	Shri Pawan N. Mehta	Managing Director	Executive
2	Shri Nagraj Mehta	Executive Director	Executive
3	Shri Ashok Kumar Mehta	Whole Time Director	Executive
4	Shri Lalit Behari Baxi	Independent	Non Executive
5	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:

➤ Details of Board Meeting

The Board met 8 times during the year on 03.05.04, 16.07.04, 11.8.04, 31.8.04, 02.09.04, 18.09.04, 19.10.04 and 25.01.05.

➤ Attendance and details of membership in other Board & Committees:

S. No.	Name of Directors	No. of Board Meetings Attended	Whether Attended Last A G M	Category of Director	Directorship in other Boards	Committee Member
1	Shri Pawan N. Mehta	3	Yes	Executive	-	1
2	Shri Nagraj Mehta	8	Yes	Executive	-	1
3	Shri Ashok Kumar Mehta	7	Yes	Executive	1	2
4	Shri Lalit Behari Baxi	3	Yes	Independent nonExecutive	-	3
5	Shri R.S. Sarupria	4	Yes	Independent nonExecutive	-	2



4. AUDIT COMMITTEE

The Audit committee met five times during the year on dated 16.7.04, 19.10.04, 25.01.05, 29.4.05 and 24.06.05. The statutory auditors were also present as invitees in the meeting. It consists of the following members.

S.	Name	Designation	No. of meeting attended
a.	Shri Ranjeet Singh Sarupria	Chairman	5
b.	Shri Lalit Behari Baxi	Member	4
c.	Shri Pawan N. Mehta	Member	3

The Company Secretary is the secretary of the Committee.

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.

Share holders/Investors Grievance Committee 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 of shares etc. All the complaints were resolved to the satisfaction of the shareholders/Investors. There were no complaints remaining unsolved as on 31.03.2005.

6. REMUNERATION COMMITTEE

The 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 2004-2005 are given in Note No. 15 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 have been given in the notice convening the Annual General Meeting.

8. GENERAL BODY MEETINGS

The last three Annual General Meetings:

Year & No. of Meeting	Date	Time	Venue
2001-2002 12 th A.G.M.	30.09.2002	11.00 AM	ROSE ZINC LTD. 505-508 S.M. Lodha Complex, Opp. Shastri Circle P.O., UDAIPUR - do -
2002-2003 13 th A.G.M.	30.09.2003	11.30 AM	- do -
2003-2004 14 th A.G.M.	30.09.2004	11.30 AM	- do -

There were no special resolutions passed through postal ballot during the financial year 2004-2005.

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 transactions 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. CODE OF INSIDER TRADING

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

11. CAUTIONARY STATEMENT

Any statement made in the Management Discussion and Analysis 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	Friday 30 th September, 2005. at 505-508 S.M.Lodha Complex, Opp. Shastri Circle Post Office, UDAIPUR(RAJ.)																														
b	Book Closure	29.09.2005 to 30.09.2005 (Both days inclusive)																														
c	Listing on Stock Exchange	Bombay Stock Exchange Ltd., Mumbai																														
d	Stock Code (i) Stock Code in the Bombay Stock Exchange Ltd, Mumbai. (ii) Demat in ISIN Number in CDSL for equity Shares	BSE - 530631 INE018F01013																														
e	Listing Fee	Annual Listing fee for the year 2004-2005 has been paid.																														
f	Share Price Data	<table border="1"> <thead> <tr> <th>Year/Month</th><th colspan="2">Bombay Stock Exchange Ltd.</th></tr> <tr> <th></th><th>High</th><th>Low</th></tr> </thead> <tbody> <tr> <td>2004</td><td></td><td></td></tr> <tr> <td>October</td><td>6.38</td><td>2.58</td></tr> <tr> <td>November</td><td>8.41</td><td>5.80</td></tr> <tr> <td>December</td><td>8.34</td><td>4.17</td></tr> <tr> <td>2005</td><td></td><td></td></tr> <tr> <td>January</td><td>8.00</td><td>3.70</td></tr> <tr> <td>February</td><td>8.00</td><td>3.80</td></tr> <tr> <td>March</td><td>8.00</td><td>6.01</td></tr> </tbody> </table>	Year/Month	Bombay Stock Exchange Ltd.			High	Low	2004			October	6.38	2.58	November	8.41	5.80	December	8.34	4.17	2005			January	8.00	3.70	February	8.00	3.80	March	8.00	6.01
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2005																																
January	8.00	3.70																														
February	8.00	3.80																														
March	8.00	6.01																														
g	Registrar & Transfer Agent	M/s System Support Services, (Unit Rose Zinc Limited) 209, Shivai Ind. Estate, Near Parke-Davis, 89, Andheri Krula Road, Saki Naka, Andheri (E), Mumbai - 400 072 Tel. : 022-28500835, Fax : 022-28501438 E-mail : zip@sysss.com																														
h	Share Transfer System	Shares transfer, where documents are found to be in order, were registered and returned in the normal course within a period of two weeks from the date of receipt of documents. Requests for dematerialization of shares were																														

i	Dematerialisation of Shares.	processed and confirmation was given to the respective depositories CDSL within time. The power to approve transfer of shares in physical form had been delegated by the Board to the Share Transfer Committee. Share Transfers are normally processed within 20 days from the date of receipt.
j	Plant Locations	Air Port Road, Post Gudli, Udaipur (Raj.)
k	Address for correspondence	<div> <div>Company Secretary, M/s Rose Zinc Limited, 505-508 S.M. Lodha Complex, Opp. Shastri Circle Post office, UDAIPUR - 313 001</div> <div>M/s System Support Services, (Unit Rose Zinc Ltd.) 209, Shivai Ind. Estate, Near Parke-Davis, 89, Andheri Krula Road, Saki Naka, Andheri (E) Mumbai - 400 072</div> </div>

l. Distribution of Equity Shareholdings as on 31st March, 2005

No. of share held	No. of shareholders		No. of Shares	
	Total	% of Shareholders	Total	% to share Capital
100 - 1000	4823	86.22	2022700	25.03
1001 - 2000	406	7.26	596500	7.38
2001 - 3000	163	2.91	406700	5.03
3001 - 5000	90	1.61	368800	4.56
5001 - 10000	65	1.16	479100	5.93
10001 - 20000	36	0.64	527200	6.52
Above 20001	11	0.20	3681120	45.55
TOTAL	5594	100.00	8082120	100.00

m. Pattern of Equity Share Holding as on 31st March, 2005

Sr. No.	Category	No. of Shares	% of Share Holding
1.	Promoters and Promoters Group	3451920	42.71
2.	Mutual Funds	8400	0.10
3.	Private Bodies Corporate	47900	0.60
4.	Indian Public	3866600	47.84
5.	NRIs/OCBs	707300	8.75
	TOTAL	8082120	100.00



Corporate Compliance Certificate Under clause of 49 of Listing Agreements

To the Members of
Rose Zinc Limited,

We have examined the compliance of conditions of Corporate Governance by Rose Zinc Limited during the year ended 31st March, 2005 as stipulated in Clause 49 of the listing Agreement of the said company with the stock exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and representations made by directors and the management, we certify that the company had complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state as per the records maintained by the company, no investor Grievance(s) is remaining unattended/pending for a period exceeding one month.

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.

Place : Udaipur

for K. K. SAHLOT & COMPANY,
Company Secretaries

Dated : 24th June, 2005

(K.K. SAHLOT)
PROP.

Membership No. 14863.
C.P. No.4161

AUDITOR'S REPORT

To,
The Members of
ROSE ZINC LIMITED.

1. We have audited the attached Balance Sheet of ROSE ZINC LIMITED as at 31st March, 2005, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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.
2. 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.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 of India (The Act) and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :
 - (i) 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.
 - (ii) 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.
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (iv) 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.
 - (v) On the basis of written representations received from the directors, as on 31st March, 2005 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2005 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.