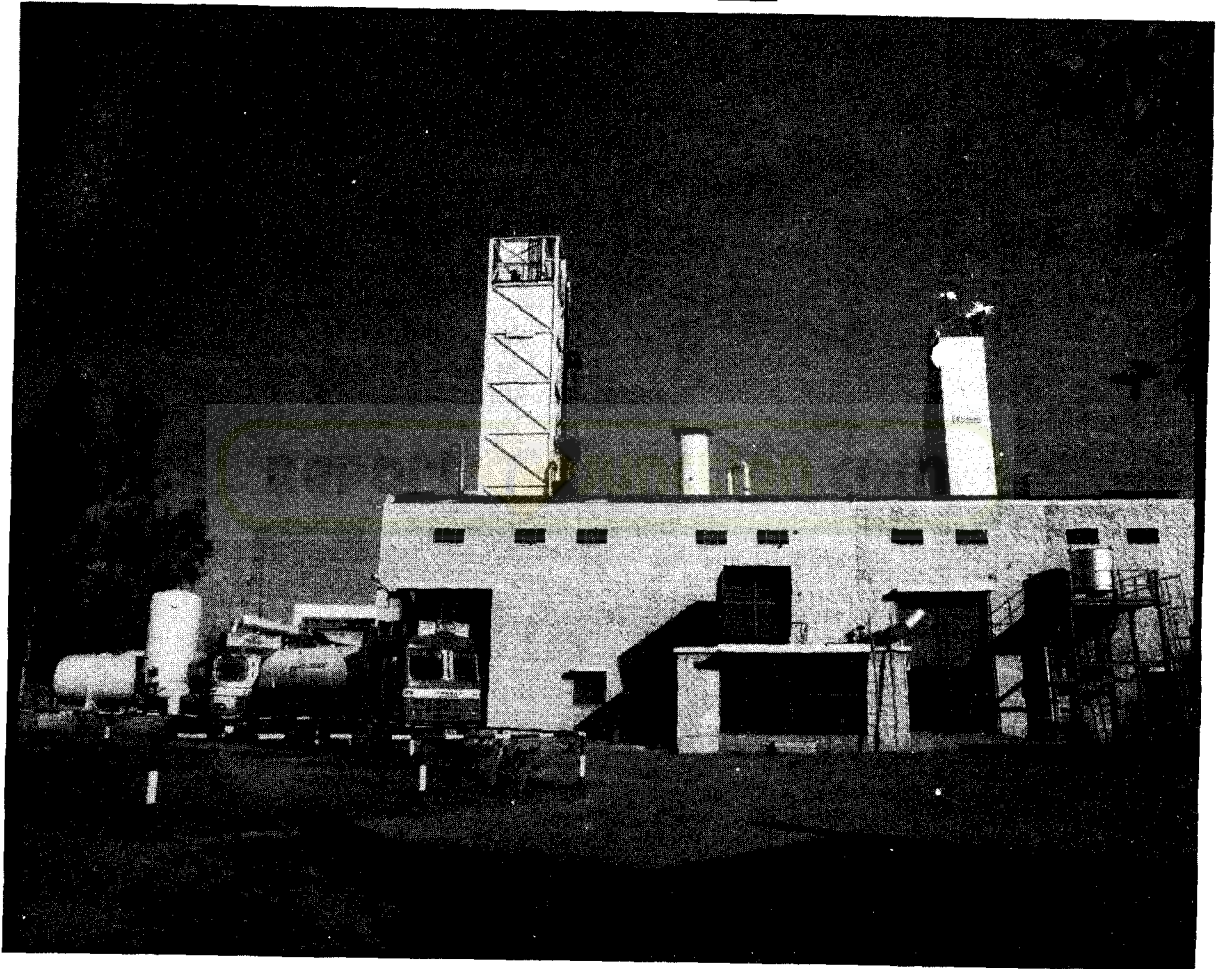


ॐ श्री माँ  
जय श्री माँ

**29 TH**  
**ANNUAL REPORT**  
**2002 - 2003**



***BHAGAWATI GASES LIMITED***

## CORPORATE INFORMATION

### Board of Directors

Shri Rakesh S. Bhardwaj (Managing Director)  
 Shri V.P. Punj  
 Dr. G. Mukherjee  
 Shri Rajesh Malhotra (IDBI Nominee)  
 Shri P.B. Vijayaraghavan (UTI Nominee)  
 Captain Sitaram Ramaprasad (Additional Director w.e.f. 15/07/2003)

### Company Secretary

Shri Jyoti Prakash Gadia

### Bankers

Central Bank of India  
 State Bank of Bikaner & Jaipur  
 Indian Overseas Bank  
 ICICI Bank Ltd

### Auditors

Chaturvedi & Partners  
 Chartered Accountants

### Registered Office & Works:

Banawas, Khetrinagar - 333504  
 Distt. Jhunjhunu  
 Rajasthan

### Principal & Head Office:

S-492/A, Greater Kailash-I,  
 New Delhi - 110 048  
 Fax: 26220698  
 Phone: 26419547

### Depository Registrars & Share Transfer Agent:

Skyline Financial Services (P) Ltd  
 123, Vinoba Puri  
 Lajpat Nagar - II  
 New Delhi - 110024  
 Phone: 26433777,26847136

### Stock Exchanges where listed

1. Jaipur Stock Exchange Ltd.,  
 Stock Exchange Building,  
 J.L.N.Marg, Malviya Nagar,  
 Jaipur - 302017.
2. The Delhi Stock Exchange Association Ltd.,  
 DSE House,  
 3/1, Asaf Ali Road  
 New Delhi - 110 002.
3. BSE  
 1st Floor, New Trading Ring,  
 Rotunda Building, P.J. Towers,  
 Dalal Street, Fort,  
 Mumbai - 400 001.
4. The Ahmedabad Stock Exchange Association Ltd.,  
 Kamdhenu Complex,  
 Opp. Sahjanad College  
 Panjarpole  
 Ahmedabad - 380 015.
5. The Calcutta Stock Exchange Association Ltd.,  
 7, Lyons Range,  
 Kolkata - 700 001.

### Bhagawati Group Website:

[www.bhagawatigases.com](http://www.bhagawatigases.com)

## NOTICE

### TO THE MEMBERS

NOTICE IS HEREBY GIVEN THAT THE TWENTY-NINTH ANNUAL GENERAL MEETING OF BHAGAWATI GASES LIMITED WILL BE HELD ON MONDAY 29TH SEPTEMBER 2003 AT 11.00A.M. AT THE REGISTERED OFFICE: BANAWAS, KHETRINAGAR-333504, DISTT. JHUNJHUNU [RAJASTHAN] TO TRANSACT THE FOLLOWING BUSINESS:

#### **ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March 2003, the Profit and Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sh. V.P.Punj, who retires by rotation and is eligible for reappointment.
3. To appoint auditors to hold office from the conclusion of Twenty-ninth Annual General Meeting till the conclusion of the next Annual General Meeting and fix their remuneration.

#### **SPECIAL BUSINESS:**

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 293(1)(e) of the Companies Act, 1956 and other applicable provisions, if any, the Board of Directors of the Company be and is hereby authorised to contribute to Charitable and other funds not directly relating to the business of the company or the welfare of its employees from time to time in any financial years to the extent of Rs.5,00,000/- or 5% of the average net profit as determined in accordance with the provision of section 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater."
5. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:  
"RESOLVED THAT Captain Sitaram Ramaprasad, who was appointed as an Additional Director by the Board of Directors of the Company pursuant to Article 82 of the Articles of Association of the Company and who holds office upto the date of the ensuing Annual General Meeting under Section 260 of the Companies Act, 1956, and in respect of whom the company has, pursuant to Section 257 of the Companies Act, 1956 received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation".
6. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:  
"RESOLVED THAT pursuant to provision of Sections 198,269,309 and other applicable Sections of the Companies Act, 1956, read with Schedule XIII thereto as amended up-to-date, consent of the company be and is hereby accorded to the appointment of Shri Rakesh S Bhardwaj, as the Managing Director of the Company for a period of five years from 1st July, 2004 on the terms and conditions as stated here under: —

1. SALARY : Rs. 40,000/-p.m.
2. COMMISSION : 1% of the net profits of the company up to a maximum of Rs. 1,00,000/- per annum subject to over all ceiling laid down in Section 198 & Section 309 of the Companies Act, 1956.
3. PERQUISITE : In addition to the aforesaid Salary and Commission, the following perquisites will be allowed which will be restricted to an amount so that the total of salary & perks shall not exceed Rs. 10,50,000/- per annum.

#### **CATEGORY 'A'**

##### **i) HOUSING**

The expenditure incurred by the company on hiring unfurnished accommodation for the Managing Director shall be subject to a ceiling of 60% of the Salary, over and above 10 % payable by the Managing Director.

The expenditure which may be incurred by the Company on Gas, Electricity, Water and Furnishings shall be valued as per the Income tax Rules, 1962, subject to a ceiling of 10% of the Salary of the Managing Director.

In case the accommodation is owned by the Company, 10% of the Salary of the Managing Director shall be deducted by the Company.

In case no accommodation is provided by the Company, the Managing Director shall be entitled to House Rent Allowance subject to a ceiling of 60% of the salary, over and above 10% payable by the Managing Director.

##### **ii) MEDICAL REIMBURSEMENT:**

Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

iii) **LEAVE TRAVEL CONCESSION:**

For self and family to and fro to any place once in a year in accordance with the rules specified by the company.

iv) **CLUB FEES:**

Fees and subscription of maximum two clubs. This will not include admission and life membership fees.

v) **MEDICAL INSURANCE COVERAGE:**

Premium not to exceed Rs.5000/- per annum

**CATEGORY 'B'**

- i) Company's contribution toward Provident Fund-as per rules of the Company but not exceeding 12% of the Salary as laid down under the Income Tax Rules, 1962.
- ii) Company's contribution toward pension/superannuation Fund-Such contribution together with the contribution towards Provident Fund shall not exceed 25%of the Salary as laid down by the Income Tax Rules, 1962.
- iii) Gratuity - In accordance with the provisions of the approved fund but shall not exceed half month's salary for each completed year of service.

The above stated perquisites, No. (i), (iii) shall not be included in the over all limit of Rs.10, 50,000/-

**CATEGORY 'C'**

- (i) Leave on full pay and allowances as per rules of the company but not exceeding one month's leave for every completed year of service subject to the condition that leave accumulated but not availed of will not be allowed to be encashed.
- (ii) Free use of company's Car with Driver.
- (iii) Free telephone facility at residence.
- (iv) Reimbursement of all entertainment and travelling expenses actually incurred by the Managing Director for the business of the Company.

Notwithstanding anything as stated above, where in any financial year, during the currency of tenure of Shri Rakesh S. Bhardwaj as Managing Director of the Company has no profit or its profits are inadequate, he shall be paid the above salary and perquisites as minimum remuneration.

**GENERAL:**

- i) Mr. Rakesh S. Bhardwaj agreed to devote his best attention to the business of the company and to further safeguard the interest of the company, including security of its trade secrets and the processes etc. and to make known and available exclusively to the company any invention, discovery or design of theirs.
- ii) The Managing Director so long he functions as such shall not be paid any sitting fees for attending the meeting of the Board of Directors or committees thereof.
- iii) The Managing Director shall not, so long as he functions as such become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the company in future without the prior approval of the Central Government.
- iv) Subject to the provision of the Companies Act 1956 the Managing Director shall in addition to the power which may from time to time be assigned to him by the Board of Directors of the company, have the following powers viz.:
  - a) To sign all documents including bonds, guarantees, mortgages, and other legal documents on behalf of the company, provided that such bonds guarantees and mortgages relating to the fixed assets have been issued or created by necessary resolution of the Board.
  - b) To purchase or otherwise acquire for the company any property, rights and privileges which the company is authorized to acquire at such price and generally on such terms and conditions and as he thinks fit, and also to sell, exchange or otherwise dispose of absolutely or conditionally any part of the property on such terms and conditions and for such consideration as he may think fit.
  - c) To appoint, remove or suspend Agents (not the sole selling Agents), Managers, Secretary, Officers, Clerks and Servants for permanent or temporary basis or any special services as he may from time to time think fit, and to determine their powers and duties and to fix their salaries to such amount as he think fit. Provided that appointment of the agents will require the sanction of the Board of Directors.
  - d) To institute, conduct, defend, compound or abandon any legal proceedings by or against the company or its officers or otherwise concerning the affairs of the company and for the purposes engage Solicitors, Barristers, Advocates, etc and also to compound and allow time for payment or satisfaction of any debts due and in any claims or demands by or against the company.

- e) To refer any claims or demands by or against the company to arbitration and conduct the same and implement awards, if any.
- (f) To make and give receipts, release and other discharges for money payable to the company.
- (g) To act on behalf of the company bills, notes, receipts, acceptances, endorsements, cheques, release contracts and documents.
- (h) To sign on behalf of the company in all matters relating to bankruptcy and insolvency.
- (i) From time to time provide for the management of the affair of the company either in different parts of the Indian Republic or elsewhere in such manner as he thinks fit, and in particular to establish branch offices and to appoint any person to be the attorney or agents of the company with such powers (including power to sub - delegate) and upon such terms as may think fit. Provided that the establishment of the branch officers will require the sanction of the Board.
- (j) To make and alter rules and regulations concerning the time and manner of repayment of the contribution of the employees of the company respectively to provident fund or any such fund and the actual employment, suspensions and forfeit of the benefits of the said fund and the application and disposal there of and otherwise in relation to the working and management of the said fund as he may from time to time thinks fit.
- (k) Subject to the provisions of the Act, to delegate all, or any power hereby conferred upon him to any person as he may from time to time thinks fit, provided that the delegation of such power which have a bearing beyond day to day business will require the sanction of the Board.
- (l) *Provided nevertheless the above - mentioned powers are delegated to the Managing Director during the period he continues to be the Managing Director of the Company and the Board may delete, amend or make additions to these presents wherever and whenever they consider necessary.*

By Order of the Board

Place: New Delhi  
Dated: 19th August 2003

(Jyoti Prakash Gadia)  
Company Secretary

#### NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING MAY APPOINT PROXY, WHO NEED NOT BE A MEMBER, TO ATTEND AND TO VOTE IN HIS/HER PLACE. THE PROXY FORM MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE MEETING.**
2. The relative explanatory statement pursuant to Section 173(2) of the Companies Act 1956 setting out the material facts in respect of the business under item nos. 4 to 6 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday 24th September 2003 to Monday 29th September 2003 (both days inclusive).
4. All documents referred to in the accompanying notice and explanatory statement are open for inspection at the Registered Office of the Company during office hours on all working days between 11.00A.M. to 1.00 P.M. up to and inclusive of the date of the Annual General Meeting.
5. Consequent upon the introduction of Section 109 A of the Companies Acts, 1956 Shareholders are entitled to make nominations in respect of share held by them in physical form. Shareholders desirous of making nominations are requested to send their request in Form No. 2B in duplicate (which will be made available on request) to the Registrar & Share Transfer Agent of the Company.
6. Members are requested to:
  - (i) Quote their Registered folio numbers and in case their shares are held in the dematerialised form, they must quote their client ID Numbers and their DP ID Numbers, in all correspondence with Company / Share Transfer Agent.
  - (ii) Notify immediately to the Share Transfer Agent / Company any change in their address, giving complete address with Pin Code No. and in case if their shares are held in dematerialised form, this information should be passed on to their respective Depository Participants.
  - (iii) Write to the Company at least 10 days in advance, if they desire further information on the Accounts at the meeting, so as to enable the company to keep the information ready.
  - (iv) Bring their copy of the Annual Report and the Attendance Slip with them to the Annual General Meeting

**ANNEXURE TO NOTICE****EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT,1956.****Item no. 4.**

The company is committed to improve the quality of the underprivileged community. Care and Concern for people is an integral part of the Company's endeavors. As a part of fulfilling its social obligations, the company continued to contribute to various social activities and Charitable Organisations, who entertain, educate and create awareness on healthcare among poor children. The Company wants to donate to Charitable Organisations and other funds not directly relating to the business of the Company or the welfare of its employees from time to time in any financial year to the extent of Rs. 5,00,000/- or 5% of the average net profit as determined in accordance with the provisions of section 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater."

Your Directors recommend the resolution for approval of the members.

None of the Directors are in any way concerned or interested in the resolution.

**Item no. 5.**

Captain S. Ramaprasad was appointed as an Additional Director with effect from 15th July 2003, by the Board of Directors of the Company.

In terms of Section 260 of the Companies Act, 1956 and Article 82 of the Articles of Association of the Company, Captain S. Ramaprasad holds office as a Director only upto the date of the ensuing Annual General Meeting of the Company and is eligible for re-appointment as a Director.

Captain S. Ramaprasad (52years) is a retired person from Indian Navy and a person of high integrity and repute in the industry.

He is a highly technical person in the area of programming and software development.

He is Director in (i) Paramahansa Bhagawati Combat Systems Ltd. (ii) Paramahansa Systems and Software Pvt. Limited, and (iii) Kaptron Pvt. Ltd.

The Company has received valid notice under Section 257 of the Companies Act, 1956 alongwith the deposit of Rs. 500/- from a member proposing the candidature of Captain S. Ramprasad for the office of the Director.

The Board considers his association as a Director will be beneficial and in the interest of the Company.

Your Directors recommend the resolution for approval of the members.

Except Captain S. Ramaprasad none of the other Directors are in any way concerned or interested in the resolution.

**Item no. 6.**

Shri Rakesh S. Bhardwaj (41 years) was appointed as Managing Director of the Company for a period of 5 years and he will hold office up to June 30, 2004.

He is associated with the company Since 1980. He is Director in (i) Paramahansa Bhagawati Combat Systems Ltd. (ii) Hill Queen Investments Pvt. Ltd. (iii) Bhagawati International Ltd. (iv) Ramrup Credit & Leasing Pvt. Ltd.

Shri Rakesh S. Bhardwaj has vast business experience and expertise. He is the main architect of the success and progress of the Company. Under his able and dynamic leadership, the Company has grown manifold and is set to achieve even higher levels of success. It is therefore, necessary to continue to avail his leadership and guidance for the future progress of the Company.

The Board of Directors want to reappoint him as Managing Director for a period of 5 years w.e.f 1st July 2004

The term of his remuneration is fair and reasonable, considering his experience, expertise, leadership qualities, the responsibilities shouldered by him and the volume of the Company's operations and the profits earned by it.

The Board accordingly, recommends the passing of the said resolution

Except Shri Rakesh S. Bhardwaj, none of the other Directors are in any way concerned or interested in the resolution.

The terms of his appointment as set out in item no. 6 of the Notice, may be treated as the abstracts, pursuant to the provisions of Section 302 of the Companies Act, 1956.

By Order of the Board

Place: New Delhi  
Dated: 19th August 2003

(Jyoti Prakash Gadia)  
Company Secretary

**DIRECTORS' REPORT****TO THE MEMBERS**

Your Directors have pleasure in presenting the 29th Annual Report alongwith the audited statement of accounts for the year ended 31st March 2003.

**1. 2002-03 in retrospect:**

Company's plants are tailor-made for the captive consumption of gas by M/s. Hindustan Copper Ltd. (HCL), Khetrinagar. Hence the marketing strategy is limited and company cannot supply the gas to any other consumer. Due to some problems at their end, consumption of gas by HCL has come down drastically. This has resulted into low capacity utilisation of the plants and ultimately low sales realisation. All these factors adversely affected the capacity utilisation and operation of the company. The 50 TPD Plant contract with HCL has already expired on 14th August, 2002 and the 120 TPD Plant contract with HCL will expire on 31st March, 2004.

**FINANCIAL RESULTS AND OPERATIONS**

PARTICULARS	RS. (LACS)	
	2003	2002
Gross Income	1933	2526
Gross Profit (before interest, depreciation and tax)	413	473
Interest	317	570
Depreciation	338	322
Provision for Tax	Nil	11
Net Profit +/-loss (-)	(242)	(430)
Profit Brought forward from Last year	(468)	(38)
Profit available for appropriation	Nil	Nil
Profit carried to Balance Sheet	Nil	Nil
Loss transferred to General Reserve	(527)	(468)

**2. Dividend**

Due to inadequacy of profit, Directors regret its inability to recommend any dividend.

**3 Public deposits**

During the year, the Company has not invited or accepted any deposit from the public under Section 58-A of the Companies Act 1956. No public deposit is out standing.

**4. Particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo**

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under section 217 (1)(e) of the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is annexed and forms a part of this report.

**5. Particulars of employees.**

None of the employees of the company was drawing salary in excess of the limits prescribed under the section 217(2A) of the Companies Act, 1956 read with the Companies (particular of employees) Rules 1975.

**6. Directors**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Sh. V.P. Punj retire by rotation at the ensuing Annual General Meeting. He is eligible for re-appointment.

The Board of Directors have appointed Captain S. Ramaprasad as an additional Director w.e.f. 15th July, 2003. Captain S. Ramaprasad will hold office as director up to the date of the ensuing Annual General Meeting. The Company has received notice under section 257 of the Companies Act, 1956, proposing his candidature as Director subject to retirement by rotation.

**7. Managing Director**

Shri Rakesh S. Bhardwaj was appointed as Managing Director of the Company for a period of 5 years and he will hold office up to June 30, 2004.

In view of his vast business experience and expertise, the Board of Directors wants to re-appoint him for a period of 5 years w.e.f. July 1, 2004.

**8. Management discussion and analysis**

Company have two plants of 50 TPD & 120 TPD capacity. Company's plants are tailor-made for M/s. Hindustan Copper Limited (HCL). Company have long term supply agreement with HCL. The contract for 50 TPD plant with HCL has expired on 14th August 2002. Oxygen requirement of HCL has come down considerably. With this, company's overall turnover has been reduced as compared with its performance of last year.

Three financial institutions i.e. IDBI, IFCI and IIBI have sanctioned a package of restructuring of its term liabilities. Company has already cleared the initial down-payment of IIBI. Company is in the process of clearing the dues of IDBI & IFCI.

UTI has not agreed to restructure the loan in lines with other Institutions & in effect has moved an application to DRT. Company has filed the reply in the court.

**9. Directors responsibility statement**

As required under Section 217 of the Companies Act, the Directors hereby confirm that:

- i) in the preparation of the annual accounts the applicable accounting standards has been followed along with proper explanation relating to material departures,
- (ii) had selected such accounting policies and applied them consistently and made judgments 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 of the company for that period,
- (iii) had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities,
- (iv) had prepared the annual accounts on a going concern basis.

**10. Corporate Governance**

Necessary measures have been adopted to comply with the requirements of the Listing agreement with Stock Exchanges wherein the company's shares are listed. A separate report on Corporate Governance measures adopted by the company forms part of this report.

A certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement is attached to this report.

**11. Auditors Report:**

The observations of the Auditors in their Report on Accounts read with the relevant notes are self-explanatory.



**12. Auditor**

M/s Chaturvedi and Partners, Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

**13. Cost Audit:**

As per the requirement of the Central Government and pursuant to the provisions of Section 233B of the Companies Act, 1956, the Company carry out audit of cost accounts every year. Subject to the approval of Central Government, the Company has appointed M/s. J. K. Kabra & Co. Cost Auditors, to audit the cost accounts for the financial year ended 31st March, 2003.

**14. Industrial Relations:**

Relation with the work force at all the units continued to be cordial.

Your Directors wish to express their grateful appreciation for the assistance and co-operation received from Financial Institutions, Banks, Government Authorities and shareholders during the year under review.

Your Directors also wish to place on record their appreciation for the service rendered by our people at all levels in the Company and for their contribution towards the success of the organisation.

**By and on behalf of the Board of Directors**

Place : New Delhi  
Date : 19th August 2003

**RAKESH S. BHARDWAJ**  
(Managing Director)

**ANNEXURE - A****CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

As required under Companies (Disclosure of Particulars in the Report of the Board of Directors) Rule 1988, a statement showing the information relating to the Research and Development, Technology Absorption and Foreign Exchange earnings and outgo and forming part of the Directors' Report are stated below: -

Form A requiring disclosure of particulars with respect to conservation of energy is not applicable in the case of the company.

**1. RESEARCH & DEVELOPMENT:**

- a) **Specific area in which R & D carried out by the Company:-**  
Research and Development has been continuously carried to reduce evaporation of oxygen gas and consumption of power.
- b) **Benefits derived as a result of the above R & D :-**  
Loss on account of evaporation has been reduced considerably and less consumption of power.
- c) **Future Plan of Action: -**  
Research and Development activities continue to reduce process wastage and utilisation of waste Nitrogen.
- d) **Expenditure on R & D :-**  
Charged under primary heads of accounts.

**2 TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:-**

- a) **Efforts made towards technology absorption, adaptation and innovation :-**  
The Company has successfully absorbed the technology of the plant supplied by the supplier.
- b) **Capital Investment for Capacitor Bank.**  
Capacitor Bank has been installed in view of the fact that Ajmer Vidut Vitran Nigam Ltd. gives incentive to those who use quality power. The company can recover the entire amount of expenditure within two years.
- c) **Benefits derived as a result of the above efforts :-**  
Quality of Oxygen Gas produced is of very high standard and acceptable to the consumers of the company's product
- d) Particulars relating to imported technology --- Nil

**3 FOREIGN EXCHANGE OUTGO:-**

- i) CIF value of imported spares for Plant and Machinery --- Rs. 4,82,795/-

**CORPORATE GOVERNANCE REPORT**

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2003.

**COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The company believes that good Corporate Governance is essential to achieve long term corporate goals and enhance stakeholders value. Thus the company's philosophy on Corporate Governance is aimed at the attainment of highest level of transparency, accountability and compliance of laws in all facets of operations, leading to best standards of Corporate Governance.

It is Company's belief that good ethics make good business sense and our business practices are in keeping with this spirit of maintaining the highest level of ethical standards.

The company complies with the requirements, regarding Corporate Governance as stipulated under Clause 49 of the Listing Agreement of the Stock Exchanges where its shares are listed.

**A. MANDATORY REQUIREMENTS :**

**BOARD OF DIRECTORS**

a) **Composition**

The present Board comprises of six members: One Executive Director and Five Non-Executive Directors. All the non-executive Directors are independent Directors and include one nominee Director each of UTI & IDBI. The Non-Executive Directors with their diverse knowledge, experience and expertise provide valuable contribution in the deliberations and decisions of the Board

Except the sitting fees paid for attending Board / Committee Meetings, the Non-Executive Directors did not have any material pecuniary relationship or transactions with the Company, during the year 2002-03.

The company have Executive Chairman and the number of Independent Directors is more than half of the total strength of the Board. The number of Non-Executive Directors is more than 50% of the total number of the Directors. The Company, therefore, meets with the requirements relating to the composition of Board of Directors.

**b) Attendance of each Director at the Board Meetings and the last Annual General meeting.**

S. NO	NAME OF THE DIRECTORS	CATEGORY OF DIRECTORSHIP	NO. OF BOARD MEETINGS ATTENDED	ATTENDANCE AT THE LAST ANNUAL GENERAL MEETING (YES/NO)
1	Shri R S Bhardwaj (Managing Director)	Executive	5	Yes
2	Shri V.P.Punj	Independent Non-Executive	3	Yes
3	Dr. G. Mukherjee	Independent Non-Executive	3	No
4	Shri Rajesh Malhotra (IDBI Nominee)	Independent Non-Executive	4	No
5	Shri.P.B.Vijayaraghavan (UTI Nominee)	Independent Non-Executive	4	No
6	Captain S Ramaprasad*	Independent Non-Executive	NA	NA

\* Appointed as Additional Director w.e.f. 15/7/03