

A N N U A L R E P O R T 2 0 0 3



CERTIFIED TRUE COPY

**ABG**  
Heavy Industries Limited

ABG

**CORPORATE INFORMATION****BOARD OF DIRECTORS**

**Kamlesh Kumar Agarwal**  
Chairman

**Rishi Agarwal**  
Director

**R. G. Govindrajpuram**  
Director

**H. P. Prabhu**  
Director

**Saket Agarwal**  
Managing Director

**COMPANY SECRETARY**  
G. Lakshmi Prasanna

**REGISTERED OFFICE**  
5<sup>th</sup> Floor, Bhupati Chambers,  
13 Mathew Road, Mumbai 400004

**AUDITORS**  
M/s M.M. Chaturvedi & Co.,  
24 Atlanta, Nariman Point, Mumbai - 400 021.

**BANKERS**  
Corporation Bank  
UTI Bank Ltd  
The Jammu & Kashmir Bank Ltd,

**LEGAL ADVISORS**  
M/s Bachubhai Munim & Co. Mumbai

**REGISTRARS AND SHARE TRANSFER AGENTS**  
**Bigshare Services Pvt. Ltd.,**  
E/2, Ansa Industrial Estate, Sakivihar Road,  
Sakinaka, Andheri (E), Mumbai 400072.



*Unloading operations of steel coils using ABG's Crawler crane*

**Contents**

	Page Nos.
Notice	3
Directors' Report	5
Management Discussion & Analysis	7
Report on Corporate Governance	8
Auditors' Report	11
Balance Sheet	14
Profit & Loss Account	15
Cash Flow Statement	16
Schedules	18

## NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of the Company will be held at Ashoka Hall, Arcadia, Nariman Point, Mumbai- 400 021, on Tuesday the 30<sup>th</sup> September 2003 at 3.00 p.m. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2003 and the Profit and Loss Account for the financial year ended on that date together with the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Rishi Agarwal, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. H.P. Prabhu, who retires by rotation, and being eligible, offers himself for re-appointment
4. To appoint Auditors and to fix their remuneration

### SPECIAL BUSINESS

5. To consider and, if thought fit, to pass the following Resolution, with or without modification, as a Special Resolution:-

"RESOLVED that pursuant to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority whilst granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee or any person which the Board may nominate to exercise its powers, including the powers conferred under this Resolution) consent of the Company be and is hereby accorded to delist the equity shares of the Company from all or any of the Stock Exchanges, viz. The Stock Exchange – Ahmedabad at Ahmedabad, The Delhi Stock Exchange Association Limited at New Delhi and The National Stock Exchange of India Limited at Mumbai.

RESOLVED FURTHER that the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, usual or proper and to settle all questions, difficulties or doubts that may arise in regard to the aforesaid voluntary delisting of shares without being required to seek any further approval of the members."

By Order of the Board

Place : Mumbai.  
Date : 30<sup>th</sup> June, 2003

S. D. D. Gunasekar  
Chief Executive

Regd. Office:  
5<sup>th</sup> Floor, Bhupati Chambers,  
13 Mathew Road,  
Mumbai- 400004

## 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 A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The proxy form must be lodged with the company not less than 48 hours before the time of the meeting.

2. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 26, 2003 to Tuesday, September 30, 2003 (both days inclusive).
3. Members are requested to intimate their change of address, if any to the Share Transfer Agents Viz : Bigshare Services Pvt. Ltd., E/2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai 400 072. Tel: 28523474, Fax :28525207
4. The names and addresses of the stock exchanges where at the Company's equity shares are listed, are given below:

The Stock Exchange,  
Mumbai

Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001.

The Delhi Stock Exchange  
Association Limited

DSE House,  
3/1 Asaf Ali Road,  
New Delhi – 110 002.

National Stock Exchange of  
India Limited

Exchange Plaza,  
5<sup>th</sup> Floor, Plot No. C/1,  
G Block, Bandra Kurla  
Complex, Bandra (East),  
Mumbai – 400 051.

The Stock Exchange,  
Ahmedabad

Kamdhenu Complex,  
Opp. Sahjanand College,  
Panjarapole,  
Ahmedabad – 380 015.

5. The resolution regarding the re-appointment of Mr. Rishi Agarwal as Director of the Company is placed before the shareholders. As per clause 49 of the Listing Agreement with the Stock Exchanges the following particulars of Mr. Rishi Agarwal is being provided:

Mr. Rishi Agarwal is a management graduate from the University of Purdue, USA and is presently, Managing Director, ABG Shipyard Ltd. and is having experience of successfully managing various businesses for last over 10 years.

Other Directorships:

Name of the Company	Position Held
ABG Shipyard Ltd	Managing Director
ABG International (P) Ltd	Director
ABG Shipping Ltd	Director
ABG Power Pvt. Ltd	Director
ABG Cranes Pvt. Ltd	Director
ABG Goa Port Ltd	Director
Arabian Deep Sea Fishing (P) Ltd	Director
Onaway Industries Ltd	Director
Banal Investments & Trading Pvt. Ltd.	Director

ABG

6. The resolution regarding the re-appointment of Mr. H. P. Prabhu as Director of the Company is placed before the shareholders. As per clause 49 of the Listing Agreement with the Stock Exchanges the following particulars of Mr. H.P. Prabhu is being provided:

Mr. H. P. Prabhu is a seasoned banker and was with Bank of India for over 35 years. During his career in the Bank he held many important positions including the positions of Principal, Management Development Institute and Zonal Manager, Pune Zone. He took Voluntary Retirement in the year 2000 whilst holding the post of a Deputy General Manager in the Bank. His experience is of relevance and value to the business of the Company. He is not a Director in any other company.

7. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, as amended and with the introduction of section 205C by the Companies (Amendment) Act, 1999, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to the Investor Education and Protection Fund established by the Central Government and no claim shall lie against the said Fund or the Company for the amount of dividend so transferred to the fund. Shareholders who have not yet encashed their dividend warrant(s) for the financial year ended 31<sup>st</sup> March, 1996 or any subsequent financial years are requested to make their claims to the Company's Share Transfer Agent. It may be noted that unpaid dividend for the financial year ended 31<sup>st</sup> March, 1996 is due for transfer to the Investor Education and Protection Fund in the month of October, 2003.
8. Members are requested to bring their copy of Annual Report to the meeting.

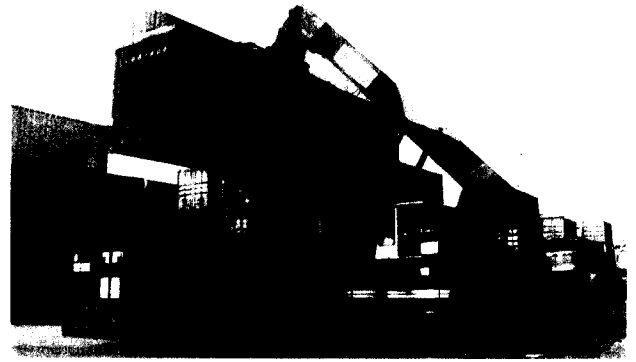
#### ANNEXURE TO NOTICE

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

##### Item No. 5

Presently, the Company's equity shares are listed on four Stock Exchanges namely, The Stock Exchange, Mumbai (BSE), The National Stock Exchange of India Limited (NSE), The Stock Exchange - Ahmedabad (ASE) and The Delhi Stock Exchange Association Limited (DSE).

With the wide and extensive networking of centres of BSE, the investors have access to dealings in the Company's equity shares across the country through BSE. The trading of shares of the Company is temporarily suspended by NSE and the trading volumes of the equity shares of the Company on the stock exchanges at Ahmedabad and Delhi (hereinafter referred to as 'the said three Stock Exchanges') are negligible and are disproportionate to the listing fees payable by the Company to the said three Stock Exchanges. The listing to



*Reachstacker in operation*

the said Stock Exchanges, do not offer any particular benefit in the changed scenario and the proposed voluntary delisting would contribute to the cost reduction measures initiated by the Company. It is, therefore, considered desirable to delist the equity shares of the Company from the said three Stock Exchanges subject to the Company complying with the provisions of SEBI (Delisting of Securities) Guidelines, 2003 and obtaining requisite approvals, permissions and sanctions in respect thereof.

As the Company's equity shares shall continue to be listed on BSE, which have nationwide terminals, no exit opportunity is required to be given as per the SEBI (Delisting of securities) guidelines, 2003. Due to availability of trading terminals of BSE in most of the cities across the country, the proposed delisting of the Company's Equity Shares from the three Stock Exchanges as referred to above will not be prejudicial to, or affect the interest of the investors. The Directors recommend the Special Resolution at Item No. 5 of the Notice for acceptance by the members.

None of the Directors of the Company is concerned or interested in the said Resolution.

By Order of the Board

Place : Mumbai.  
Date : 30<sup>th</sup> June, 2003

S. D. D. Gunasekar  
Chief Executive

Regd. Office:  
5<sup>th</sup> Floor, Bhupati Chambers,  
13 Mathew Road,  
Mumbai- 400004

2003

## DIRECTORS' REPORT

To the Members

Your Directors have pleasure in presenting the Nineteenth Annual Report with the Audited Accounts for the year ended March 31, 2003.

### Financial Results

Particulars	(Rs. In Lacs)	
	2002-03	2001-02
Gross Receipt	5773	6255
Gross Profit before Interest and Depreciation	3764	4450
Less : Interest	1193	1392
Less : Depreciation	1834	1912
Profit before Extra - ordinary items & Tax	737	1146
Add: Prior period income/ Excess Provisions	175	1
Less : Loans & advances written off	-	256
Less : Loss on sale of assets	-	117
Net Profit before tax	912	774
Less : Provision for Taxation	(73)	(60)
Add: Reversal of Deferred Tax	81	-
Profit After Tax	920	714
Add : Profit brought forward from earlier year	2545	2131
Net profit available for appropriation	3465	2845
Transfer to General Reserve	500	300
Balance Carried to Balance Sheet	2965	2545

### Operations

During the year under review, the performance of Container and Bulk handling cranes deployed at Jawaharlal Nehru Port, Chennai Port, Cochin Port and Mormugao Port continued to be satisfactory. The actual availability of the cranes continued to be higher than the contractual norms. The operational income from these cranes has recorded growth on the basis of the escalation clause in the contracts with the Port Trusts. The mobile crane hiring business which is largely dependent on investment in Industrial and infrastructure projects did not make significant contribution, however real investment in infrastructure projects announced by the Government could lead to enhanced revenue from this business.

### Finance

The Company's continuous endeavour to reduce its overall borrowings / liabilities as well as the refinance of high cost debts negotiated on the strength of the Company's performance have resulted in substantial saving in finance cost.

### Redemption of Preference Shares

During the financial year under review the Company has redeemed Preference Shares aggregating to Rs. 9,25,00,000/- in accordance with the terms of issue.

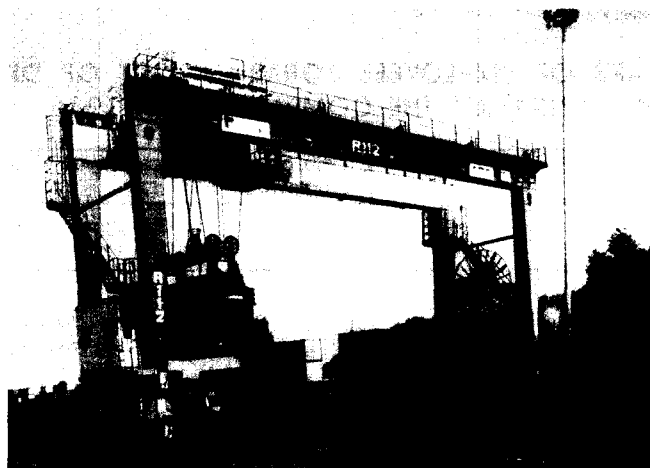
### Dividend

With a view to conserve resources of the Company for its business requirements, the Board of Directors of the Company has not recommended any dividend for the year 2002- 03.

### Directors' Responsibility Statement

As stipulated under Section 217(2AA) of Companies Act, 1956, your Directors subscribe to "Directors' Responsibility Statement" and confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the directors have 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 or loss of the company for that period;
- the directors have taken proper and sufficient care of 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;
- the directors have prepared the accounts on a going concern basis.



RMGC in operation at JNPT



### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Since your Company does not own any manufacturing facility, the particulars as required u/s 271(1)(e) of the Companies Act, 1956 so far as it relates to Conservation of Energy and Technology Absorption are not applicable.

The information related to foreign exchange earnings and outgo has been given in the notes forming part of the accounts for the year ended 31<sup>st</sup> March 2003.

### Fixed Deposit

Your Company has not accepted any Fixed Deposits from Public during the year ended March 31, 2003.

### Directors

In accordance with the provisions of Sections 255 and 256 of the Companies Act, 1956 and also Articles 128 of the Articles of Association of the Company, Mr. Rishi Agarwal and Mr. H. P. Prabhu retire by rotation and being eligible, offer themselves for re-appointment.

### Auditors

M/s. M.M Chaturvedi & Co., Chartered Accountants, retire as Auditors of the Company and being eligible, offer themselves for re-appointment. The observations made in the Auditor's report are self explanatory and therefore, do not call for any further comments.

### Particulars of Employees

A statement giving the requisite information as per Section 217 (2A) of the Companies Act, 1956 is annexed hereto and forms part of this report.

### Corporate Governance

Pursuant to clause 49 of the listing agreements with Stock Exchanges, Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of this Annual Report.

### Subsidiary Company

ABG Goa Port Limited has ceased to be a Subsidiary of the Company w.e.f. 9<sup>th</sup> December, 2002 as the Shareholding of the Company in ABG Goa Port Limited is reduced to 47.83%.

### Delisting of Shares

Presently the Company's equity shares are listed on The Stock Exchange, Mumbai (BSE), The National Stock Exchange of India Ltd. (NSE), Ahmedabad Stock Exchange (ASE) and The Delhi Stock Exchange Association Ltd. (DSE). The shares of the Company are compulsorily traded in dematerialized form.

Specific Attention of the Members is drawn to Item NO. 5 of the Notice of the Annual General Meeting and the Explanatory Statement attached thereto whereby the Company proposes to delist its Equity Shares from all Stock Exchanges excluding BSE. With the wide and extensive networking of centres of BSE, the investors will have access to the dealings in the Company's Equity Shares across the country. Trading of the Equity Shares of the Company at NSE is temporarily suspended for almost last two years and the volumes of trading of the Company's shares on ASE and DSE are also negligible.

The annual listing fees paid to the aforesaid stock exchanges do not now offer commensurate benefits to the Company / its investors and the continued listing on these Stock Exchanges is not considered necessary. The Board of Directors has therefore decided to apply for voluntary Delisting under the SEBI (Delisting of Securities) Guidelines 2003, of the Company's Equity Shares from ASE, DSE and NSE. As the Equity Shares of the Company will continue to be listed on BSE, no exit option is required to be offered to the shareholders. The delisting will further contribute to the cost reduction initiatives taken by the company across various functional areas.

### Appreciation

Your Directors wish to place on record their appreciation for the support received from the Lenders, Clients and Government Bodies. The employees have contributed in large to the success of the Company during the year under review and your Directors look forward to their unstinted support.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 30<sup>th</sup> June, 2003

**Saket Agarwal**  
Managing Director

### STATEMENT OF PARTICULARS OF EMPLOYEES FORMING PART OF DIRECTORS' REPORT AS REQUIRED UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956

Name	Age	Qualification	Experience	Date of Employment	Designation	Gross Income	Previous Employment
Mr. Saket Agarwal	39 years	B.Com	19 years	11.06.84	Managing Director	Rs. 30,97,461/-	First Employment

#### NOTES:

- (1) The nature of employment is contractual
- (2) Remuneration includes salary, allowances, bonus, expenditure incurred in providing rent free accommodation, medical expenses, Company's contribution to provident and Pension Fund. The

perquisites are valued as per Income Tax Act, 1961 and Rules thereunder. The value of other perquisites are at cost.

- (3) Mr. Saket Agarwal is a relative of Mr. Kamlesh Kumar Agarwal and Mr. Rishi Agarwal, Directors of the Company.

2003

## MANAGEMENT DISCUSSION & ANALYSIS

### Business Overview

Business conditions during the year under review did not provide any substantial opportunity for growth despite all efforts made by the management to contract new business. The company is looking at business opportunities as well as strategic alliances with foreign operators of ports to embark on various port and port based activities in India and abroad. The actual investment and opportunities in the infrastructure sector continued to be generally lacking despite the government's proclaimed support to infrastructure growth. The Company's long-term contracts with ports provide a level of sustenance in its income and profitability. The year of quiet business activities was further used in financial management and the resultant reduction of interest cost has been impressive.

### Internal Control & Systems

The company has proper and adequate internal systems and controls commensurate with the nature of business and size of operations. The work centers are treated as profit centers for the purpose of business processes across the Company in respect of operational efficiency, financial reporting etc. Important business developments and quarterly results are reviewed by the Audit Committee comprising of three Non-Executive Independent Directors. The Committee also meets the Statutory Auditors of the Company to ascertain their observations on financial reports and control concerns. The audit observations are monitored and acted upon by the Management regularly.

### Risk Management

#### Market & Industry Risk

The Company is exposed to the risks of the changes in government policies on infrastructure development, privatization of ports operations and the opening up of port sector for foreign investment. In the initial stages of reforms in India, there was a surge in capital goods and infrastructure investments. These were the years of high GDP and industrial growth. The Company used the situation to its advantage and diversified its activities to include port operations. This diversification has helped the company to maintain its income and profitability even during the present slowdown. The company has inducted strategic equity investors in ABG Goa Port Ltd its hitherto wholly owned subsidiary with a view to limit risks.

#### Interest Rate and Foreign Exchange Risk

The company has always contracted fixed price loans to avoid any interest rate risk. But in falling interest rate regime, there was an opportunity to replace them to bring the interest cost at market rates as is apparent from the financial results. The company does not have any foreign exchange risk.

### Technology

The cranes of the company are of current technological standards. Internal operations and control systems of the company are also computerized.

### Financials

Traditionally, the financial management of the company has been governed by prudent policies. Continuous reinforcement of capital through internal accruals has been the approach all along. The present financial strengths of the company is owing to these practices. The Debt - Equity Ratio of less than 1 speaks of financial discipline of the Company. The non declaration of Dividend continuously for the second year has further reinforced the Capital strength of the company.

### Business Prospects

The Company has inducted strategic equity investors in ABG Goa Port Ltd. The company is looking at overseas markets also for an opportunity to expand in its existing line of business. The company in association with PSA (Port of Singapore Authority) has been shortlisted as one of the ten companies in race for the third container terminal at Jawaharlal Nehru Port. The present contracts lead to income growth through operational efficiency and cost cutting.

### Contingent Liabilities

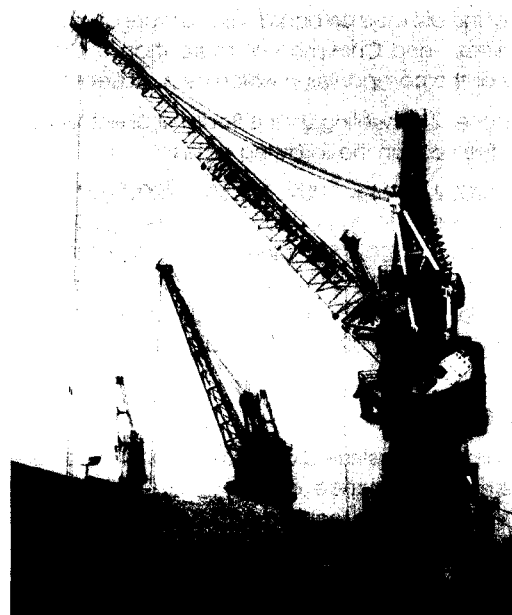
Details of contingent liabilities are given in schedule M to Balance Sheet and Profit & Loss Account.

### Industrial Relations & Human Resource Development

The company has a system for Annual Performance appraisal for its employees. The grant of increment or accelerated increments is related to work performance.

### Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward-looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.



Bulk handling operations

## REPORT ON CORPORATE GOVERNANCE

(As required under Clause 49 of the Listing Agreement with Stock Exchanges)

### Company's philosophy on Corporate Governance

The Company focuses on good corporate governance encouraging efficient use of resources with management accountability. The corporate governance is an integral part of ABG management philosophy and in its pursuit of growth, value creation and excellence, it continuously tries to create long term values for its shareholders keeping in harmony the interests of its other stakeholders like creditors, customers, suppliers, employees and the government and society at large.

### Board of Directors

#### (a) Composition

The present Board of the Company comprises of five directors including a non - executive Chairman. The number of

independent Directors is more than one - third of the total number of Directors and the number of non - executive Directors is also more than 50% of the total number of Directors. Apart from sitting fees paid for attending Board / committee Meetings, the Non-Executive Directors did not draw any remuneration from the Company during the financial year 2002-03.

No director other than Mr. Saket Agarwal is paid any remuneration during the year. Remuneration paid to Mr. Saket Agarwal under section 217(2A) of The Companies Act, 1956 is Rs.30,97,461/-

#### (b) Board Meetings & Attendance

The names of Directors, the categories of the Directors on the Board, their attendance at Board Meetings and Annual General Meeting as also the number of Directorship and Committee Membership held by them in other companies are given below:

Name	Category	Attendance at Board Meeting		Attendance at AGM on 30.09.2002	Directorship in other Companies		Membership in other Committees	
		Held	Attended		Chairman	Director	Chairman	Member
Mr. Kamlesh Kumar Agarwal	Chairman, Independent Non-Executive	21	21	No	-	3	-	1
Mr. Rishi Agarwal	Promoter, Non-Executive Not Independent	21	21	Yes	-	9	-	-
Mr. R. G. Govindrajpuram	Non-Executive Independent	21	18	Yes	-	-	1	1
Mr. H. P. Prabhu	Non-Executive Independent	21	18	Yes	-	-	1	1
Mr. Saket Agarwal	Managing Director, Executive Not Independent	21	21	Yes	-	10	-	-

None of the Directors on board is a member of more than 10 committees and Chairman of more than 5 Committees across all the companies in which he is a director.

Twenty one (21) meetings of the Board of Directors were held during the year on the following dates:

3<sup>rd</sup> May 2002, 6<sup>th</sup> May 2002, 10<sup>th</sup> May 2002, 13<sup>th</sup> May 2002, 31<sup>st</sup> May 2002, 6<sup>th</sup> June 2002, 11<sup>th</sup> June 2002, 13<sup>th</sup> June 2002, 14<sup>th</sup> June 2002, 29<sup>th</sup> June 2002, 1<sup>st</sup> July 2002, 12<sup>th</sup> July 2002, 26<sup>th</sup> July 2002, 31<sup>st</sup> July 2002, 19<sup>th</sup> August 2002, 30<sup>th</sup> September 2002, 11<sup>th</sup> October 2002, 30<sup>th</sup> October 2002, 26<sup>th</sup> November 2002, 31<sup>st</sup> January 2003, 15<sup>th</sup> February 2003,

### Audit Committee

The Board has constituted an Audit Committee of directors. The terms of reference of the Audit Committee are in consonance with the requirement under Clause 49 of Listing agreement. Deputy General Manager (Finance) and a representative of Statutory Auditors are permanent invitees. Deputy General Manager (Finance) is the Member Secretary of the Committee.

Audit Committee comprises of three Non - Executive Directors namely:

1. Mr. H. P. Prabhu - Chairman
2. Mr. R. G. Govindrajpuram
3. Mr. Kamlesh Kumar Agarwal

During the year, Audit Committee met four times on the following dates when all the members of the Committee were present:

29<sup>th</sup> June 2002, 31<sup>st</sup> July 2002, 30<sup>th</sup> October 2002 and 31<sup>st</sup> January 2003.

The minutes of the Audit Committee are circulated and discussed at the Board Meetings.

### Shareholders' Committee

An Investor Grievance Committee is set up to specifically look into redressal of investor complaints like transfer of shares, non - receipt of Balance Sheet or declared dividend etc.

The Investor Grievances Committee is headed by Mr. R. G. Govindrajpuram with Mr. H. P. Prabhu as another member of the committee. The meetings of Investors Grievances



2003

Committee took place during the year on the following dates when all the member of the Committee were present:

29<sup>th</sup> June 2002, 31<sup>st</sup> July 2002, 30<sup>th</sup> October 2002 and 31<sup>st</sup> January 2003.

Name, designation &

address of Compliance Officer: Mr. Shabbir Kanchwala,  
Deputy Manager  
5<sup>th</sup> Floor, Bhupati Chambers  
13 Mathew Road,  
Mumbai- 400 004

- a) No. of complaints received from the Investors from 01.04.2002 to 31.03.2003 comprising of non – receipt of dividend, non – receipt of shares sent for transfer, revalidation of dividend, change of address etc. 125
- b) No. of complaints not solved to the satisfaction of investors as on 31.03.2003 2
- c) No. of pending share transfers. 1

#### Remuneration Committee

The Company does not have a Remuneration Committee. The Board determines the remuneration of Whole Time Director or any other directors. (Non – mandatory requirement)

#### Annual General Body Meeting

The last three AGMs were held on/at

- 1 On 30.09.2002 at Ashoka Hall, Arcadia, Nariman Point, Mumbai- 400 021 at 12.30 P.M.
- 2 On 28.09.2001 at Shree Pant Bhuvan, Chowpatty, Mumbai-400 007 at 4.30 P. M.
- 3 On 29.09.2000 at Ashoka Hall, Arcadia, Nariman Point, Mumbai-400 021 at 4.30 P.M.

Whether Special resolutions –

- a) were put through postal ballot last year No.
- b) are proposed to be conducted through postal ballot this year No.

#### Disclosures

1. The trading of stocks at NSE is temporarily suspended.
2. The Company does not have any nominee of term lending institutions on the Board.

#### Means of Communication

Whether half – yearly report sent to the household of each shareholder No.  
(Non – mandatory requirement)

Quarterly Report

Which newspaper generally published in? Free Press Journal & Nav Shakti

Any website, where displayed No.

Whether it also displays official news releases, and the presentations made to investors or to analysts No

Whether data related to quarterly results, shareholding pattern etc. is uploaded on the website www.sebidfar.nic.in as per clause 51 of the Listing Agreement Yes

Whether Management Discussion and Analysis is a part of Annual report Yes

#### General Shareholder Information

AGM - Date, Time & Venue 30.09.2003 at 3.00 P. M.  
Ashoka Hall, Arcadia  
Nariman Point,  
Mumbai 400 021

Financial Calendar for the year 2003 – 04 (Provisional)

- (a) Year ending 31<sup>st</sup> March, 2004
- (b) First Quarter results By end of July, 2003
- (c) Half – yearly results By end of October, 2003
- (d) Third Quarter results By end of January, 2004
- (e) Annual Result By end of June, 2004
- (f) Annual General Meeting By end of September, 2004

For the year ended March, 2003

Date of Book Closure Friday, 26.09.2003 to Tuesday, 30.09.2003

Dividend Payment date No Dividend proposed this year.

Listing on Stock Exchange Company's securities are listed on BSE, NSE, DSE and ASE. The listing fees have been paid to each of these exchanges for the year 2003-04.

Registrar & Transfer Agents Bigshare Services Pvt.Ltd.  
E/2, Ansa Industrial Estate,  
Sakivihar Road, Sakinaka,  
Andheri (East),  
Mumbai – 400 072.  
Tel: 28523474,  
Fax :28525207

Share Transfer System Share Transfers in physical forms can be lodged with Bigshare Services Pvt. Ltd at above mentioned address. The transfers are normally processed within three weeks if all documents are received in order.

#### Distribution of Share Holding

Number of Ordinary Shares Held	Number of Share Holders			
	As on 31/03/2003		As on 31/03/2002	
	Number	%	Number	%
1 to 100	7945	69.35	8338	70.17
101 to 500	2700	23.57	2789	23.47
501 to 1000	485	4.23	459	3.86
1001 to 10000	302	2.64	268	2.23
10001 to 100000	22	0.19	26	0.22
100001 and above	3	0.03	3	0.03

## Category of Share Holders

Category	No of Shareholders		Voting Strength (%)		No. of Ordinary Shares held	
	31/03/2003	31/03/2002	31/03/2003	31/03/2002	31/03/2003	31/03/2002
Individuals	11242	11688	23.75	23.76	2688079	2690094
Insurance/ Other Inst	5	5	3.28	3.30	372000	373100
Bodies Corporate	170	139	2.76	2.71	312621	306306
NRI	21	30	0.44	0.45	49400	51500
Directors	6	6	69.71	69.71	7891000	7891000
Mutual Funds	5	5	0.04	0.04	4800	4800
Bank	1	1	0.00	0.00	100	100
Transit	7	9	0.02	0.03	2200	3300
Total	11457	11883	100.00	100.00	11320200	11320200

## Share Market Data

Month	High Price Rs.	Low Price Rs.	Net Turnover (Rs. in lacs)
Apr-02	18.70	10.25	20.17
May-02	20.70	12.30	35.47
Jun-02	22.40	16.00	41.43
Jul-02	26.75	15.50	73.31
Aug-02	17.45	14.00	4.48
Sep-02	15.50	12.00	4.25
Oct-02	12.50	9.25	3.78
Nov-02	12.30	10.00	2.91
Dec-02	13.25	10.50	8.15
Jan-03	16.00	10.75	49.16
Feb-03	14.90	11.05	10.20
Mar-03	12.10	9.60	6.90

## Dematerialisation of Shares

ISIN No. in NSDL & CDSL – INE580C01019.

On 31<sup>st</sup> March, 2003, dematerialised shares accounted for 19.69% of total equity shares

On behalf of the Board of Directors

Place: Mumbai  
Date : 30<sup>th</sup> June, 2003

**Saket Agarwal**  
Managing Director

Source: BSE, Mumbai

CERTIFICATE

To the Members of  
ABG Heavy Industries Limited

We have examined the compliance of conditions of Corporate Governance by ABG Heavy Industries Limited, for the year ended on 31<sup>st</sup> March, 2003, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the Directors and the management, we certify that the Company has complied in all material respect with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that while the Shareholders/Investor Grievance Committee has not maintained records to show the investor grievances pending for a period of one month against the Company, the Registrars of the Company have maintained the records of investor grievances and certified that as at 31<sup>st</sup> March, 2003, there are no investor grievances remaining unattended/pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M.M. CHATURVEDI & CO.**  
Chartered Accountants

Place : Mumbai  
Dated : 30<sup>th</sup> June 2003.

**M.M. CHATURVEDI**  
Partner