



# ABG Heavy Industries Limited

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**Kamlesh Kumar Agarwal**  
Chairman

**R. G. Govindrajpuram**  
Director

**Rishi Agarwal**  
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 400 004

### 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 400 072.



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## Annual Report 2004

## NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the Company will be held at Ashoka Hall, Arcadia, Nariman Point, Mumbai-400021, on Thursday, the 30th day of September, 2004 at 4.30 p.m. to transact the following business:

## ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, Auditors' Report and the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 2004.
2. To declare Dividend on Equity Shares for the year ended 31st March, 2004.
3. To appoint a Director in place of Mr. Kamlesh Kumar Agarwal, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. R. G. Govindrajpuram, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint Auditors from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

## SPECIAL BUSINESS

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

**"Resolved that** pursuant to the applicable provisions of Section 269 and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to such approvals as may be necessary, Mr. Saket Agarwal, be and is hereby re-appointed as the Managing Director of the Company for a further period of 5 years with effect from 13th September, 2004 on the terms and conditions mentioned herein below and contained in detail in the draft agreement placed before the meeting and initiated by Mr. Rishi Agarwal, the Director of the Company for the purpose of identification, with liberty to the Board of Directors to alter, vary or modify the terms and conditions of the said Agreement in such manner as may be required and agreed to by the Board and Mr. Saket Agarwal.

**Resolved Further that** the Board of Directors of the Company be and is hereby authorized to execute necessary agreement with such modifications and alterations as may be required and agreed to by the Board of Directors of the Company and the Managing Director.

**Resolved Further that** any of the Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary, expedient or desirable to give effect to the above resolution".

By order of Board of Directors

**G. Lakshmi Prasanna,**  
Company Secretary

Mumbai, 30<sup>th</sup> June 2004

Regd. Office:

5<sup>th</sup> Floor, Bhupati Chambers,  
13 Mathew Road,  
Mumbai - 400 004

## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE 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 Thursday, 23rd September, 2004 to Thursday, 30th September, 2004 (both days inclusive).
3. Members holding shares in physical form are requested to notify/ send the intimation of their change in address and details of Bank account to the Share Transfer Agents viz: Bigshare Services Pvt. Ltd., E/2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai 400072. Tel : 28470652/53 Fax : 28475207 at the earliest.

Members holding shares in the electronic form are advised to inform changes in address/ Bank mandate directly to their respective Depository Participants. The address and Bank mandates as furnished to the company by the respective Depositories viz. NSDL and CDSL will be printed on the Dividend warrants.

4. Dividend as recommended by the Board if approved by the members will be paid on or after 1st October, 2004, to those shareholders whose names appear on the Register of Members as on the date of Annual General Meeting. In respect of the shares held in electronic form the dividend will be paid on the basis of beneficial ownership as at the close of 30th September, 2004 as per the details furnished by the National Securities Depository Limited/Central Depository Services (India) Limited for the purpose as on that date.
5. The resolution regarding the re-appointment of Mr. Kamlesh Kumar Agarwal and Mr. R. G. Govindrajpuram as Directors of the Company and Mr. Saket Agarwal as Managing 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. Kamlesh Kumar Agarwal, Mr. R.G. Govindrajpuram and Mr. Saket Agarwal are being provided:

Mr. Kamlesh Kumar Agarwal is presently, Managing Director, Onaway Industries Ltd and is having experience of successfully managing various business for the last 42 years. His other Directorships are as under:

Name of the Company	Position Held
Onaway Industries Ltd.	Managing Director
ABG Shipyard Ltd.	Director
Essar Glass Works Pvt. Ltd.	Director
ABG Cement Ltd.	Director
ABG Shipping Ltd.	Director
Cardinal Logistics Pvt. Ltd.	Director

Mr. R.G. Govindrajpuram is an engineering graduate with wide experience of over 25 years in the operation and management of major ports in India. He retired as Chief Mechanical Engineer from Mumbai Port Trust – a position he held for over 10 years. His experience has a direct bearing on the working of the company.

## ABG Heavy Industries Limited

Mr. Saket Agarwal is presently Managing Director of ABG Heavy Industries Limited and is having experience of successfully managing business for the last 20 years. His other Directorships are as under:

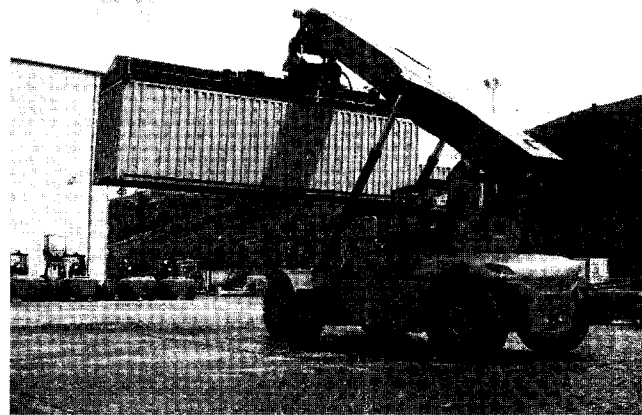
Name of the Company	Position Held
Onaway Industries Ltd.	Director
ABG Shipyard Ltd.	Director
ABG Cement Ltd.	Director
ABG Shipping Ltd.	Director
Cardinal Logistics Pvt. Ltd.	Managing Director
Banal Trading & Investment Pvt. Ltd.	Director
ABG Power Pvt. Ltd.	Director
ABG Cranes Pvt. Ltd.	Director
Arabian Deepsea Fishing Pvt. Ltd.	Director
ABG International Pvt. Ltd.	Director
South West Port Ltd.	Director
ABG Projects & Services Limited (UK)	Director

6. In terms of Sections 205A and 205C of the Companies Act, 1956 the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of its transfer to 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 31st March, 1997 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 31st March, 1997 is due for transfer to the Investor Education and Protection Fund in the month of October, 2004.
7. Member desirous of getting any information relating to the accounts and operation of the Company are requested to address their queries at least 7 days in advance of the meeting so that the information required may be made available at the meeting.
8. Members are requested to bring their copy of Annual Report to the meeting.

### ANNEXURE TO NOTICE

As required by Section 173 of Indian Companies Act, 1956 in respect of the business under Item No. 6:

Mr. Saket Agarwal was re-appointed as the Managing Director of the Company for a period of 5 years with effect from 13<sup>th</sup> September, 1999 and his term expires on 12<sup>th</sup> September, 2004. Considering the long association of Mr. Saket Agarwal with the Company, the valuable contribution made by him to the business and management, Board of Directors has re-appointed him as the Managing Director of the Company for a further period of 5 years with effect from 13<sup>th</sup> September, 2004 vide resolution dated 30<sup>th</sup> June 2004. The terms of re-appointment are in



*Brand new Reach Stacker under testing*

accordance with the provisions of section 269 read with Schedule XIII to the Companies Act, 1956 which are as follows:

1. The Managing Director shall, subject to the supervision and control of the Board of Directors of the Company, manage the business and affairs of the Company.
2. The duties of the Managing Director shall remain the same as elaborated in the Resolution passed by the Board of Directors at its meeting held on September 15, 1994.
3. The period of Agreement shall be Five Years with effect from September 13, 2004.
4. Remuneration payable;
  - a. **Salary**  
Rs. 2,00,000 per month in the scale of Rs. 2,00,000 to Rs. 4,00,000 inclusive of dearness allowance.
  - b. **Commission**  
Subject to overall ceiling under section 198 and 309 of the Companies Act, 1956 based on the net profits of the Company for each financial year as the Board may in its absolute discretion determine.
  - c. **Perquisites**
    - (1) The Managing Director shall be entitled to perquisites including free fully furnished accommodation, with gas, electricity, water, furnishings, medical reimbursement and Leave Travel concessions for self and family, club fees, medical and personal accident insurance, etc.
    - (2) The Managing Director shall be entitled to Company's contribution to Provident Fund, superannuation Fund and Annuity Fund upto the tax exemption limit, benefits of Gratuity and Pension Scheme, earned leave and encashment of earned leave at the end of the tenure, as per rules of the Company and these shall not be included in the computation of perquisites.
    - (3) Company maintained Car for use on Company's business, telephone and other communication facilities at residence, will not be considered as perquisites.



## Annual Report 2004

- d. The Managing Director, so long as he functions as such, shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof from the date of his appointment. The Managing Director will be paid sitting fees as Director on the Boards of Company's subsidiaries on which he is/will be appointed as Director.
- e. Apart from the above terms and conditions governing remuneration, the aforesaid agreement contains further terms and conditions as to the provision for earlier determination of the appointment by either party by giving six months notice in writing to the other party, non- participation in any selling agency of the Company, reimbursement of the entertainment, traveling and all other expenses incurred by him for the business of the Company, etc.
- f. In the event of loss or inadequacy of profits in any financial year, the Managing Director shall be paid remuneration by way of salary and perquisites as specified above.
- g. The remuneration and perquisites payable to Mr. Saket Agarwal as provided for hereinabove shall be subject to the overall ceiling on managerial remuneration as provided by Section 198 and 309 of the Companies Act, 1956.

The above terms and conditions are, and should be deemed to be an Abstract of the Draft Agreement between the Company and Mr. Saket Agarwal u/s 302 of the Companies Act, 1956.

Except Mr. Rishi Agarwal and Mr Kamlesh Kumar Agarwal who are relatives of Mr. Saket Agarwal and Mr. Saket Agarwal whose re-appointment is the subject matter of the Special Resolution, no other Director is concerned or interested in the resolution.

The draft Agreement referred to in the resolution at item no 6 will be available for inspection at the Registered Office of the Company during business hours on any working day up to the date of Annual General Meeting.

By order of the Board

G. Lakshmi Prasanna,  
Company Secretary

Mumbai, 30<sup>th</sup> June, 2004

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



ABG's Brand new 600MT Demag Crane in transit

## ABG Heavy Industries Limited

### DIRECTORS' REPORT

To the Members

Your Directors have pleasure in presenting the Twentieth Annual Report with the Audited Accounts for the year ended March 31, 2004.

#### Financial Results

Particulars	(Rs. in Lacs)	
	2003-04	2002-03
Gross Receipts	6180	5773
Gross Profit before Interest and Depreciation	3365	3764
Less : Interest	780	1193
Less : Depreciation	1471	1834
Profit before Extra – Ordinary Item & Tax	1114	737
Add: Prior period income/ Excess Provisions	3	175
Net Profit before tax	1117	912
Less : Provision for Taxation	(86)	(73)
Add: Reversal of Deferred Tax	163	81
Profit After Tax	1194	920
Add : Profit brought forward from earlier year	2966	2546
Net profit available for appropriation	4160	3466
Proposed Dividend (Including Corporate Dividend Tax)	128	–
Transfer to General Reserve	500	500
Balance Carried to Balance Sheet	3532	2966

#### 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 too has shown improvement. Your company has made further investments in brand new cranes against contracts for crane hiring.

#### Finance

The Company's continuous endeavour to reduce its overall borrowings / liabilities as well as the restructuring / refinance of high cost debts have resulted in substantial savings in finance cost.

#### Dividend

Your Directors are pleased to recommend Final Dividend of Re1 (10%) per Equity Share on Equity Share Capital of Rs.1132 Lakhs, divided into 1,13,20,200 equity shares of Rs.10/- each, for the financial year ended 31<sup>st</sup> March, 2004. The dividend, as recommended by the Board if approved by the members at Annual General Meeting, will absorb Rs. 127.71 Lakhs including Dividend Disrubution Tax.

#### Delisting of Shares

Your Company's applications for delisting of Equity Shares from The National Stock Exchange of India Ltd.(NSE) and The Delhi Stock Exchange Association Ltd. (DSE) are pending for approval by them. The shares of your Company are however delisted from Ahmedabad Stock Exchange (ASE).

#### Directors

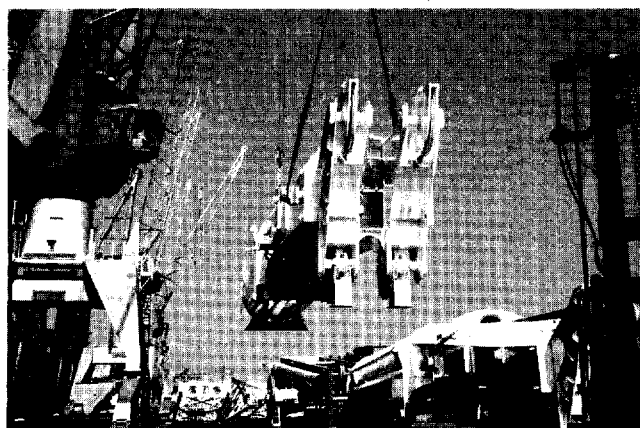
In accordance with the provisions of Sections 255 and 256 of the Companies Act, 1956 and also Articles 128 of the Articles of Association of the Company, Mr. Kamlesh Kumar Agarwal and Mr. R. G. Govindrajpuram retire by rotation and being eligible, offer themselves for re-appointment.

The term of appointment of Mr. Saket Agarwal as the Managing Director expires on 12th September, 2004. The Board of Directors has re-appointed him as the Managing Director of the Company for a further period of five years with effect from 13th September, 2004.

#### Directors' Responsibility Statement

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

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) 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 of the company for that period;
- iii) 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;
- iv) the directors have prepared the accounts on a going concern basis.



Loading operations in progress

## Annual Report 2004

**Auditors**

M/s. M.M Chaturvedi & Co., Chartered Accountants, the Auditors of the Company hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from M/s. M.M. Chaturvedi & Co. to the effect that their appointment as Auditors, if made, would be within the limits under Section 224 (1-B) of the Companies Act, 1956. Auditors' comments in their Report are self explanatory hence do not call for any further clarification.

**Corporate Governance**

Pursuant to clause 49 of the Listing Agreement with Stock Exchanges, a 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.

**Subsidiaries**

During the year, Cardinal Logistics Private Limited and ABG Projects & Services Limited (UK) have become subsidiaries of your Company.

**Fixed Deposit**

Your Company has not accepted any Fixed Deposits from Public during the year ended March 31, 2004.

**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 217(1)(e) of the Companies Act, 1956 so far the same 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 2004.

**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.

**Appreciation**

Your Directors wish to place on record their appreciation for the support received from Bankers 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

**Kamlesh Kumar Agarwal**  
Chairman

Mumbai, 30<sup>th</sup> June, 2004

## 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	40 years	B.Com	20 years	11. 06. 84	Managing Director	Rs. 29,54,938/-	First Employment
Mr. Anthony Frank Jones *	63 years	Mechanical Engineer	47 years	10.12.03	Engineering Service Manager	Rs. 14,21,049/-	Marine Transpot International

\* the employee was in service for the part of the year.

**NOTES:**

- (1) The nature of employment is contractual
- (2) Remuneration includes salaries, allowances, bonus, gratuity, payments made under voluntary retirement scheme and expenditure incurred in providing rent free accommodation, medical expenses, value of other perquisites on the basis of Income Tax Act and Rules and Company's contribution to Provident and Pension Fund.
- (3) Mr. Saket Agarwal is a relative of Mr. Kamlesh Kumar Agarwal and Mr. Rishi Agarwal, Directors of the Company.

**Addendum to the Directors' Report**

The Annual Accounts of Cardinal Logistics Pvt. Ltd and ABG Projects & Services Ltd. (UK) are annexed to this Report. Pursuant to the Accounting Standard A S 21 issued by the Institute of Chartered Accountants of India, consolidated Financial Statements presented by the Company include the financial information of all its subsidiaries.

For and on behalf of the Board of Directors

**Kamlesh Kumar Agarwal**  
Chairman

Mumbai, 31<sup>st</sup> August, 2004



## ABG Heavy Industries Limited

### MANAGEMENT DISCUSSION & ANALYSIS

#### Business Overview

Indian economy has performed well during the year 2003-04. The estimated GDP growth of about 8% makes India one of the fastest growing economies in the world. For ABG too, the year 2003-04 has been a fairly good year. There has been growth both in the topline and the bottomline of the company. The operations of containers and bulk handling cranes at major ports where these are deployed continued to be satisfactory. The provision of escalation in lease rentals in the long – term contracts of the company with the ports resulted in growth in income from the port operations. Emergence of opportunities for deployment of certain specific kinds of mobile cranes also led to increase in earning from mobile cranes business.

The management has been making efforts to contract new business both in the port sector and the mobile crane business. The company is looking at business opportunities as well as strategic alliances with foreign operators of ports to embark on the business of port management in India and abroad. The company has set up a wholly owned subsidiary in U.K. with a view to harness business opportunities abroad. Cardinal Logistics Private Ltd., a subsidiary of the company, has entered into an agreement with Kolkata Port Trust (KPT) for supply, operation and maintenance of 2 Nos. Mobile Harbour Cranes with necessary back up support equipment for handling containers on 'Own, Operate and Maintain' basis at Container Terminals in Kolkata Dock System of Kolkata Port Trust (KPT) for a period of 10 years. The orders for the cranes are placed and these are expected to be operational soon.

#### 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 slowdown. It is looking at projects abroad and in India to diversify its activities and risks.

#### Interest Rate and Foreign Exchange Risk

The company has always contracted fixed price loans to avoid any interest rate risk. But in the falling interest rate regime, there was an opportunity to replace them to bring the interest cost at market rates. The company has under taken restructuring and replacement of debts to reduce interest cost as is apparent from the financial results. The company follows a conservative policy of taking forward covers or other risk mitigation products to avoid any forex 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 strength 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 during the previous two years further reinforced the Capital strength of the company.

#### Business Prospects

The company is looking at overseas markets also for an opportunity to expand in its existing line of business. It has set up an Overseas Wholly Owned Subsidiary in the U.K. Its subsidiary Cardinal Logistics Pvt. Ltd. is implementing a ten-year Agreement for Supply, Operation and Maintenance of 2 Nos. Mobile Harbour Crane with necessary back up support equipment for handling containers on 'Own, Operate and Maintain' basis at Container Terminal in Kolkata Dock System of Kolkata Port Trust (KPT). The company is looking at other port projects in India and hopes that these may be finalized next year. The mobile crane business is looking up for certain specialized category of cranes. The company has made investments of over Rs. 20 Crore for acquiring new cranes suitable for these operations and plans to make further investments for acquiring more highly specialized cranes.

#### Contingent Liabilities

Details of contingent liabilities are given in schedule L 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.



## Annual Report 2004

## REPORT ON CORPORATE GOVERNANCE

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

**Company's philosophy on Corporate Governance**

Corporate governance is an integral part of ABG management philosophy and in its pursuit of growth, value creation and excellence, it continuously strives to create long term values for its shareholders keeping in harmony the interests of its other stakeholders like creditors, customers, suppliers, employees, the government and society at large. The Company considers good Corporate Governance as a source of competitive advantage. Transparency, disclosures, accountability and value systems practiced in its operations lead to enhanced shareholders' value and ethical corporate citizenship. The Company focuses on good corporate governance encouraging efficient use of resources with management accountability. The company ensures that the principles of management freedom to executives within the framework of effective accountability are followed. For the company, corporate governance is both an internally driven need and the regulatory compliance.

**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 have any pecuniary relationship with the Company, during the financial year 2003-04.

**(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:

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.

Fifteen (15) meetings of the Board of Directors were held during the year on the following dates:

8<sup>th</sup> April 2003, 22<sup>nd</sup> April 2003, 3<sup>rd</sup> June 2003, 21<sup>st</sup> June 2003, 30<sup>th</sup> June 2003, 31<sup>st</sup> July 2003, 20<sup>th</sup> August 2003, 30<sup>th</sup> September 2003, 31<sup>st</sup> October 2003, 21<sup>st</sup> November 2003, 9<sup>th</sup> January 2004, 30<sup>th</sup> January 2004, 31<sup>st</sup> January 2004, 16<sup>th</sup> February 2004, 5<sup>th</sup> March 2004.

**Audit Committee**

The Board has constituted an Audit Committee comprising of independent and non-executive Directors. The terms of reference of the Audit Committee are wide and 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:

30<sup>th</sup> June 2003, 31<sup>st</sup> July 2003, 31<sup>st</sup> October 2003 and 31<sup>st</sup> January 2004.

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

**Investor Grievances Committee**

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

Name	Category	Attendance at Board Meeting 30.09.2003		Attendance at AGM on	Directorship in other Companies		Membership in Committees	
		Held	Attended		Chairman	Director	Chairman	Member
Mr. Kamlesh Kumar Agarwal	Chairman, Independent Non-Executive	15	12	Yes	-	6	-	1
Mr. Rishi Agarwal	Promoter, Non-Executive Not Independent	15	14	No	-	12	-	-
Mr. R. G. Govindrajpuram	Non-Executive Independent	15	8	Yes	-	-	1	1
Mr. H. P. Prabhu	Non-Executive Independent	15	11	Yes	-	-	1	1
Mr. Saket Agarwal	Managing Director, Executive Not Independent	15	15	Yes	-	12	-	-

## ABG Heavy Industries Limited

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

30<sup>th</sup> June 2003, 31<sup>st</sup> July 2003, 31<sup>st</sup> October 2003 and 31<sup>st</sup> January 2004.

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 01.04.2003 to 31.03.2004 comprising of non – receipt of dividend, non – receipt of shares sent for transfer, revalidation of dividend, change of address etc 165
- b) No. of complaints not solved to the satisfaction of investors as on 31.03.2004 1
- 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)

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 as under:

Name	Designation	Gross Income
Mr. Saket Agarwal	Managing Director	Rs.29,54,938/-

### Annual General Body Meeting

The last three AGMs were held on/at

- On 30<sup>th</sup> September 2003 at 3.00 p.m. at Ashoka Hall, Arcadia, Nariman Point, Mumbai 400 021
- On 30<sup>th</sup> September 2002 at 12.30 p.m. at Ashoka Hall, Arcadia, Nariman Point, Mumbai 400 021
- On 28<sup>th</sup> September 2001 at 4.30 p.m. at 3/B, Shree Pant Bhuvan, Chowpatty, Mumbai – 400 007.

Whether Special resolutions –

- a) were put through postal ballot last year No.
- b) are proposed to be conducted through postal ballot this year No.
- c) are proposed to be conducted without postal ballot this year Yes.  
re-appointment of Mr. Saket Agarwal as Managing Director.

At the Annual General Meeting held on 30<sup>th</sup> September, 2003 the members passed special Resolution related to Delisting of equity shares from Ahmedabad, Delhi and National Stock Exchanges

### Disclosures

- The trading of stocks at NSE is temporarily suspended.
- The company has made application to NSE and DSE for delisting of shares from these exchanges. The decision of these Exchanges on delisting is awaited. The Company's shares are delisted from Ahmedabad Stock Exchange (ASE).
- 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.sebledifair.nic.in](http://www.sebledifair.nic.in) as per clause 51 of the Listing Agreement Yes
- Whether MD & A is a part of Annual report Yes

### (f) General Shareholder Information

AGM - Date, Time & Venue 30.09.2004 at 4.30 pm  
Ashoka Hall, Arcadia  
Nariman Point,  
Mumbai 400 021

### Financial Calendar

- Year ending 31<sup>st</sup> March
- First Quarter results By end July
- Half – yearly results By end October
- Third Quarter results By end January
- Annual Result By end June

Annual General Meeting 30<sup>th</sup> September 2004

Date of Book Closure Thursday, 23.09.2004  
to Thursday, 30.09.2004

Dividend Payment date 01.10.2004.

Listing on Stock Exchange Company's securities are listed on BSE. Application has been made to delist the shares of the Company from NSE and DSE. The listing fees have been paid to BSE for the year 2004-05.

Stock Code BSE : 520155