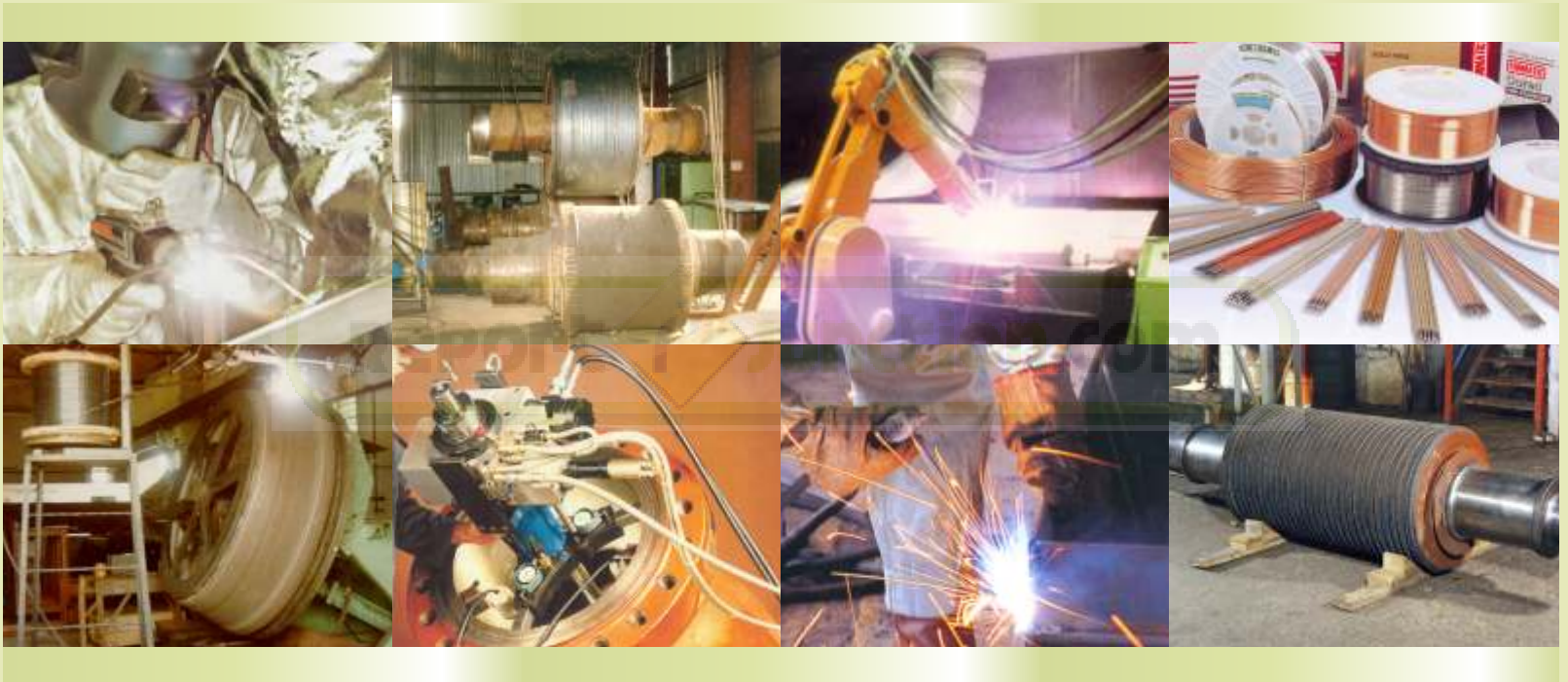


30th Annual Report 2004-2005



Ador Fontech Limited

PRODUCT GROUPS AND BUSINESS ASSOCIATES



Low heat input welding alloys



Hard-facing and wear-resistant products



Welding and cutting equipment and systems



In-situ machining and welding automation



Thermal spray products and solutions



In-situ and off-site reclamation services



Kostech rebuilding and reclamation workshop



Flux is in the flame



World's most wear-resistant cast wear plates



Cobalt and nickel based alloys and cast components



Arc and resistance welding and plasma cutting equipment



High-tech welding power sources and systems



Welding fume and dust extraction equipment and systems

CEPRO® Welding spot separation and welder safety products

SULZER METCO Thermal spray technology, process and solutions



In-situ machining equipment



CNC plasma and oxy-fuel cutting systems



Welding automation with vision based tracking systems



Rotating and positioning equipment



Aerospace welding automation

ADOR FONTECH LIMITED

THE BOARD OF DIRECTORS

Mr. J K Chandna Chairman
Mr. H P Ledwani Managing Director
Mr. Arvind Mathur
Mr. K L Hira
Mr. N Srinivasan

COMPANY SECRETARY AND MANAGER (FINANCE)

Ms. Geetha D

OPERATING TEAM

Mr. H P Ledwani
Mr. M J Kurian
Mr. Muneesh Narain
Mr. P Ramachandran
Mr. P Viswanathan
Mr. C Bhavani Sankar
Mr. S Gopalakrishnan
Mr. Ravi Magal
Mr. Rajesh V Joshi
Mr. R Krishnakumar
Mr. S V Puntambekar
Mr. Melville Ferns

REGISTERED AND CORPORATE OFFICE

Belview
7 Haudin Road
Bangalore 560 042

MANUFACTURING UNITS

S 60 and 61, MIDC
Hingna Industrial Estate
Nagpur 440 016

Plot No. E-6, MIDC
Ahmednagar 414 111

No. 486, B-1, 14th Cross
3rd Main, 4th Phase
Peenya Industrial Area
Bangalore 560 058

AUDITORS

Amarnath Kamath and Associates
Chartered Accountants
Carewel House
6th Cross, Muniswamappa Layout
Opp. Kemp Fort, Off Airport Road
Bangalore 560 017

BANKERS

HDFC Bank Limited
The Bank of Nova Scotia

STOCK EXCHANGES WHERE SECURITIES ARE LISTED

Mumbai
Bangalore

SHARE TRANSFER AGENTS

Alpha Systems Private Limited
No. 30 Ramana Residency
Sampige Road
Malleswaram
Bangalore 560 003

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Ador Fontech Limited

Regd. and Head Office: Belview 7 Haudin Road Bangalore 560 042

NOTICE

Notice is hereby given that the 30th Annual General Meeting of the Members of the Company will be held at Hotel Ajantha, 22-A, Mahatma Gandhi Road, Bangalore 560 001 on Tuesday, June 21, 2005 at 11.30 hrs. to transact the following business.

ORDINARY BUSINESS

- 1.0 To receive, consider and adopt the audited Balance Sheet as on March 31, 2005, the Profit and Loss Account and the Cash flow statement for the year ended on that date, together with the Directors' and Auditors' Report.
- 2.0 Declaration of Dividend.
- 3.0 To appoint a Director in place of Mr. J K Chandna who retires by rotation and being eligible has offered himself for reappointment.
- 4.0 To appoint the Statutory Auditors of the Company and fix their remuneration.

SPECIAL BUSINESS

5.0 To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT Mr. Arvind Mathur be and is hereby appointed as a Director of the Company."

6.0 To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT Mr. N Srinivasan be and is hereby appointed as a Director of the Company."

7.0 To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to Section 228 and other applicable provisions of the Companies Act, 1956, and amendments thereof, the accounts for the year ending March 31, 2006 of the manufacturing plants of the Company, be audited by the Company's Auditors or such other person or persons, other than the Company's Auditors and as are qualified for appointment as Auditors under Section 226 of the Companies Act, 1956, and that the Board of Directors be and is hereby authorised to decide and appoint such Branch/Unit Auditors in consultation with the Company's Auditors and fix their remuneration and terms and conditions."

8.0 To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT subject to the provisions of the Companies Act, 1956, Securities and Exchange Board of India Act, 1992, and Delisting of Securities (Guidelines)-2003, Securities Contracts (Regulation) Act, 1956, Listing Agreement with the Stock Exchanges and other applicable legislations including statutory modifications or re-enactments thereof and subject also to approvals, permissions and sanctions as may be necessary, from concerned authorities, consent of the Company be and is hereby accorded to the Board to voluntarily de-list the Equity shares of the Company from the Bangalore Stock Exchange."

9.0 To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 150, 151, 159, 161 and 193 of the Companies Act, 1956, and such other applicable legislations including statutory modifications or re-enactments thereof, the Company hereby approves that the Register of Members, Index of Members and copies of all Annual Returns together with certificates and documents required to be maintained under the said provisions, be kept at the office of the Company's Registrar and Share Transfer Agents."

NOTES

a. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON BEHALF OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxy form in order to be valid must be lodged at the Registered office of the Company, not later than 48 hours before the commencement of the meeting.

b. Members are requested to kindly bring their copy of the Annual Report to the meeting.

c. The Register of Members and Share Transfer Books will remain closed from 11.06.2005 to 21.06.2005 (both days inclusive).

d. Members are requested to notify immediately changes, if any, in their address/bank mandate to their respective Depository Participants (DPs) in respect of electronic share account and to the Registrar and Share Transfer Agents-Alpha Systems Private Limited- with all necessary details, in respect of physical share folios.

e. Nomination facility is available as per the provisions of the Companies Act, 1956. Those who wish to avail themselves of this facility may send in their nomination forms (Form 2B) either to the Registrar or to the Company at its Registered office.

f. Pursuant to the provisions of Section 205A of the Companies Act, 1956, the amount of dividend which remains unclaimed for a period of seven years from the date of declaration would be transferred to the "Investor Education and Protection Fund". As such, shareholders who have not encashed their dividend warrants are requested to write to the Company for claiming outstanding dividends, if any, in respect of the previous years. The Company has during the year transferred Rs. 2,16,550 to the Investor Education and Protection Fund.

g. In continuation with our initiative for prompt remittance of dividend payment, we recommend the Shareholders to utilise the ECS scheme of the Reserve Bank of India. Kindly send photocopy of cancelled cheque along with a request letter to the Registrar and Share Transfer Agent (Alpha Systems Private Limited) or to the Depository Participant for shares held in physical and electronic form respectively.

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

Item no. 5

Mr. Arvind Mathur was appointed additional Director by the Board of Directors on 26.04.2005 and holds office upto the date of the Annual General Meeting. His brief resume has been provided in the Directors' Report. Names of Companies in which he is a Director are given below:

Sl. No.	Details
1.	Armaco Consultant Private Limited
2.	Minorola Chempec Limited
3.	Fleurish Chemicals Private Limited
4.	AVDP-ARMA Multimedia Systems Private Limited

The Company has received a notice along with requisite deposit from a Member of the Company under Section 257 of the Companies Act, 1956, proposing the appointment of Mr. Arvind Mathur as a Director of the Company.

Hence, the resolution is placed before the Shareholders for approval.

No Director of the Company is concerned or interested in the said resolution except Mr. Arvind Mathur, as it pertains to his appointment.

The Board recommends the resolution set out at item no.5 for approval.

Item No. 6

Mr. N Srinivasan was appointed additional Director by the Board of Directors on 21.10.2004 and holds office upto the date of the Annual General Meeting. His brief resume has been provided in the Directors' Report. Names of the Companies in which he is a Director are given below:

Sl. No.	Public Limited Companies
1.	United Breweries (Holdings) Limited, Bangalore
2.	Herbertsons Limited, Mumbai
3.	Tractor and Farm Equipment Limited, Chennai
4.	The Peria Karamalai Tea and Produce Company Limited, Coimbatore
5.	India Cements Capital and Finance Limited, Chennai
6.	Ador Multiproducts Limited, Bangalore
7.	AMCO Batteries Limited, Bangalore
8.	The United Nilgiris Tea Estates Company Limited, Coimbatore
9.	GATI Limited, Hyderabad
10.	Suspa Pneumatics Limited, Chennai
11.	Tafe Motors and Tractors Limited, Chennai
12.	Essar Shipping Limited, Mumbai
13.	The Andhra Pradesh Paper Mills Limited
Sl. No.	Private Limited Companies
1.	Aurofood (Private) Limited, Pondicherry
2.	Dempo Industries (Private) Limited, Goa
3.	Paterson Consulting Group (Private) Limited, Chennai
4.	UT Worldwide (India) Private Limited, Mumbai
5.	Fairmeans Investments (Private) Limited, Chennai
6.	SCM Microsystems (India) Private Limited, Chennai

The Company has received a notice along with requisite deposit from a Member of the Company under Section 257 of the Companies Act, 1956, proposing the appointment of Mr. N Srinivasan as a Director of the Company. Hence, the resolution is placed before the Shareholders for approval.

No Director of the Company is concerned or interested in the said resolution except Mr. N Srinivasan, as it pertains to his appointment.

The Board recommends the resolution set out at item no.6 for approval.

Item no. 7

The Company's manufacturing plants are situated at diverse locations. In view of the same, it is proposed to authorise the Board of Directors to appoint, in consultation with the Company's Auditors, such persons as are qualified for appointment as Auditors under Section 226 of the Companies Act, 1956, and amendments thereof, to audit the accounts, for the year ending March 31, 2006 and to fix their remuneration. The resolution gives the necessary authority to the Board of Directors in this behalf.

The Board recommends the resolution set out at item no.7 for approval.

No Director of the Company is concerned or interested in the said resolution.

Item No. 8

The Equity Shares of the Company are currently listed on the Mumbai and Bangalore Stock Exchanges.

With extensive connectivity of the Stock Exchange, Mumbai (BSE), investors have access to dealings in the Equity shares of the Company all over the Country. Further, as no trading activity has been reported of the Company's Equity at the Bangalore Stock Exchange, it is considered expedient to delist the Company's shares from the said Exchange.

The proposed de-listing will not affect the investors, as the Company's Equity Shares will continue to be listed on the Stock Exchange, Mumbai.

The Board recommends the resolution set out at item no.8 for approval.

No Director of the Company is concerned or interested in the said resolution.

Item no. 9

In order to avoid parallel maintenance of records both at the Corporate office and at the place of the Registrar and Share Transfer Agents, as also to facilitate the latter to work more effectively and expeditiously, it has become necessary for the Company to shift the records from the Company's corporate office to the office of the Registrar and Share Transfer Agents. Under Section 163 of the Companies Act, 1956, the aforesaid documents which are normally required to be kept at the Registered office of the Company may be kept at any other place, if such other place has been approved by a Special resolution passed by the Company in the General Meeting.

The Board recommends the resolution for acceptance. No Director of the Company is concerned or interested in the said resolution.

By order of the Board
For **Ador Fontech Limited**

Mumbai
April 26, 2005

Geetha D
Company Secretary

DIRECTORS' REPORT

Dear Members,

You will be happy to receive the 30th Annual Report of your Company and the Audited Statement of Accounts for the year ended March 31, 2005. The Company's core business activities of providing products, services and solutions for reclamation and surfacing of machinery components commenced on December 1, 1979. Over the last 25 years, the Company has acquired a front-runner position in its chosen areas of business. On this occasion of the Silver Jubilee year, the Company looks ahead at the future with a quiet confidence.

1.0 FINANCIAL HIGHLIGHTS

(Rs. in lakhs)

DETAILS	2004-2005	2003-2004
Sales and other income	5554	4157
Operating profit	524	361
Interest	44	50
Depreciation	92	79
Profit before taxation	388	232
Provision for taxation (net)	109	81
Net profit for the year	279	151
Exceptional item/adjustment	90	—
Profit b/f from previous year	86	64
Amount available for appropriation	275	215
APPROPRIATIONS		
Transfer to general reserve	30	30
Proposed dividend	123	88
Distribution tax thereon	17	11
Balance carried forward	105	86

2.0 DIVIDEND AND RESERVES

The Board appropriated Rs. 30,00,000 (Rupees thirty lakhs only) to the General Reserve. The balance of Rs.19,28,991 (Rupees nineteen lakhs, twenty eight thousand, nine hundred and ninety one only) is to be retained in the Profit and loss account.

Your Directors are happy to recommend a dividend of thirty five percent (Inclusive of Silver Jubilee dividend of 5%) on the paid up share capital of the Company for the financial year ended March 31, 2005. Tax on dividend will be borne by the Company.

3.0 REVIEW OF BUSINESS OPERATIONS

The Company achieved a record turnover of Rs. 5,554 lakhs as against Rs.4,157 lakhs in the previous year. This increase is the highest growth achieved by the Company, since inception.

The major factors that contributed to this considerably improved performance are: Continuous improvement in the vital few business processes, strategic focus on high value equipment projects, focus on high growth end-users, continuously increasing ratio of in-house manufactured products to traded goods, Company-wide self development programmes for employees and increasing focus on developing brand equity.

Your Company has also improved its working capital management. There has been a considerable improvement in the levels of inventory and receivables. Consequently, there has been a reduction in the loan funds from Rs.597 lakhs to Rs.489 lakhs.

4.0 DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company has ensured that:

1. The applicable accounting standards have been followed.

2. The accounting policies are reasonable, prudent and are consistently followed to give a true and fair view of the state of affairs of the Company.
3. Proper and sufficient care has been taken for maintenance of adequate accounting records, for safeguarding the assets of the Company and for preventing/detecting fraud and other irregularities.
4. The annual accounts have been prepared on an on-going concern basis.

5.0 DIRECTORS

During the year, Mr. MT Sheth and Mr. R D Kothare resigned on 07.02.2005 and 29.07.2004, respectively. They were associated with the Company for well over a decade. The Directors wish to place on record their sincere appreciation for their invaluable contribution towards the growth of the Company, during their tenure as Directors.

Mr. J K Chandna, Mr. Arvind Mathur and Mr. N Srinivasan hold office / retire at the Annual General Meeting, pursuant to the provisions of the Companies Act, 1956, and the Articles of Association of the Company. Their brief profile is as follows:

Name : Mr. J K Chandna
Educational Qualification : Marine Engineering
Work Experience : Senior management positions with Ador Welding Limited (Previously Advani-Oerlikon Limited). TQM and change management consultancy.

Specific area of expertise : General Management

Name : Mr. Arvind Mathur
Educational Qualification : B. Tech (Chemical Engineering)
Work Experience : Senior management positions in FMCG industries. Consultant in the area of "Performance improvement" in chemical industries and in specialised services to improve efficiencies.

Specific area of expertise : Operational Management

Name : Mr. N Srinivasan
Educational Qualification : B'Com., FCA
Work Experience : Retired senior partner of Fraser and Ross and Deloitte Haskins and Sells, Chartered Accountants. Served the accounting and auditing profession for well over forty years.

Specific area of expertise : Audit and Corporate Finance

6.0 FIXED DEPOSITS

The Company has decided not to accept or renew fixed deposits during the financial year (2005-2006). Consequent to the same, it shall repay the present deposits on their respective maturity dates.

7.0 CORPORATE GOVERNANCE

As per the listing agreements with the Stock Exchanges, the Company has implemented the code on Corporate Governance. The Corporate Governance Compliance Certificate obtained from the Auditors of the Company is attached to this Report.

The Management Discussion and Analysis Report, as mandated under the code of Corporate Governance, is given in the annexure attached to this report.

8.0 ISO CERTIFICATION

The Company's manufacturing plants have been awarded ISO 9001:2000 accreditation during the year.

9.0 AUDITORS

M/s. Amarnath Kamath and Associates, the Statutory Auditors of the Company retire at the conclusion of the Annual General Meeting and being eligible have offered themselves for reappointment.

With regard to the observation on payments made to private limited companies in which certain Directors are interested, the statement in the Audit report is self explanatory.

10.0 DEPOSITORIES

The Company is registered with both National Securities Depository Limited and Central Depository Services (India) Limited. The shareholders can take advantage of holding their scrips in dematerialised mode.

11.0 PARTICULARS OF DISCLOSURE

The information required under the Companies Act, 1956, and the amendments thereof is enclosed.

12.0 EMPLOYEES

A self appraisal system which has significantly contributed to increased turnover and profitability has been initiated. The performance of several teams has been commendable.

13.0 ACKNOWLEDGEMENTS

We partner with the end-users of our products and services in value-added reclamation welding and surfacing solutions. Thanks are due to them for their continued support. Your Directors also thank the Company's Authorised Dealers, Channel Partners, Overseas and Inland Business Associates, Bankers and the various Government Agencies for their continued support.

You, our Shareholders are the major stake-holders of the Company. Your continued faith in the Company is a major source of confidence and encouragement for us.

On behalf of the Board
For **Ador Fontech Limited**

Mumbai
April 26, 2005

J K Chandna
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

UNDER SECTION 217 (1) (E) OF THE COMPANIES ACT, 1956

Additional information in terms of notification no. 1029 dated 31.12.1998 by the Department of Company affairs:

Conservation of Energy:

Not given as the Company is not covered under the list of specified industries. However, efforts to conserve and optimise the use of energy through improved operational methods and other means will continue.

Research and Development (R and D):

1. Specific areas in which R and D has been carried out: Efforts are being made to further improve the performance of the products and their range.
2. Benefits derived as a result of the above R and D: Conservation of basic raw materials coupled with low cost and longer life.
3. Future plan of action: To make further progress on areas enunciated in item nos. 1 and 2 above.
4. Expenditure on R and D
 - a. Capital : Nil
 - b. Recurring : As of now, it is being maintained as an ongoing part of production activities and a separate head of account is not maintained.
 - c. Total : Not applicable
 - d. Total R and D expenditure as a percentage of total turnover : Not applicable

Technology absorption and innovation:

1. Efforts in brief made towards technology absorption and innovation:
Locally available raw materials are utilised to gain maximum advantage.
2. Benefits derived as a result of the above efforts : Product improvement, cost reduction, product development, import substitution etc.
 - (i) Reduced cost of final products.
 - (ii) Comparable quality and performance with products produced using imported materials.
3. In case of imported technology (imported during the last five years reckoned from the beginning of the financial year) following information may be furnished:
 - a. Technology imported : Nil
 - b. Year of import : Not applicable
 - c. Has technology been fully absorbed : Not applicable
 - d. If not fully absorbed areas where this has not taken place. Give reasons for the same and explain future plan of action, if any : Not applicable
4. Foreign exchange earnings and outgoings : As reported in serial numbers 4, 5 and 7 "NOTES FORMING PART OF ACCOUNTS" in Schedule-R

UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956

No employee was in receipt of remuneration exceeding the specified limit during the financial year 2004-05.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

Products, services and solutions for reclamation and recycling of machinery components comprise the industry segment Ador Fontech Limited (ADFL) is involved in. Steel and other metallurgical complexes, mining, cement, power and several other process and engineering industries in India are on a high growth path. This augurs well for the future of the Company's business.

OPPORTUNITIES

Industrialisation results in wear and tear of machinery components in almost all industries. The world has limited reserves of mineral resources. At the same time, depletion rate is very high. Reclamation and recycling processes therefore assume high priority. This scenario opens a great opportunity for our segment of the welding industry.

Maintenance and surfacing opportunities also result in minimising down time and inventory-related costs.

THREATS, RISKS AND CONCERNS

Technological changes are bringing about increasing applications of continuous welding products. Also, there is a continuously increasing competition from lower price and small-scale industries. Even alternatives from overseas sources are on the increase.

There is also a considerable increase in the cost of raw materials and other inputs. Passing on this full increase to the end-users of our products has not been found feasible in all cases.

SEGMENT/PRODUCT WISE PERFORMANCE

A detailed segment-wise report has been given in the "Notes on Accounts".

CURRENT YEAR OUTLOOK

A number of steps have been initiated to continuously improve customer focus. There is also a continuous addition of world-class brands to our product spectrum. This enables our marketing personnel to work in tandem with the requirements of the end-users to provide customised solutions.

With the core sector industries expected to perform well, the demand projections appear favourable.

FINANCIAL AND OPERATIONAL PERFORMANCE

An overview of the financial performance is given in the Directors' Report. The Audit Committee constituted by the Board of Directors periodically reviews the financial performance and reporting systems.

INTERNAL CONTROL SYSTEM AND ADEQUACY

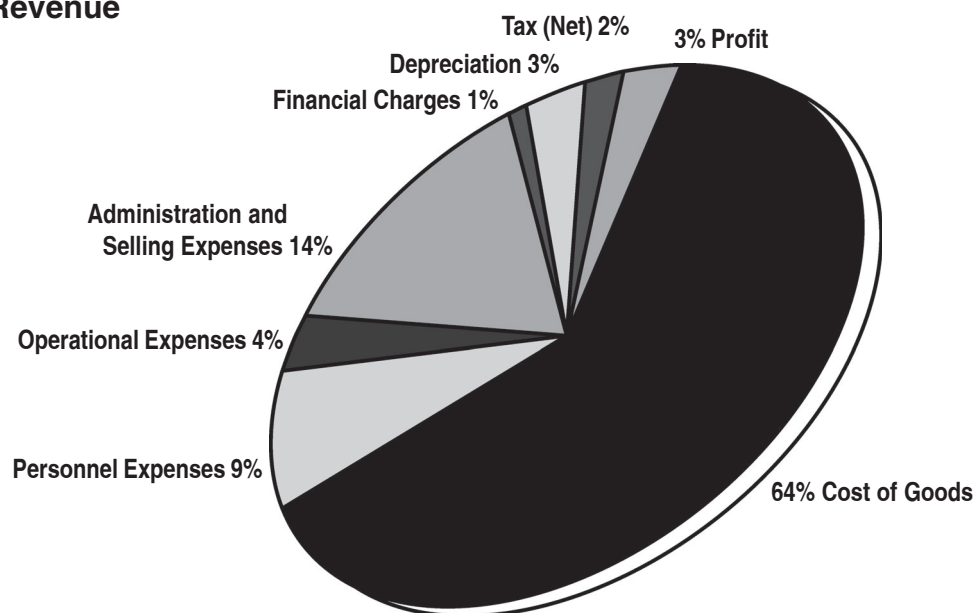
The Company has in place (a) Branch Audit (b) Internal Audit and (c) Commercial Audit. While Branch and Internal Audits are conducted by External Auditors who are qualified Chartered Accountants, Commercial Audit is conducted by an internal team, manned by qualified personnel. Quarterly reporting of Internal Audit is ensured and reviewed in the meetings of the Audit Committee.

HUMAN RESOURCES DEVELOPMENT

The major talent pool of the Company consists of Application Engineering Specialists. They are located at various industrial locations in India. Their role is to continuously develop reclamation and surfacing case studies and applications.

It is therefore vital that staff with the right background are inducted in the first instance. Thereafter, a structured training and development process is used to update their knowledge and skills. The Company also has formal appraisal systems. Employees at all levels are sponsored to attend external training and development programmes.

Distribution of Revenue



REPORT ON CORPORATE GOVERNANCE

Good governance is an integral part of management. It is a process of building positive relationships with various stakeholders and involves conducting business in all fairness. It also implies that the management must be empowered to drive the enterprise forward without undue restraint and operate within the framework of the applicable laws.

A detailed report on Corporate Governance as per the guidelines prescribed by SEBI and incorporated in clause 49 of the Listing Agreement is as follows:

1.0 Company's philosophy on the code of Corporate Governance

The Company is committed to a system of good Corporate governance. It firmly believes and consistently practices good business principles by increasing transparency and accountability to its stakeholders, maximising shareholders' value and working towards a motivated work force with updated knowledge.

2.0 Board of Directors

During the year 2004-2005, four Board meetings were held on May 6, 2004; July 29, 2004; October 21, 2004 and January 27, 2005.

2.1 Composition of the Board

Name of the Director	Position held	Category
Mr. J K Chandna	Chairman	Promoter Non-Executive and Independent.
Mr. H P Ledwani	Managing Director	Executive and Independent.
Mr. Arvind Mathur**	Director	Non-Executive and Independent.
Mr. K L Hira	Director	Non-Executive and Independent.
Mr. M T Sheth*	Director	Non-Executive and Independent.
Mr. N Srinivasan**	Director	Non-Executive and Independent.
Mr. R D Kothare*	Director	Non-Executive and Independent.

During the year, (1) *Mr. M T Sheth and Mr. R D Kothare resigned on 07.02.2005 and 29.07.2004, respectively and (2) **Mr. Arvind Mathur and Mr. N Srinivasan were appointed additional Directors from 26.04.2005 and 21.10.2004, respectively.

2.2 Attendance at Board Meetings, last Annual General Meeting, Number of Directorships in other Companies and Memberships in Committees across various Companies are given below:

Name of the Director	Financial Year 2004-2005		As on March 31, 2005	
	Attendance At		No. of other Directorships	Committee Positions
	Board Meetings	Annual General Meeting held on 15.07.04		
Mr. J K Chandna	4	Present	1	-
Mr. H P Ledwani	4	Present	3	-
Mr. Arvind Mathur	-	-	4	-
Mr. K L Hira	4	Present	-	-
Mr. M T Sheth	4	Present	-	-
Mr. N Srinivasan	1	-	19	8
Mr. R D Kothare	1	-	-	-

Directorship includes Private limited companies and alternate Directorship.

3.0 Audit Committee

3.1 Composition

Name of the Director	Designation
Mr. J K Chandna	Chairman
Mr. H P Ledwani	Member
Mr. K L Hira	Member
Mr. M T Sheth*	Member

*Mr. M T Sheth ceased to be a Member of the Audit Committee from 07.02.05.

3.2 Terms of reference

1. To review the Company's financial reporting process and its financial statements.
2. To review the efficacy of the internal control mechanism and monitor risk management policies adopted by the Company.
3. To review reports furnished by the Internal and Statutory Auditors and ensure that suitable follow up action is taken.
4. To examine accounting, taxation and disclosure aspects as stipulated under various legislations.
5. Recommend appointment/reappointment of Auditors and solicit professional guidance and support, wherever required.

3.3 Meetings and Attendance

During the financial year ended March 31, 2005, four Audit Committee Meetings were held on May 6, 2004; July 29, 2004; October 21, 2004 and January 27, 2005.

The attendance at the Committee Meetings were as under:

Name of the Director	Designation	No. of meetings held and attended
Mr. J K Chandna	Chairman	4
Mr. H P Ledwani	Member	4
Mr. K L Hira	Member	4
Mr. M T Sheth	Member	4

4.0 Remuneration Committee

4.1 Terms of Reference

1. To review, assess and recommend the appointment of whole-time Director(s).
2. To periodically review the remuneration package of whole-time Director(s) and recommend suitable revision to the Board.

4.2 Composition

Name of the Director	Designation	No. of meetings held and attended
Mr. J K Chandna	Chairman	1
Mr. K L Hira	Member	1

4.3 Details of remuneration paid/payable to the Directors during the year

Name of the Director	Salary	Other Benefits	Perf. Incentives	Sitting fees Board	Total Committees
Mr. J K Chandna				8000	12000
Mr. H P Ledwani	1190000	207400	300000		1697400
Mr. K L Hira				8000	10000
Mr. M T Sheth				8000	12000
Mr. N Srinivasan				2000	2000
Mr. R D Kothare				2000	2000