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AMFORGE

31ST ANNUAL REPORT 2002-2003

Amforge Industries Limited

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Amforge Industries Limited

Annual Report 2002-2003

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REGISTERED OFFICE

United Bank of India Building,
6th Floor, Sir P. M. Road,
Fort, Mumbai - 400 001.

CORPORATE OFFICE

416, Raheja Chambers,
Free Press Journal Marg,
Nariman Point, Mumbai - 400 021.

WORKS

Hakimrai Jaichand Compound,
L. B. Shastri Marg,
Bhandup (West),
Mumbai - 400 078.
Maharashtra State.

Khopoli-Pen Road,
Mauje-Sarsan/Sajgaon,
Khopoli - 410 203.
Maharashtra State.

32-D-2, M.I.D.C. Area
Chinchwad,
Pune - 411 019.
Maharashtra State.

GAT 856-860
Chakan, Ambethan Rd.,
Tal. Khed, Pune - 410 501.
Maharashtra State.

12/2 Mathura Road,
Faridabad - 121 003.
Haryana.

31ST ANNUAL GENERAL MEETING
on
Monday, the 29th September, 2003
at 11.30 a.m. at
Maharashtra Chamber of Commerce & Industry,
Babasaheb Dahanukar Sabhagriha, Oricon House,
6th Floor, 12, K. Dubhash Road,
Fort, Mumbai - 400 001.

BOARD OF DIRECTORS

Yogiraj Makar	- Chairman *Emeritus*
Puneet Makar	- Chairman & Managing Director
Anil S. Supanekar	- Nominee ICICI
Smt. Nirmala Ananth	- Nominee UTI
R. N. Singh	- Nominee IIBI (from 29.7.2003)
J. K. Khanna	- (upto 29.11.2002)
M. P. Bansal	- (upto 6.12.2002)

COMPANY SECRETARY

Ajit P. Walwaikar

AUDITORS

Bansal & Associates,
Chartered Accountants,
Mumbai

SOLICITORS

Mulla & Mulla, Craigie Blunt & Caroe

BANKERS

State Bank of India
Standard Chartered Bank
Union Bank of India
ABN AMRO Bank N. V.
The South Indian Bank Ltd.

REGISTRARS AND TRANSFER AGENTS

Sharex (India) Pvt. Ltd.,
17/B, Dena Bank Building,
2nd Floor, Horniman Circle,
Fort, Mumbai - 400 001.

As a measure of economy, copies of the Annual Report will not be distributed at the Meeting and, therefore, Members are requested to bring their copy of the Annual Report to the Meeting.

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NOTICE

NOTICE is hereby given that the THIRTY-FIRST Annual General Meeting of Amforge Industries Limited will be held on Monday, the 29th September, 2003 at 11.30 a.m. at Maharashtra Chamber of Commerce & Industry, Babasaheb Dahanukar Sabhagriha, Oricon House, 6th Floor, 12, K. Dubhash Road, Fort, Mumbai - 400 001 to transact the following items of business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2003 and Profit & Loss Account of the Company for the year ended on that date, together with the report of the Directors and the Auditors.
2. *To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.*

SPECIAL BUSINESS:

3. To consider and, if thought fit to pass, with or without modification, the following resolution as a SPECIAL RESOLUTION:

   "RESOLVED THAT subject to the provisions of the Companies Act, 1956, Securities Contracts (Regulation) Act, 1956, Securities and Exchange Board of India Act, 1992 and the Rules framed thereunder, Listing Agreement as also Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and all other applicable laws (including statutory modification(s) or re-enactment thereof, for the time being in force) and subject to such approvals, permissions and sanctions, as may be necessary and upon such conditions and modifications as may be prescribed or imposed by any authority while 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"), the consent of the Company be and is hereby accorded to the Board to delist equity shares of the Company from the Stock Exchanges at Delhi and Ahmedabad."

By Order of the Board of Directors

Ajit P. Walwaikar
Company Secretary

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Registered Office:
United Bank of India Bldg.,
6th Floor, Sir P. M. Road,
Fort, Mumbai - 400 001.

Dated : 28th August, 2003.

NOTES :

a) The Explanatory Statement setting out the material facts concerning the Special business mentioned under item No. 3 of the Notice as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.

b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. A DULY COMPLETED PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.

c) The Register of Members and the share transfer books of the Company will remain closed from Monday, the 22nd September, 2003 to Monday, the 29th September, 2003 (both days inclusive).

d) Members who desire any information as regards the Accounts are requested to write to the Company at least 10 days before the date of the Meeting so as to enable the Management to keep the information ready.

e) Members are requested to notify immediately any change in their address to the Company's Registrars and Transfer Agents, Sharex (India) Pvt. Ltd., 17/B, 2nd Floor, Dena Bank Building, Opp. Horniman Circle, Fort, Mumbai - 400 001. Fax: 2264 1349. Email - sharexindia@vsnl.com

f) The Company in accordance with the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978, has transferred to General Revenue Account of Government, all dividend declared up to the dividend for the year 1993-94 and remaining unclaimed. Concerned shareholders can receive the unclaimed dividend from the Registrar of Companies, Maharashtra, at Hakoba Compound, 2nd Floor, Dattaram Lad Marg, Kalachowki, Chinchpokli (East), Mumbai - 400 033, upon preferring an application in the form prescribed under the said rules.

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g) Pursuant to the provisions of Section 205C of the Companies Act, 1956, the dividend remaining unclaimed/ unpaid for a period of seven years from the date they became due for payment shall be credited to the Investor Education and Protection Fund, set up by the Central Government. Members who have so far not claimed the dividend are requested to make claim with the Company as no claim shall lie against the Fund or the Company in respect of individual amounts once credited to the said Fund.

h) Members holding shares in identical order of names in more than one folio are requested to write to the Company's Registrar and Transfer Agents enclosing their share certificates to enable the Company to consolidate their holdings in one folio.

i) Members of erstwhile Tru Wheels Ltd. who have not yet surrendered their old certificate for exchange with the certificate of Amforge, consequent to amalgamation are requested to correspond with the Company's Registrars and Transfer Agents.

j) It may be noted that in terms of the resolutions passed by the warrant holders and share holders at their respective meeting held on 22nd May, 2002, the Tradable Detachable Warrants issued along with ZFCDs in the 1996 Rights Issue and originally due for conversion into equity on or before 23rd July, 1999 and subsequently on 23rd July, 2002 are now convertible into equity at the discretion of the Board of Directors any time on or before 23rd July, 2005.

k) The delivery of shares of the Company are compulsorily in dematerialized form .

ANNEXURE TO THE NOTICE PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956

EXPLANATORY STATEMENT:

ITEM NO 3 :

The Equity Shares of the Company are listed on Mumbai (BSE), Ahmedabad and Delhi Stock Exchanges. It has been noticed that the trading volumes of the Company's equity shares are very insignificant, over a period of last few years, on Ahmedabad and Delhi Stock Exchanges. The online trading facility as is available on the BSE is probably been resorted to. Since, this online trading facility is available on the BSE, there is no added advantage in having continued listing on Delhi and Ahmedabad Stock Exchanges. In view of this, it is considered appropriate to delist Company's Equity Shares from the said Delhi and Ahmedabad Stock Exchanges.

As such, the Company's Equity Shares shall continue to be listed on BSE alongwith its online facility throughout India to enable the investors to trade in Company's Equity Shares.

Similar resolutions for Delisting of Tradeable Detachable Warrants and 14% Non-Convertible Debentures will be passed by respective holders in their Meetings.

The Board commends the resolution for approval by the members as a Special Resolution.

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

By Order of the Board of Directors

Ajit P. Walwaikar
Company Secretary

Registered Office:
United Bank of India Bldg.,
6th Floor, Sir P. M. Road,
Fort, Mumbai - 400 001.

Dated : 28th August, 2003.

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DIRECTORS' REPORT

TO THE MEMBERS
AMFORGE INDUSTRIES LTD.

Your Directors have pleasure in presenting their 31st Annual Report and Audited Statement of Accounts for the year ended 31st March, 2003.

FINANCIAL HIGHLIGHTS

	(Rs. in Lacs)	
	2002-2003	2001-2002
Gross Revenue after Stock adjustments	**15301.75**	16337.35
Gross Profit before Interest, Depreciation, Amortization & Tax	**1489.58**	657.53
Interest	**(882.12)**	(1424.81)
Operating Profit (Loss) before Depreciation & Amortization	**607.46**	(767.28)
Depreciation	**(417.01)**	(507.64)
Amortization	**(24.62)**	(98.85)
Operating Profit/(Loss) for the year	**165.93**	(1373.77)
Employees Separation Cost written off	**103.82**	24.32
Old and Obsolete Dies written off	**53.70**	164.42
Other Extra Ordinary Gains (Net)	**(441.77)**	–
Profit/(Loss) for the year	**450.08**	(1562.51)
Prior Period's adjustments (Net)	**(7.27)**	(0.64)
Net Profit/(Loss)	**442.81**	(1563.15)
Provision for Deferred Tax	**96.64**	325.91
Profit/(Loss) after Tax	**539.45**	(1237.24)
Balance Profit/(Loss) brought forward from previous year	**(4583.82)**	(3333.04)
Provision for Doubtful Debts & Advances	**31.96**	13.54
Balance carried to Balance Sheet	**(4076.33)**	(4583.82)
EPS	**3.64**	(12.90)

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FINANCIALS

During the year under review, the Company's gross revenue is Rs. 15301.75 Lacs (PY Rs. 16337.35 lacs). Gross profit before interest, depreciation and tax amounted to Rs. 1489.58 lacs (PY Rs. 657.53 lacs). Operating Cash Profit before depreciation & amortization is Rs. 607.46 lacs (PY : Loss Rs. 767.28 lacs) The Net Profit came to Rs. 442.81 lacs (PY : Loss Rs. 1563.15 lacs).

DIVIDEND

Your company is in advanced stage of operational and financial restructuring. In view of past losses and substantial commitments on account of financial restructuring, your Directors regret their inability to recommend dividend for the year.

MANAGEMENT DISCUSSION AND ANALYSES

As per the requirement of Clause 49 of the Listing Agreements with the Stock Exchanges, the Management Discussion and Analyses of the events that have taken place and condition prevailed during the period under review are elucidated in Annexure 1 to this Report.

FINANCE

The Company made one time settlements and got debts restructured with most of the banks / financial institutions involving waiver of outstanding interest, in part or full, and part principal, in some cases.

The effect of such measures transformed itself into a reduction of interest burden substantially as compared with the previous years.

The debts of some of the major lenders have already been paid in full after close of the financial year and upto the date of this Report. Moreover, debts of two-three more major lenders will be fully satisfied by end of March, 2004. The year 2003-2004 will reap the benefits of this.

Since the Company has to honour its commitments under these one time settlements and restructured debts, a major part of the cash flow generated from operations is required to be diverted towards these commitments. As a result, the Company is facing stress on working capital funding.

The sale proceeds received from disposal of some of the assets of the Company enabled the Company to honour significant commitments towards debt repayments and Voluntary Retirement Settlement to ensure further viability of the business.

The 14% Secured Non-convertible Debentureholders of the Company have also supported the Management's efforts to conserve the cash by deferring the debenture redemption by three more years to meet financial commitments of institutional lenders and provide part of funds for working capital to achieve further value addition.

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DIRECTORS

The following Directors resigned from the Directorships of the Company :

1. Shri Jagdish Khanna
2. Shri Mohinder Pal Bansal

The Board of Directors wishes to record valuable contribution made by the above Directors.

Shri. R.N. Singh was nominated by Industrial Investment Bank of India (IIBI) w.e.f. 29.07.2003.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:-

i. In the preparation of the annual accounts, the applicable accounting standards have been followed.

ii. The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2003 and of the profit of the Company for the year ended 31st March, 2003.

iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. The Directors have prepared the annual accounts on a going concern basis.

AUDITORS

M/s Bansal & Associates, Chartered Accountants, Mumbai, will retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. They have furnished a certificate that their reappointment, if made, will be within the limit prescribed under Section 224 (1B) of the Companies Act, 1956.

AUDITORS' REPORT

The Directors give the following comments on para 4(e) of the Auditors' Report.

The Directors, other than the Nominee Directors of the Company, have acquired disqualification by reason of default in part redemption of debentures privately placed with the Unit Trust of India (UTI) for more than one year by virtue of Section 274 (1)(g) of the Companies Act, 1956.

The Company has submitted proposals after proposals being improvement over previous proposal at the advice of UTI. The last such restructuring proposal given by the Company is under active consideration of UTI.

CORPORATE GOVERNANCE

A report on Corporate Governance as per the requirement of Clause 49 of the Listing Agreement is annexed to this Report as Annexure - 2.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ETC.

The information required in terms of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in the Annexure-3 forming part of this Report.

PARTICULARS OF EMPLOYEES

None of the employees of the company is covered under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

ACKNOWLEDGMENT

Your Directors wish to place on record their sincere thanks to the valued customers, suppliers, bankers, and financial institutions for their continued support, co-operation and guidance. Your Directors also wish to thank the employees and executives at all levels for their contribution.

For and on behalf of the Board of Directors

Mumbai,
Dated : 28th August, 2003

PUNEET MAKAR
Chairman & Managing Director

ANNEXURE - 1 TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSES

a. Industry Structure and Developments

Forging is a manufacturing process where metal is pressed, pounded or squeezed under great pressure into high strength parts largely catering to the requirement of automotive, power and oil sectors.

The Forging Industry produces little over nine lacs tones of forgings per year to cater to various sectors in India and abroad. Demand for forging products mainly comes from the automobile sector which accounts for 65% of the total requirement. Performance of the Forging Industry is very much dependent on the performance of this automobile industry which is, in turn, dependent on demand for vehicles.

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The Forging Industry went through a bad patch during 1997 to 2001 resulting in a pile-up of losses that has necessitated a downsizing of operations, gradual optimization/reduction of excess manpower at all levels, rationalization of product mix, restructuring of debts to take advantage of reduction in interest rate to bring down interest burden, etc.

The Companies that have resorted to the above measures, successfully, have been able to effectively turnaround and can now expect to reap the benefits of the buoyancy in the customer industry especially the Automobile industry which is witnessing a boom period. In addition, exports for forgings have also substantially picked-up with Indian companies having achieved global standards of quality and cost competitiveness. As a result, most overseas car manufacturers have set up their offices in India for global outsourcing.

b. Opportunities and Threats

Amforge is a well-recognized and reputed player in the Forging Industry. It is a multi-locational company catering to various four-wheeler and two-wheeler manufacturers based in the near vicinity and distant locations. It also supplies parts to other engineering units, defence and railways.

During the year 2002-2003, the automobile industry registered growth rate of 9%. Almost all OEM-customers of Amforge are leading the growth race. This generated an increased demand for auto parts.

Both our Chakan and Chinchwad plants have obtained ISO 9002 as well as QS9000 accreditation and are now moving towards ISO/TS-16949-2002 certification by March, 2004. We can expect an exponential growth in our exports in the next financial year 2004-2005 as we have tied up with a Tier I supplier and are currently in the development phase.

It is expected that the present trend of growth, in automobile sector, will continue for a minimum of next 3-4 years.

As is normal and prevalent in any business, the Company is facing competition from a number of other Companies in the same line of business. However, the Company is not bothered about the same since it has established itself well in the industry and in some product segments is enjoying a predominant position in the local market.

Due to increased demand for steel from the various user industries, steel prices have been spiralling upwards continuously and this remains an area of a serious concern as our ability to pass this on to the customers gets more difficult over the period of time.

c. Segmentwise Performance

The Company has only one segment and that is 'forgings'. As such the whole of the performance of the Company is attributable to one segment only.

d. Outlook

The Forging Industry has a bright future, over the next few years. The growth experienced by the Automobile Industry by reason of change in taste and preferences of a burgeoning middle income group population, will certainly spur the Forging Industry. The car finance market has increased from Rs.14,000 crores in 01-02 to Rs.20,000 crores in 02-03 registering a growth of 10% and currently, recording a growth rate of around 20%. The recent excise duty cuts and the highly competitive interest rates offered have resulted in volumes rising sharply because of which fiscal 2003-2004 promises to be equally good in terms of growth rates.

With the end of the Iraq-issue, petrol prices in international markets are going down. This will enable Indian petrol-producing companies also to reduce petrol prices, thereby further boosting the demand for Automobiles and its consequent impact on the Forging industry.

The Global-OEMs are hiking their procurement plans from India. Around 15 of the top automobile giants have already set up international purchasing offices in India. They are eyeing India as a supply base. This outsourcing by Global-OEMs will spurt demand for auto parts in India.

Amforge has already bagged some of the export orders.

e. Risks and Concerns

The factors that are responsible for swimming or sinking of a business will always be there. The economic spurt and industrial growth are playing their positive role as is evident from the present scenario. The Government is also going ahead with its liberalization policies and making the resources available. The Car finance is in full swing. Any imbalance in all above factors will send waves of disruptions in the Industry.

Soaring prices of steel are not conducive to the Forging Industry and are a cause of concern unless the whole or part of it is passed on to the buyer by reworking the prices.

f. Internal Control System and their Adequacy

Independent firm of Chartered Accountants has been appointed to carry out internal audit functions to ensure adherence to various policies and procedures already introduced and followed in the Company. This is also ensuring compliances with various statutory requirement. The internal control systems have been reviewed by the Audit Committee.

g. Financial Performance with respect to Operational Performance

The Company has started experiencing the positive impact of the harsh decisions taken by it in the earlier years. The closure of Khopoli Plant and Faridabad's Wheels Division, Restructuring / settlement of most of the Borrowings,

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implementation of Employee Separation Scheme, etc. resulted in squeezing liquidity and available working capital, badly required for business. The company has successfully managed to achieve the desired results out of this. The improvement in operations now reflects in corresponding improvement in financial performance, as well.

The company is now geared up to take optimum benefit from improvement in Automobile sector.

h. Material Developments in Human Resources/Industrial Relations Front

Human Resources are the most valuable assets of a Company. Our Company provides challenges, encourages initiative and recognizes and rewards excellence in performance. The Company reviews and evolves policies/processes to attract the best technical and managerial talent.

With the downsizing of manpower at certain plants, the Company has been able to increase efficiency of the remainder of the workers since the production level at the reduced manpower did not bring down the output in the same proportion. The cost of employees has come down.

For and on behalf of the Board of Directors

Mumbai,
Dated : 28th August, 2003

PUNEET MAKAR
Chairman & Managing Director

ANNEXURE - 2 TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE

Amforge, in its efforts to uphold the highest standard of corporate governance in its working has formed, adopted and implemented the Code of Conduct for prevention of insider trading. This will lead to transparency in one of the several aspects of its business dealings. Amforge continue to uphold strong belief in heightening the stakeholders' values.

Towards the above objectives various Committees have been formed consisting of members of the Board of Directors of the Company. These Committees are Audit Committee, Shareholders/Investors Grievance Committee and Remuneration Committee.

BOARD OF DIRECTORS

Composition and Category of Directors as on 31st March, 2003.

Sr. No.	Category	Name of Director	Remarks
1	Promoter & Executive	Shri Puneet Makar	Appointed as CMD w.e.f. 01.04.2002
2	Promoter & Non-Executive	Shri Yogiraj Makar	Designated as Chairman - Emeritus
3	Nominee Director (ICICI Bank Ltd. - Lender)	Shri Anil Supanekar	–
4	Nominee Director (UTI - Lender)	Smt. Nirmala Ananth	–
5	Promoter & Non-Executive	Shri Surindernath Makar	Resigned w.e.f. 26.7.2002 and also divested shares and ceased to be promoter.
6	Non-Independent & Non-Executive	Shri Sanjeev Kanwar	Resigned w.e.f. 26.07.2002.
7	Independent & Non-Executive	Shri B. L. Gupta	Resigned on 24.06.2002
8	Independent & Executive	Shri P. S. Subramaniam	Resigned w.e.f. 01.06.2002.
9	Independent & Non Executive	Shri J. K. Khanna	Resigned on 29.11.2002
10	Independent & Non Executive	Shri M. P. Bansal	Appointed on 29.10.2002 and resigned on 6.12.2002.

Attendance of the Directors at the Meeting of Board of Directors (BoD) held during the financial year 2002-2003 and the last Annual General Meeting (AGM) held on 6th December, 2002 are as follows:

Sr. No.	Date of BoDs' Meeting	No. of Directors Present
1	29-04-2002	5
2	31-07-2002	5
3	29-10-2002	6
4	06-12-2002	4
5	31-01-2003	4

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Name of the Director	No. of Board Meetings attended	Attendance at the AGM
Shri Yogiraj Makar	4	Present
Shri Puneet Makar	5	Present
Shri Surindernath Makar*	0	–
Shri Sanjeev Kanwar**	1	–
Shri. M. P. Bansal ***	1	Present
Shri P. S. Subramaniam #	1	–
Shri J. K. Khanna ##	3	–
Shri B. L. Gupta ###	0	–
Shri Anil Supanekar	5	Present
Smt Nirmala Ananth	4	Absent

Resigned on 01.06.2002
Resigned on 29.11.2002
Resigned on 24.06.2002
* Resigned on 26.07.2002
** Resigned on 26.07.2002
*** Appointed on 29.10.2002 and resigned on 6.12.2002

Number of Directorships of other Companies and Membership of Board Committees

Name of Director	No. of BoDs of other Companies	No. of Membership of Board Committees	No. of Chairmanship of BoDs/Committees
Shri Yogiraj Makar	2	2	1
Shri Puneet Makar	–	1	–
Shri Anil Supanekar	6	4	1
Smt Nirmala Ananth	1	1	–
Shri Surindernath Makar	2	1	–
Shri Sanjeev Kanwar	5	–	–
Shri P. S. Subramaniam	–	–	–
Shri J. K. Khanna	4	1	5
Shri B. L. Gupta	–	1	–
Shri M. P. Bansal	11	–	–

COMMITTEES OF BOARD OF DIRECTORS

Audit Committee

Pursuant to Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreements the Company has an Audit Committee of the Board of Directors.

During the year, the Audit Committee was reconstituted on various occasions to cope up with the changes in the composition of the Board of Directors. The Audit Committee consisted of following members as at 31st March, 2003:

1. Shri Anil Supanekar - *Chairman*
2. Smt Nirmala Ananth, and
3. Shri Yogiraj Makar.

Shri Anil Supanekar is a Management Consultant and Nominee of ICICI Bank Ltd. Smt. Nirmala Ananth is Asstt. Vice President, UTI Asset Management Company Pvt. Ltd. and a UTI Nominee. Shri. Yogiraj Makar is the Promoter-Non-Executive Director.

The Audit Committee has been entrusted with the blend of functions and responsibilities as are given in Clause 49 of the Listing Agreement and as stated under Section 292A of the Companies Act, 1956. The terms of reference include overseeing financial reporting process, internal control system, reviewing the accounting policies and practices and financial statements audited by the statutory auditors as also to review financial and risk management policies.

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The record of attendance of the Audit Committee during the financial year 2002-2003 is as under:

	DATE OF THE MEETINGS		
NAME OF THE DIRECTOR	31.07.2002	29.10.2002	31.01.2003
Shri J. K. Khanna	Present	Present	Resigned on 29.11.2002
Shri Anil Supanekar	Present	Present	Present
Smt. Nirmala Ananth	Present	Present	Present
Shri Yogiraj Makar	Appointed on 04.01.2003		Absent

Shareholders/Investors Grievance Committee

The Shareholders/Investors Grievance Committee consist of Shri. Yogiraj Makar as Chairman and Shri. Puneet Makar. The Compliance Officer is Shri Ajit P. Walwaikar, Company Secretary.

The terms of reference are redressing of shareholders and investors' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc. and to improve the efficiency in investors service, wherever possible.

No meeting of this Committee was held since no chronic complaint was pending and all complaints were addressed and redressed as soon as any complaint was received.

	Complaints Received From 01.04.2002 to 31.03.2003									
Nature of Complaint	SEBI	Stock Exchange	ROC	Dept. of Company Affairs	Consumer Forum	Investors	Total	Redre-ssed	Not Redressed	Reason/s for non redressal
Non receipt of Shares sent for transfer	–	–	–	–	–	26	26	26	–	–
Non receipt of Dividend	–	–	–	–	–	2	2	2	–	–
Non receipt of Dividend sent for revalidation	–	–	–	–	–	32	32	32	–	–
General	–	–	–	–	–	2	2	2	–	–
Name Deletion	–	–	–	–	–	21	21	21	–	–
Nomination Form	–	–	–	–	–	1	1	1	–	–
Buy Back of Shares	–	–	–	–	–	1	1	1	–	–
Redemption of Debenture	–	–	–	–	–	3	3	3	–	–
Change of Address	–	–	–	–	–	2	2	2	–	–
Non Receipt of Redemption Amount	–	–	–	–	–	4	4	4	–	–
Purchase Contract	–	–	–	–	–	1	1	1	–	–
Exchange of TD	–	–	–	–	–	1	1	1	–	–
FIR	–	–	–	–	–	3	3	3	–	–
Loss of Debenture	–	–	–	–	–	1	1	1	–	–
NOC	–	–	–	–	–	1	1	1	–	–
Non Receipt of Debenture Interest	–	–	–	–	–	4	4	4	–	–
Non Receipt of ZFCD Shares	–	–	–	–	–	3	3	3	–	–
Loss of Shares	–	–	–	–	–	8	8	8	–	–
Transfer Deed Xerox	–	–	–	–	–	3	3	3	–	–
Conversion of Warrants	–	–	–	–	–	5	5	5	–	–
TOTAL	–	–	–	–	–	**124**	**124**	**124**	–	–

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