

Adam Comsot Ltd.

# Chairman's Statement



Dear Shareholders,

*The progress of mankind in recent years has been inextricably linked with the growth and advancement in the information technology sector, which chiefly consists of software and hardware as its key components. IT is the hope for fuelling growth and for fostering the continued well being of man, in the long run. Thus, though the sharp slowdown in the IT industry in the previous year, was a rude shock, it was however, only a temporary blip, in the fortunes of the software industry. The slowdown was more of a logical reaction to the bursting of the tech bubble on the bourses in USA and the unfortunate monstrous event of 9/11, which shocked one and all. The recently announced results of the software majors, which are pregnant with profits, are a confirmation of the inexorable and unstoppable march of technology and the fact that the setbacks that it witnessed last year, were a mere short term phenomena. In the backdrop of the slowdown in the industry, during the year under report, the Company's performance and profitability is viewed with a sense of satisfaction.*

*The year also witnessed a distinct trend of change in the IT industry. PC sales remained stagnant worldwide, though they surged in two large markets, viz. India and China, an expression of pent up demand of the past. Sales of servers and internet equipment indicated buoyancy. A radical shift in consumer demand, due to changes in technology is taking place. Tablet PCs, with telephone and Internet compatibility or vice versa i.e. Mobile phones with computing power are the gizmos of the future. While the global giants like Nokia and Microsoft, slug it out for global supremacy in the quest for the new products; we have been altering our business models, to tailor them for the changed scenario. We have also initiated cost cutting measures, which will impact our long-term profits favourably. Due to our inherent and innate strength, we have weathered the slowdown in the sector, with the confidence that these very strengths will help us to chart our course of growth and prosperity in future, successfully.*

Rajkumar Basantani

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### BOARD OF DIRECTORS

Shri. Rajkumar C. Basantani - Chairman  
Shri. Vijay Jain  
Shri. Haresh Teckchandani  
Dr. Swamy Pravin Karthikswamy  
Shri. Vinod Hingorani

### BANKERS

The Vysya Bank Limited

### AUDITORS

M/s. Sunita Narang  
Chartered Accountants

### REGISTERED & CORPORATE OFFICE

Narayan Building,  
23, Lakhamshi Napoo Road,  
Dadar(East), Mumbai 400 014.

### 12TH ANNUAL GENERAL MEETING

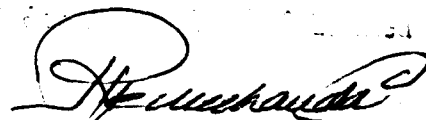
Thursday, 26th December, 2002  
at the Registered Office  
of the Company at Narayan Bldg,  
23, Lakhamshi Napoo Road,  
Dadar (E), Mumbai 400 014  
at 10.30.a.m.

### ADVOCATES & SOLICITORS

M/S. M.V.Kini & CO.,  
6th Floor, Savla Chambers, 40 C.P. Street,  
Fort, Mumbai - 400001.

### ENCLOSURES

Attendance Slip & Proxy Form

  
Rajkumar C. Basantani, Director



# ADAM COMSOF LIMITED

## NOTICE

NOTICE is hereby given that the Twelfth Annual General Meeting of the members of Adam Comsof Limited, will be held on Thursday 26<sup>th</sup> day of December 2002, at the Registered Office at 23, Narayan Building, L.N. Road, Dadar East, Mumbai 400 014 at 10.30 A.M. to transact the following business :-

### ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet, as at June 30<sup>th</sup>, 2002, and the Profit and Loss Account, for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director, in place of Mr. Vijay Jain, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director, in place of Mr. Rajkumar C. Basantani, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint, M/s. Sunita Narang Chartered Accountant, the retiring auditor, as statutory auditor of the Company, to hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the Company and to fix the remuneration.

### SPECIAL BUSINESS :

#### 5. Appointment of Director :

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

**RESOLVED THAT** in accordance with the provisions of Section 257 of the Companies Act, 1956 and all other applicable provisions, if any, of the Companies Act, 1956, read with Article 37 of Articles of Association of the Company Mr. Vinod R. Hingorani who was appointed on 12<sup>th</sup> December, 2001 by the Board of Directors as an Additional Director of the Company under Section 260 of the Companies Act 1956 and who holds office up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing alongwith Rs.500/- (Five Hundred only) towards deposit, from a Member proposing the candidature of Mr. Vinod R. Hingorani, for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

#### 6. Issue of Further Shares :

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

**"RESOLVED THAT** pursuant to Section 81 and other applicable provisions, if any, of the Companies Act, 1956 and subject to all norms, guidelines, regulations in force and statutory approvals as may be necessary, consents, permissions and/or sanctions of the Government of India, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchange(s), Registrar of Companies, and all other appropriate authorities, institutions or bodies and subject to such conditions as may be prescribed by them in granting any such approval, consents, permission or sanctions, (hereinafter referred to as "the Requisite Approvals"), the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee of Directors which the Board may have constituted or hereafter constitute to exercise its powers including the powers conferred by this resolution) be authorised on behalf of the Company, to issue and allot, in the course of National/International offerings on private placement basis, rights basis or otherwise in Indian/one or more foreign markets, Equity Shares, Cumulative or Non-Cumulative Preference Shares, Debentures, Bonds, Debt Instruments and/or securities convertible into Equity Shares at the option of the Company and/or the holders of the securities linked to Equity Shares and/or Non Convertible securities and/or securities with or without detachable/non-detachable warrants/notes with a right exercisable by the warrants/notes holder to subscribe for Equity Shares at such price and manner and during such period as the Board may decide, and/or any instruments or securities representing Equity Shares or convertible securities either through Global Depository Receipt Mechanism/American Depository Receipt Mechanism/Eurobonds/notes etc. or by an issue to or by private placement with Foreign/Indian investor(s) including institutional investors, banks, Non Resident Indians, and Overseas Corporate Bodies, and/or Foreign Institutional Investors, Mutual Funds, whether members of the Company or not, subject to the Memorandum of Association of the Company through prospectus and/or offering letter or circular and/or private placement

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basis for an amount (inclusive of such premium as may be determined) not exceeding Rs. 250 crores or equivalent thereof in any other currency(ies), such issue and allotment to be made at such time or times, in such tranche(s), at such price or prices (including at a discount or premium to market price or prices) and in such manner as are in conformity with any guidelines or directions or norms, statutory or otherwise and as may be finalised by the Board, in consultation with the Lead Managers and/or Underwriters and/or other advisors, and otherwise on such terms and conditions as may be decided and deemed appropriate by the Board.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above, the securities may have all or any terms or combination of terms in accordance with Indian/International norms/practices including but not limited to terms and conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service whatsoever, besides terms as to security if any, to be created for any of the securities with such ranking as the Board may determine and including terms for issue of additional Equity shares or variation of the conversion price of the security during the duration of the securities."

**RESOLVED FURTHER THAT** the Board be authorised to appoint or to enter into and execute all such arrangements with one or more, Lead Manager(s), Manager(s), Banker(s), Broker(s), Underwriter(s), Guarantor(s), Depository(ies), Custodian(s), Trustee(s) and all such agencies as may be involved or concerned in such offering of securities and to remunerate all such institutions and agencies by way of commission, brokerage, fees or the like, and also to seek the listing of such securities in one or more International Stock Exchanges and/or Stock Exchanges in India.

**RESOLVED FURTHER THAT** the Company and/or an agency or body authorised by the Board may issue Depository Receipts representing the underlying Equity Shares in the capital of the Company or such other securities in registered or bearer form with such features and attributes as are prevalent in Indian/International Capital Markets for instruments of this nature and providing for the tradeability or free transferability thereof as per Indian/International norms, practices and regulations and under the terms and practices prevalent in Indian/International Markets.

**RESOLVED FURTHER THAT** the Board be authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted directly or upon conversion of any securities or as may be necessary in accordance with the terms of offering all such shares ranking 'pari passu' with the existing Equity Shares of the Company in all respects, excepting the right to dividend as may be declared in the financial year in which such Equity Shares are issued, shall be in proportion to the amount paid up on such shares and pro rata for the period during which such amount paid up thereon.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to determine the terms of payment, issue price, premium/discount, interest on Debentures and/or Bonds and/or other securities and such terms of issue.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised on behalf of the Company to accept and make, in the interest of the Company, all such modifications, and alterations to the terms and conditions concerning any aspect of the issue including increases or decreases in the aggregate value of the issue, retention of over subscription, rate of premium/ discount, interest or other charges payable or any other matters as may be considered necessary or expedient and/or as may be specified in the requisite approvals and to take all such actions as may be necessary or desirable to effect such modifications and alterations and to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose including without limitation the entering into of underwriting, marketing, depository and custodian/trustees/ agents arrangements with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Equity Shares/Securities as it may in its absolute discretion deem fit."

By Order of the Board  
**FOR ADAM COMSOF LIMITED**

**Rajkumar C. Basantani**  
Director

Place : Mumbai  
Date : 7<sup>th</sup> October, 2002

**REGISTERED OFFICE :**

Narayan Building,  
23, Lakhamshi Napoo Road,  
Dadar (E), Bombay 400 014



# ADAM COMSOF LIMITED

## 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 instrument appointing proxy, should however be deposited at the Registered Office of the Company, not less than 48 hours, before the commencement of the meeting.
2. Members/Proxies should fill the attendance slip for attending the meeting.
3. Members who hold their shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
4. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company, during office hours on all working days, except Saturdays and holidays, between 11 a.m. and 1 p.m., upto the date of the Annual General Meeting.
5. The Register of Members and Share Transfer Books will remain closed from **Friday, 20<sup>th</sup> December, 2002 to Thursday, 26<sup>th</sup> December, 2002 (both days inclusive)**.
6. An explanatory statement under Section 173(2) of the Companies Act, 1956, in respect of item 5 & 6 to be transacted at the meeting is appended hereto.
7. Share transfer documents and all correspondence relating thereto, should be addressed to the Company, M/s. ADAM COMSOF LIMITED, Narayan Building, 23, L.N. Road, Dadar (E), Bombay 400 014.
8. Members are requested to notify immediately any change in their addresses to the Registrar and Share Transfer Agents of the Company, at the above address.
9. Shareholders holding shares in identical order of names in more than one folio are requested to write to the Registrar and Share Transfer Agents of the Company enclosing their share certificates to enable them to consolidate their shareholding in one folio.
10. A member desirous of getting any information on the accounts or operations of the Company is requested to forward his/her queries to the Company atleast seven working days prior to the meeting, so that the required information can be made available at the meeting.
11. In all correspondence with the Company, members are requested to quote their account/folio number and in case their shares are held in dematerialised form they must quote their client ID and their DP ID numbers.
12. Investors/shareholders are requested to kindly note that if physical documents viz. Demat Request Forms (DRF) and the share certificates are not received from their DPs by the Company/Registrar within a period of 30 days from the date of generation of the DRN for dematerialisation, the DRN will be treated as rejected/ cancelled. This step is being taken on the advise of National Securities Depository Limited (NSDL) so that no demat request remains pending beyond a period of 30 days. Upon rejection/cancellation of the DRN, a fresh DRF has to be forwarded along with the share certificate by the DPs to the Company/Registrar. This note is only to caution investors/shareholders that they should ensure that their DPs do not delay in sending the DRF and share certificates to the Company/Registrar after generating the DRN.
13. As per the provisions of the amended Companies Act, 1956, facility for making nominations is now available to individual holding shares in the Company. The Nomination Form – 2B prescribed by the Government, can be obtained from the Company.
14. Pursuant to recommendation of the SEBI Committee on Corporate Governance for appointment of Directors/reappointment of retiring Directors, a statement containing details of the concerned Directors is attached herewith.



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## ANNEXURE TO THE NOTICE

## EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

## ITEM NO. 5

Mr. Vinod Hingorani was appointed by the Board of Directors as an Additional Director of the Company at its meeting held on 12<sup>th</sup> December 2001 with effect from 12<sup>th</sup> December 2001 pursuant to Section 260 of the Companies Act, 1956. Mr. Vinod Hingorani will hold office as an Additional Director up to the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member along with a Deposit of Rs.500/- proposing the candidature of Mr. Vinod Hingorani for office of the Director of the Company under the provision of Section 257 of the Companies Act, 1956.

Mr. Vinod Hingorani has rich experience in finance and overall administration. Taking into consideration his experience in the field of finance, general administration finance and related areas, the Board of Directors in the said meeting on 12<sup>th</sup> December, 2001 appointed him as an additional Director of the Company.

None of the Directors except Mr. Vinod Hingorani is interested in the resolution.

## ITEM NO. 6

Section 81 of the Companies Act, 1956, and other provisions and guidelines of SEBI, RBI and Listing Agreement, FEMA provide, inter alia, that whenever it is proposed to increase the subscribed capital of a

company by the allotment of further shares, such further shares shall be offered to any persons other than existing shareholders of the Company in the manner laid down in the said section. The consent of the shareholders is, therefore, sought to authorise the Board of Directors to issue the shares in the manner set out in the resolution at item No. 6. The Company proposes to go for Public Issue/ADR/GDR to meet the requirements of funds for diversification plans in the field of Waste to Energy/ Management, Biotechnology, besides the working capital requirements of existing business.

The Board recommends the resolution for acceptance by the members.

The Promoters and Directors of the Company may be considered as interested in this Resolution to the extent of shares that may be offered, issued or allocated to them.

By Order of the Board  
For ADAM COMSOF LIMITED

Rajkumar Basantani  
Director

Place : Mumbai

Date : 7<sup>th</sup> October, 2002

## REGISTERED OFFICE :

Narayan Building,  
23, Lakhamshi Napoo Road,  
Dadar (E), Bombay 400 014



# ADAM COMSOF LIMITED

## DIRECTORS' REPORT

To,

The Members,

Your Directors are pleased to present the 12<sup>th</sup> Annual Report, together with the audited accounts of the Company, for the year ended 30<sup>th</sup> June 2002.

### FINANCIAL RESULTS:

(Rupees in Lacs)  
2001-2002    2000-2001

#### GROSS INCOME :

|              |                |                |
|--------------|----------------|----------------|
| Exports      | 19.00          | -              |
| Domestic     | 3127.08        | 2973.59        |
| Other Income | 28.06          | 22.49          |
| <b>TOTAL</b> | <b>3174.14</b> | <b>2996.08</b> |

#### OPERATING RESULTS :

|   |                |                |
|---|----------------|----------------|
| Profit Before Tax                                   | 782.52         | 743.96         |
| Provision for Taxation                              | 80.27          | 55.00          |
| Net Profit After Tax                                | 702.25         | 688.96         |
| Add : (Short)/Excess Tax Provision of earlier years | (0.04)         | (0.05)         |
| Balance Brought forward from Previous Year          | 1443.04        | 754.13         |
| Balance Available for Appropriation                 | <b>2145.25</b> | <b>1443.04</b> |

#### APPROPRIATION :

|                             |                |                |
|-----------------------------|----------------|----------------|
| Transfer to General Reserve | -              | -              |
| Balance Carried Forward     | <b>2145.25</b> | 1443.04        |
| <b>TOTAL</b>                | <b>2145.25</b> | <b>1443.04</b> |

#### KEY RATIOS :

The following ratios appropriately reflect, the financial performance and position of your Company :-

| Particulars             | F.Y.2001-02 | F.Y.2000-01 |
|-------------------------|-------------|-------------|
| Earnings Per Share      | 5.25        | 5.15        |
| Interest Coverage Ratio | 39.98       | 38.69       |
| Net Profit Ratio        | 24.87%      | 25.02%      |
| Current Ratio           | 8.43        | 10.31       |
| Book Value Per Share    | 29.48       | 24.23       |

### RESULTS OF OPERATIONS :

The sharp downturn in the IT sector did not have any visible impact on the Company's turnover and profitability, which maintained the levels attained during the previous year. Growth was understandably absent. However, despite reduced net margins, the profitability was maintained, which is considered to be very satisfactory. There was a slowdown in the orders for software development, due to uncertainties caused by changes in technologies and user demands. The strong infrastructure and the diverse technical skills, which have been built by the Company over the years, are however helping the Company, to attune itself to such changing times. The customer base of the Company has remained intact and new enquiries were received during the year, which will hopefully be converted into fruitful business relationships.

### DIVIDEND

The times continue to be tough and despite distinct signs of revival, the IT sector continues to be amidst uncertainty. In order to be geared up to face any lingering downturn, your Directors are desirous of strengthening the financial base of the Company. Thus with a sense of cautious optimism, your Directors do not recommend the declaration of any dividend for the year under review.

### MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT :

Pursuant to Clause 49 of the Listing Agreement, a Management Analysis Report, giving segment wise performance and outlook, is given as Annexure to this Report.

### CORPORATE GOVERNANCE :

A separate report on Corporate Governance is being incorporated as a part of the Annual Report, alongwith a certificate from the Auditors of the Company regarding compliance with the conditions of Corporate Governance, as stipulated in the said clause 49 of the Listing Agreement which is annexed here to.

### DIRECTORS RESPONSIBILITY STATEMENTS :

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors subscribe to the Directors Responsibility Statement' and confirm that :-

- In the preparation of the annual accounts, the applicable accounting standards have been followed, alongwith proper explanation relating to material departures.

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- ii) The Directors have 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, at the end of the financial year and of the profit or loss 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 annual accounts on a going concern basis.

**FIXED DEPOSITS :**

The Company has accepted Fixed Deposits within the meaning of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. As on 30<sup>th</sup> June, 2002 the total amount of fixed deposits held by the Company was Rs. 103.35 lacs. There are no outstanding deposits at the end of the period.

**DEPOSITORY SYSTEM :**

Electronic Trading of the Company's equity shares has been made compulsory by the Securities & Exchange Board of India (SEBI). As of 30<sup>th</sup> June, 2002, Equity Shares representing 24.03% of the total equity share capital have been dematerialised.

**DIRECTORS :**

Mr. Vijay Jain and Mr. Rajkumar Basantani, Directors, retire by rotation and being eligible, offer themselves for reappointment.

**APPOINTMENT OF DIRECTOR :**

Your Company has received a notice under Section 257 of Companies Act, 1956, proposing Mr. Vinod Hingorani, for the office of Director to be elected by the Members in the ensuing Annual General Meeting. The Proposal regarding appointment as Director is placed for your approval.

**AUDITORS :**

Ms. Sunita Narang Chartered Accountant, the statutory auditor of the Company retires at the conclusion of the ensuing Annual General Meeting and being eligible offers herself for reappointment.

**AUDIT COMMITTEE**

1. The role and the powers of the Audit Committee are as per the guidelines set out in the Listing Agreement with the Stock Exchange. The terms of reference of the Audit Committee, inter alia, include the following :-

- Overview of the Company's financial reporting process and disclosure of its financial information, to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditors, fixing their remuneration, fixation of audit fees etc.
- Reviewing with the management, the annual financial statements, before submission to the Board.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the Company's financial and risk management policies.
- Discussion with external auditors, before the audit commences, the nature and scope of audit, as well as have post audit discussion, to ascertain areas of concern.
- Reviewing the adequacy of internal audit functions.
- To look into the reasons for substantial default in the payment to the depositors, debentureholders, shareholders (in case of non payment of declared dividends) and creditors.

2. The Audit Committee comprising of three Non Executive Directors, was formed on 22<sup>nd</sup> January, 2001 with the role and powers as per the guidelines set out in the Listing Agreement.

During the year ended 30<sup>th</sup> June, 2002, five meetings of the Committee with Mr. Vijay Jain acting as Chairman of the Committee were held. The quorum for the Committee Meeting is two Directors.

|                                    |                                   |
|------------------------------------|-----------------------------------|
| Mr. Vijay Mohanlal Jain            | Independent<br>Director/ Chairman |
| Mr. Hareesh Teckchandani           | Non Executive<br>Director         |
| Dr. Swamy Pravin<br>Karthikswamy - | Non Executive<br>Director         |





## ADAM COMSOF LIMITED

The Audit Committee had 5 meetings as on date of this report, which were attended by all the Committee Members. The Committee's powers and roles are as stipulated in Clause 49 of the Listing Agreement and under Section 292A of the Companies Act, 1956.

### PARTICULARS OF EMPLOYEES :

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, regarding employees is presently not applicable to the Company as no employee draws the amount as specified in the provision.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION :

The Company is engaged in information technology activities and these operations require low energy consumption. However, adequate measures are being taken to conserve energy, wherever possible.

### FOREIGN EXCHANGE EARNINGS AND OUTGO :

The Company earns foreign exchange mainly from merchant exports and significant efforts on a continuous basis are being made, to increase the same. The development of new product lines and new markets

for export of value added items, form the main thrust of the Company's activities. The total foreign exchange earned during the year through exports is Rs. 19.00 lacs (Previous year Rs. Nil) as against the total foreign exchange expenditure amounting to Rs. 2.67 lacs. (Previous year Rs. 53.57 lacs)

### APPRECIATION :

Your Company's relations with the employees at all levels have been cordial. The Directors take this opportunity of placing on record their appreciation of the devoted and committed services rendered by the staff during the period under review.

The Directors do wish and place on record their appreciation of the co-operation, support and assistance.

On behalf of the Board of Directors

**Rajkumar Basantani**  
Chairman

Place : Mumbai  
Dated : 7<sup>th</sup> October, 2002

For Adam Comsof Limited  
*[Signature]*  
Authorised Signatory/Director

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## CORPORATE GOVERNANCE REPORT

## CORPORATE GOVERNANCE :

The Securities and Exchange Board of India (SEBI) has introduced a code of Corporate Governance to be implemented by effecting amendments to the Listing Agreements of the Stock Exchanges with which the Company is listed. In case of your Company, although the code is required to be implemented by March 31, 2002, we have voluntarily benchmarked its Corporate Governance before the mandatory requirements.

The Stock Exchanges, have by an amendment, added Clause 49 to the Listing Agreement, incorporating a code of Corporate Governance. Your Company has complied fully, with all the mandatory requirements of Corporate Governance in all material aspects. A report on Corporate Governance, giving the information, as prescribed by the Listing Agreement, is given below :

## A. MANDATORY REQUIREMENTS

## I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance essentially deals with how companies are run and the manner in which the Board of Directors, discharges its mission and responsibilities, to ensure proper management, with accountability, in the best interests of the shareholders and the other stakeholders. It pertains to systems, by which companies are directed and controlled, keeping in mind, the long term interests of the stakeholders. Your Company firmly believes in transparency in its dealings and lays emphasis on integrity and regulatory compliance. Corporate Governance to us, is a blend of law, regulation and voluntary practices, which enable the Company to attract financial and human capital, perform efficiently and thereby perpetuate it into generating long term economic value for its shareholders, while respecting the interests of other stakeholders and the society as a whole. Your Company has over the years, set in place systems, for effective strategic planning and processes, risk management, human resources development, succession planning, communication policy and has observed the best management policies, in order to enhance shareholder value.

## II. BOARD OF DIRECTORS

## • Composition

The Board of Directors of the Company, have an optimum combination of executive and non executive directors, with not less than 50% of the

Board of Directors, comprising of non executive directors. Since the Company has a non executive chairman, at least one third of the Board, comprises of independent directors. The present strength of the Board of Directors is 5.

## • Attendance of each Director at the Board Meetings and the Last Annual General Meeting

Number of Board Meetings held during the financial year ended 30<sup>th</sup> June 2002 : 12

| Sr | Name                              | Designation & Category | No. of Meetings Attended During the quarter ended 30 <sup>th</sup> June, 2002 | No. of Membership in Boards of other Companies | Attendance at the last AGM Held on 12.12.01 |
|----|-----------------------------------|------------------------|---|--|---|
| 1  | Rajkumar C. Basantani             | Chairman-NE            | 12  | 22*  | YES   |
| 2  | Haresh Teckchandani               | Director-NE/I          | 12  | 4  | YES   |
| 3  | Vijay Jain                        | Director-NE/I          | 12  | 3  | YES   |
| 4  | Vinod Hingorani<br>W.E.F.12.12.01 | Director-NE/I          | 0   | 7  | NO  |
| 5  | Dr. Swami Pravin<br>Karthikswamy  | Director-NE/I          | 0   | 3  | NO  |

\* 22 Includes all the Private and Public Limited, I-Independent; NE - Non Executive;

## • Number of Board Meetings held and the dates of the Board Meeting

As per the Companies Act, 1956 the Board has to meet minimum of four time in every year with a maximum time gap of four months between two meetings. 12 Board Meetings were held during the financial year ended 30<sup>th</sup> June, 2002.

## • The dates on which the said meetings were held are as follows :

| Sr. No. | Day & Date of Meetings |                                  |
|---------|------------------------|----------------------------------|
| 1.      | Monday                 | 16 <sup>th</sup> July, 2001      |
| 2.      | Thursday               | 19 <sup>th</sup> July, 2001      |
| 3.      | Tuesday                | 4 <sup>th</sup> September, 2001  |
| 4.      | Tuesday                | 18 <sup>th</sup> September, 2001 |
| 5.      | Monday                 | 22 <sup>nd</sup> October, 2001   |
| 6.      | Monday                 | 12 <sup>th</sup> November, 2001  |
| 7.      | Friday                 | 30 <sup>th</sup> November, 2001  |
| 8.      | Wednesday              | 12 <sup>th</sup> December, 2001  |
| 9.      | Tuesday                | 29 <sup>th</sup> January, 2002   |
| 10.     | Tuesday                | 23 <sup>rd</sup> April, 2002     |
| 11.     | Monday                 | 6 <sup>th</sup> May, 2002        |
| 12.     | Saturday               | 18 <sup>th</sup> May, 2002       |