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BOARD OF DIRECTORS

Mr. Ashok Jaipuria
Mr. O P Khaitan
Mr. R M Bhandari
Mr. S K Mittal
Mr. Shreekanth Somany
Mr. R Mukherjee
Mr. Rakesh Nangia

Chairman

PRESIDENT

Mr. Aseem DasGupta

COMPANY SECRETARY

Ms. Payal Chaddha

REGISTERED OFFICE

P.O. Jabli Distt. Solan
H.P.-173 209
Ph.: 01792-277231-32/35/36
Fax:01792-277234
E-mail: plant@cosmoferrites.com

AUDITORS

B.K.Shroff & Co.

BANKERS

State Bank of India
Canara Bank

CORPORATE OFFICE

30, Community Centre, Saket,
New Delhi-110 017
Ph.: 011-26863968, 26863969
Fax:011-26862969
Email : sales@cosmoferrites.com

SALES OFFICES

Delhi:
30, Community Centre
Saket, New Delhi-110 017
Ph.: 011-26863968, 26863969
Fax:011-26862969
Email: sales@cosmoferrites.com

MFG. PLANTS

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Ph.: 01792-277231-32/35/36
Fax : 01792-277234
E-mail : plant@cosmoferrites.com

BANGALORE:

536/41st Cross, East End Main Road
9th Block, Jaya Nagar, Bangalore-560 069
Pager No. 9628121910
Email: ndg@bgh.vsnl.net.in



Notice

Notice is hereby given that the Seventeenth Annual General Meeting of the Members of Cosmo Ferrites Limited will be held at its registered office at Jabli, Dist., Solan (HP)-173209 on Friday the 19th day of September, 2003 at 2:00 P.M. to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March, 2003 and the Balance Sheet as at that date and the report of the Board of Directors and the Auditors of the Company thereon.
2. To appoint a Director in place of Mr. R. M. Bhandari who retires by rotation and is eligible for reappointment.
3. To appoint a Director in place of Mr. S. K. Mittal who retires by rotation and is eligible for reappointment.
4. To appoint auditors and to fix their remuneration.

Special Business

5. To consider and if thought fit, to pass, with or without modification(s), the following as Ordinary Resolution: "Resolved that Mr. Rakesh Nangia who holds office only upto the date of this Annual General Meeting and in respect of whom a notice has been received by the Company from a member proposing him as a candidate for the office of a Director under the provisions of Section 257 of the Companies Act, 1956 and who is eligible for appointment to the office of Director, be and is hereby appointed a Director of the Company."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution: "RESOLVED that subject to provisions of the Securities Contracts (Regulation) Act, 1956, Listing Agreements with the Stock Exchanges and Guidelines/ Rules of the Securities Exchange Board of India and all other applicable laws, rules, regulations and guidelines and subject further to such approvals and sanctions as may be required, the Board of Directors (hereinafter referred to as 'The Board' which term shall include a Committee of Directors) be and is hereby authorised to de-list the Equity Shares of the Company from the Stock Exchanges at Delhi, Ludhiana and Calcutta at one time or from time to time.
RESOLVED FURTHER that for the purpose of giving effect to all or any of the foregoing, the Board be and is hereby authorised to do all such acts, deeds and things as it may consider necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto."

NOTES:

1. The relative explanatory statement, pursuant to Section 173(2) of the Companies Act, 1956 is attached hereto.
2. Shareholders are requested to bring their copy of Annual Report to the Meeting.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS HIS PROXY TO ATTEND AND ON A POLL TO VOTE

INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE DULY COMPLETED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.

4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. The Register of Members and share Transfer Books of the Company will be closed from Friday, the 19th day of September to Saturday, the 20th day of September, 2003.
6. Members, who are holding shares in identical order of names in more than one folio are requested to write to the Company enclosing their share certificates to consolidate their holdings in one folio.
7. Members who hold shares in dematerialised form are requested to bring their Client ID and DPID numbers for easy identification of attendance at the meeting.
8. The Members are also requested to notify any change in their addresses immediately to the Company's Share Registrar and Transfer Agents M/s. Alankit Assignments Limited, 205-208, Anarkali Market, Jhandewalan Extension, New Delhi 110 055.
9. Members / Proxy holders are requested to produce at the entrance of the Auditorium the enclosed admission slip duly completed and signed.
10. Copies of Memorandum & Articles of Association of the Company and other relevant papers, if any, shall be open for inspection to the desirous members of the Company on any working day during 2 P.M. to 4 P.M. at the Registered Office of the Company till the date of the Annual General Meeting.
11. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended March 31, 1996 and thereafter, which remains unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205 of the Companies Act, 1956. Information in respect of such unclaimed dividend when due for transfer to the fund is given below:-

Financial Year	Type of dividend	Date of declaration	Due for transfer
1995-96	Final Dividend	19.08.96	25.09.03
2000-01	Final Dividend	24.07.01	30.08.08
2001-02	Final Dividend	30.08.02	06.10.09

Shareholders who have not so far encashed the dividend warrant(s) are requested to seek issue of duplicate warrant(s) by writing to the Company. Shareholders are requested to note that no claims shall lie against the Company or the said fund in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.



12. Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorising their representatives to attend and vote at the Annual General Meeting.
13. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to the Registrar and Transfer Agents, M/s Alankit Assignments Limited. The said Form 2B can also be downloaded from the Company's web site www.cosmoferrites.com

Registered Office :
Jabli, Distt. Solan (HP)
173209

By order of the Board

Payal Chaddha
Company Secretary

New Delhi
15th July, 2003

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 5

Mr. Rakesh Nangia has been appointed as additional Director on March 14, 2003 and would hold office upto the date of next Annual General Meeting.

Mr. Rakesh Nangia is a Chartered Accountant.

Your Directors are confident that his guidance and participation in the deliberations of the Board would be very beneficial for the Company's business.

Except Mr. Rakesh Nangia, none of the Directors is concerned or interested in the resolution.

Item No. 6

The Securities and Exchange Board of India (SEBI) had notified 'Delisting of Securities Guidelines - 2003' on February 17, 2003 (the Guidelines). As per the Guidelines, a Company may seek voluntary delisting of its securities from all or some of the Stock Exchanges and further that an exit opportunity is not required to be provided in cases where such securities continue to be listed at a stock exchange having nationwide trading terminals i.e. The Stock Exchange, Mumbai, The National Stock Exchange and any other Stock Exchange(s) that may be specified by SEBI in this regard.

At present, Equity Shares of the Company are listed at the Stock Exchanges at Mumbai, Delhi, Ludhiana and Calcutta. It is proposed to de-list the Equity Shares of the Company from the Stock Exchanges at Delhi, Ludhiana and Calcutta, in view of their negligible / no trading at these exchanges. Consent of the members is sought to de-list the Equity Shares of the Company at the Stock Exchanges at Delhi, Ludhiana and Calcutta as proposed in the Special Resolution.

The Board recommends the Resolution for approval of members.

None of the Directors of the Company are interested or concerned in the proposed Resolution.

Registered Office :
Jabli, Distt. Solan (HP)
173209

By order of the Board

Payal Chaddha
Company Secretary

New Delhi
15th July, 2003

ANNEXURE : PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES, FOLLOWING INFORMATION IS FURNISHED ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED / RE-APPOINTED.

Name of the Directors	Mr. R. M. Bhandari	Mr. S. K. Mittal	Mr. Rakesh Nangia
Date of Birth	14.12.25	01.01.52	30.07.54
Qualifications	Chartered Accountants	Chartered Accountants	Chartered Accountants
Nature of Expertise	Finance and management Ex. Chairman and Managing Director of Hindustan Petroleum Corporation Limited.	CEO of Cosmo Films Limited	Finance & Management
Name of the Companies in which he holds Directorship	<ul style="list-style-type: none"> - Poly Medicure Ltd. - Laxmi Organic Chemicals Ltd. - Siltap Chemicals Ltd. - Cosmo Ferrites Ltd. 	<ul style="list-style-type: none"> - Cosmo Films Ltd. - Cosmo International (U.S.) INC. 	-
Name of the Committees of the Companies of which he holds Membership/Chairmanship	<ul style="list-style-type: none"> - Cosmo Ferrites Ltd. Audit Committee (Chairman) - Siltap Chemicals Ltd. Audit Committee (Chairman) - Poly Medicure Ltd. Executive Committee of Directors (Member) - Remuneration Committee (Chairman) 	<ul style="list-style-type: none"> - Cosmo Films Ltd. Share Transfer Investor Grievance Committee (Member) - Strategy and Operations Review Committee (Member) - Finance Committee (Member) - Cosmo Ferrites Ltd. Audit Committee (Member) - Share Transfer Investor Grievance Committee (Member) - Operations Review Committee (Member) - Remuneration Committee (Member) 	<ul style="list-style-type: none"> - Cosmo Ferrites Ltd. Audit Committee (Member) - Strategy and Operations Review Committee (Member) - Remuneration Committee (Member)



DIRECTORS' REPORT

To the Members,

The Directors are pleased to present the Annual Report and the audited accounts for the year ended 31st March 2003.

FINANCIAL RESULTS (Rs. in Lacs)

	2002-03	2001-02
Sales	2690	2993
Cash Profit/(Loss)	588	818
Depreciation	342	310
Profit before Tax	246	508
Provision for current Tax	16	27
Profit after current Tax	230	481
Provision for deferred tax	278	154
Profit after deferred tax	(48)	327
Add :		
(a) Balance brought forward	190	46
(b) Dividend tax written back	14	
(c) Transfer from Investment Allowance Reserve	13	
(d) Transfer to Deferred Taxation reserve (for earlier years)	Nil	(31)
	217	15
	169	342

APPROPRIATIONS

Dividend-Pref. Shares	Nil	6
- Equity shares	Nil	132
Dividend Tax	Nil	14
Balance carried to Balance Sheet	169	190
	169	342

DIVIDEND

In view of the losses due to downturn in the company's operations, the directors are regretfully unable to recommend dividend on the equity shares for the year ended March 31, 2003. (Previous Year Rs. 1.10 per share)

DEPOSITORY SYSTEM

Your company shares have been notified for compulsory trading in demat form by SEBI w.e.f. September 25, 2000. Members have the option of holding their shares in Demat form through any of the depositories by opening account with the authorised depository participants.

OPERATIONS

- Year ended March 31, 2003 resulted in a lower sales revenues (net of excise duties) at Rs. 2541 lacs compared to Rs. 2799 lacs in the previous year. Powder sales volume increased from 139 MT to 148 MT, while component sales

increased from 788 MT to 820 MT. The drop in sales revenues was primarily due to a severe erosion in component price realisations in the domestic as well as the export markets.

- Costs remained within control with the exception of power and fuel costs which saw inordinate increases in tariff rates, and only partial capacity utilisation of the new furnace.
- Net profit after current tax for the year is Rs. 230 lacs compared to Rs 481 lacs in the previous year. This drop in profit has come about due to the reduced sales revenues as explained above.
- During the last year, new dealerships have been established and supplies commenced in USA, South Africa and some European countries.

TRADE RELATIONS

The Board desires to place on record its appreciation of the support and co-operation that your Company received from suppliers/processors/distributors/dealers/bankers and all others associated with your Company. Your Company regards them as partners in its journey of growth and progress.

PERSONNEL

The Board wishes to place on record its appreciation of the contribution made by all employees in improving the levels of quality and delivery performance during the year.

OUTLOOK

- The company is now well established with adequate brand recognition in all major markets across Europe, USA and Asia-Pacific.
- Recovery of purchase volumes at existing customers as well as new customers established over last year are likely to yield higher sales during the current year.
- With the new furnace and additional grinding machines installed during the last year, the company has substantially increased capacity available to service the higher sales demand.

DIRECTORS

ICICI withdrew the nomination of Mr. Anil Nayar from the Board on 07/02/2003. The Directors place on record their appreciation for the help and guidance given by Mr. Anil Nayar during his tenure as the Director of the company.

Mr. Rakesh Nangia has been inducted on the Board on March 14, 2003 as an additional Director.

Mr. S. K. Mittal and Mr. R. M. Bhandari, Directors retire by rotation and are eligible for reappointment.

STATUTORY STATEMENTS

Following information as per the requirements of the Companies Act, 1956 is given in separate statements annexed hereto, which form part of this report.



- a) Energy conservation, technology absorption and foreign exchange inflow/outgo pursuant to section 217(1)(e) of the Companies Act, 1956.
- b) Particulars of employees pursuant to section 217(2A) of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of section 217(2AA) of the Companies Act, 1956, your directors state that:

- (i) In the preparation of the annual accounts, applicable accounting standards have been followed;
- (ii) Accounting policies selected were applied consistently. Reasonable and prudent judgements and estimates are made so as to give a true and fair view of the state of affairs of the Company as of 31st March, 2003 and of the profit of the Company for the year ended on that date.
- (iii) Proper and sufficient care has been taken 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 annual accounts of the company have been prepared on a going concern basis.

CORPORATE GOVERNANCE

As per the amended Listing Agreement with the Stock Exchanges, your Company is required to comply with the requirements of Corporate Governance by 31st March 2003. Several steps taken by the Company in this direction are attached to this report.

AUDITORS

M/s. B.K. Shroff and Company, Auditors of the Company retire and are eligible for reappointment.

APPRECIATION

Your directors wish to place on record their appreciation of the whole-hearted and continued support extended by the investors, bankers and financial institutions.

On behalf of the Board

New Delhi
10.04.2003

Ashok Jaipuria
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 217 (1) (e) read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988:

A) CONSERVATION OF ENERGY

- a) ENERGY CONSERVATION MEASURES TAKEN
- Changed connection from Delta to Star in high power rated electric motors resulting in substantial reduction in energy consumption.
 - b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy - Nil
 - c) Continuous efforts are being made to reduce specific energy consumption.
 - d) Total energy consumption and energy consumption per unit of production as per prescribed Form 'A' - Not applicable.

B) TECHNOLOGY ABSORPTION

- i) Research & Development
- During the current year, new high frequency low power loss material, CF 139 has been developed, in addition to continuing efforts to achieve objectives related to process /quality/ productivity improvements.
 - Commercialized materials with stable frequency characteristics for EMI applications.
- ** R&D Expenditure
- | | |
|--------------------------|----------------|
| - Capital | Nil |
| - Recurring | Rs. 71.45 Lacs |
| - Percentage of turnover | 2.81 % |
- ii) Technology absorption, adaptation & innovation
- Technical losses reduced by adopting innovative process methodologies.
- iii) Technology imported: The Company has not imported any technology during the last year.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Activities
- During the year, the company's forays into new export markets led to substantial export sales from these markets.
 - Exports during the year aggregated to 64.43% of total sales.
- b) Foreign Exchange Earned - Rs. 1478.49 Lacs
- c) Foreign Exchange outgo - Rs. 305.70 Lacs

On behalf of the Board

New Delhi
10.04.2003

Ashok Jaipuria
Chairman

PARTICULARS OF EMPLOYEES IN TERMS OF SECTION 217(2A) OF THE COMPANIES ACT, 1956

Name	Designation/ Nature of Duties	Gross Annual Remuneration	Qualification	Years of Experience	Date of commencement of Employment	Age	Last Employment Name of the Company	Designation
Mr. Aseem DasGupta	President	27,18,964	B.Tech, PGDM	32	30.09.1998	55	HCL Infosys Ltd.	Executive Director

- NOTE: 1) Remuneration is as defined under section 198 of the Companies Act, 1956
- 2) None of the employees mentioned above is related to any director of the Company.
- 3) The conditions of employment to all employees are non-contractual and terminable by one/three months notice on either side.



MANAGEMENT ANALYSIS OF OPERATIONS DURING THE FINANCIAL YEAR

Sales

Net Sales declined from Rs. 2799 lacs in 2001-02 to Rs. 2541 lacs in 2002-03. This was despite increase in tonnage sold, of components from 788 MT to 820 MT and of powder from 139 MT to 148 MT. Average price realisation on components suffered a decline of 15 % from the previous year, affecting both domestic as well as export markets across all territories and segments. This is attributable to creation of large capacities in relation to growth in demand.

The company has taken countermeasures by way of aggressively focussing on penetration into new customer / product / application segments during the year. New distributors have been established in hitherto unaddressed countries, and business with a few has already matured into repeat orders by year-end.

Ratio of export revenues to total net sales improved from 59% in 2001-02 to 64% in 2002-03.

R & D

New / improved material development efforts have continued at a steady pace. Material grades satisfying rigid performance requirements of specific customers have been developed in short turnaround cycles.

Besides this, there are continuing efforts towards process modifications to achieve improved productivity and /or yields from existing manufacturing processes. There are also ongoing projects jointly with production departments targeted at reducing costs on consumables and utilities usage in the various operations.

Operating Costs

Overall operating profitability declined from 37 % in

2001-02 to 30 % in 2002-03, reflecting almost completely the impact of the price decline. Costs were managed at about the same level in proportion to sales volume as in the previous year, despite significant increases in power and fuel (which are administered) costs and in personnel costs associated with the capacity expansion.

Finance Costs

Finance costs were lower by 16 % compared to the previous year. There was a reduction of 24 % in term debt outstanding from Rs. 1709 lacs to Rs. 1302 lacs on account of repayments during the year. No fresh loans have been taken from financial institutions during the year. The company obtained disbursement of a term loan of Rs 48 lacs from a bank towards equipment financing.

Provision for Tax

The company has made a provision of Rs. 16 lacs towards income tax under the MAT provisions. A provision of Rs 278 lacs has been made as deferred tax, arising mainly from depreciation (on W.D.V. basis) on the new furnace during the year.

Receivables

Total receivables as on 31.03.2003 stood at Rs. 224 lacs compared to Rs. 321 lacs as on 31.03.2002. This represents an improvement of 20 % in terms of days of sales, reflecting a better efficiency in sales collection cycles.

Inventories

There has been an increase in inventories from Rs 285 lacs on 31.03.2002 to Rs. 441 lacs on 31.03.2003. Levels of raw material and in process stocks were enhanced to respond to customer demand for shorter delivery lead times. There was increase in year ending export goods in transit.



CORPORATE GOVERNANCE

For Cosmo Ferrites Limited, maintaining the highest standards of Corporate Governance is not a matter of mere form but of substance. It is an article of faith, a way of life, and an integral part of the Company's core values. Your Company is committed in adopting the best global practices of Corporate Governance. The philosophy of Corporate Governance as manifested in the Company's functioning is to achieve business excellence by enhancing long term shareholders' value and interest of its entire shareholders. Efficient conduct of the business of the Company through commitment to transparency and business ethics in discharging its corporate responsibilities are hallmarks of the best practices already followed by the company.

The Company's compliance of Corporate Governance guidelines of the listing agreement is as follows:

A. COMPOSITION OF THE BOARD AND RECORD OF OTHER DIRECTORSHIPS HELD

The board of directors of the company comprises of an optimum combination of Executive and Non-executive directors headed by a Non-executive Chairman and more than fifty percent independent directors. The independent directors do not have any pecuniary relationship or transactions with the company, promoters, and management, which may affect their judgement in any manner.

Name	Executive /Non-executive / Independent	No. of outside Directorships Held	No. of Chairmanships/Memberships of other Board Committees	
			Chairmanship	Membership
Mr. Ashok Jaipuria	Non-executive – Chairman	3	2	–
Mr. S. K. Mittal	Non-executive	2	–	3
Mr. R. M. Bhandari	Non-executive, Independent	5	2	1
Mr. Anil Nayar*	Nominee of ICICI	–	–	–
Mr. O. P. Khaitan	Non-executive, Independent	9	3	4
Mr. Shreekant Somany	Non-executive, Independent	12	3	7
Mr. Ranbir Mukherjee	Non-executive, Independent	–	–	–
Mr. Rakesh Nangia**	Non-executive, Independent	–	–	–

* Nominee of ICICI withdrawn on 07.02.03

** Joined as Additional Director on 14.03.03

B. BOARD MEETINGS:

1. Scheduling and selection of agenda items for board meetings

Months for the board meetings in the ensuing year are decided in advance and most board meetings are held at the company's corporate office at 30, Community Center, Saket, New Delhi. The company secretary drafts the agenda for each meeting, along with explanatory notes, and distributes these in advance to the directors. The board meets at least once in a quarter to review the quarterly results and other items on the agenda.

2. Number of board meetings

The Cosmo Ferrites Board met five times – on April 17, July 16, October 18, January 31 and March 14 during the year.

3. Record of the director's attendance at board meetings and AGM.

Name of the Director	No. of Board Meetings attended	Attended last AGM
Mr. Ashok Jaipuria	5	Yes
Mr. S. K. Mittal	3	No
Mr. R. M. Bhandari	3	No
Mr. Anil Nayar*	4	Yes
Mr. O. P. Khaitan	2	No
Mr. Shreekant Somany	2	No
Mr. Ranbir Mukherjee	0	No
Mr. Rakesh Nangia**	1	No

* Nominee of ICICI withdrawn on 07.02.03

** Joined as Additional Director on 14.03.03

4. Availability of information to the board

The board has unfettered and complete access to any information within the company and to any employee of the company. Among others, the information regularly supplied to the board includes:

- Annual operating plans and budgets, capital budgets, updates.
- Quarterly results of the company
- Minutes of meetings of audit committee and other committees of the board.



- Information on recruitment and removal of senior officers just below the board level.
- Declaration of dividend.
- Materially important litigation, show cause, demand, prosecution and penalty notices.
- Fatal or serious accidents or dangerous occurrences, any material effluent or pollution problems.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property. Significant sale of investments, subsidiaries, assets which are not in the normal course of business.
- Significant labour problems and their proposed solutions.
- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movements.
- Non-compliance of any regulatory, statutory nature or listing requirements as well as share holder services such as non-payment of dividend and delays in share transfer.

5. Materially significant related party transactions

There have been no materially significant related party transactions, pecuniary transactions or relationships between Cosmo Ferrites and its Directors for the year ended March 31, 2003 other than those listed in Note No. 13 in Schedule 20 to the annual accounts on page 25.

C. BOARD COMMITTEES

Committees appointed by the board focus on specific areas, and take decisions within the authority delegated to them by the board. The committees also make specific recommendations to the board on various matters from time to time. All decisions and recommendations of the committees are placed before the board for information or approval. Cosmo Ferrites has four board-level committees:

- Audit Committee.
- Share Transfer and Investor Grievance Committee.
- Remuneration Committee.
- Operations Review Committee.

1. AUDIT COMMITTEE

► Terms of reference

The management is primarily responsible for the Company's internal controls and the financial processes. The statutory auditors are responsible for performing independent audits of the company's financial statements and for issuing the reports on the basis of such audits.

The Audit Committee was constituted on October 30, 2000 and has been entrusted by the board of directors to supervise these processes and thus, ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting.

Terms of reference of the Audit Committee are as per the guidelines set out in the listing agreements with the Stock

Exchanges that inter alia includes:

- The overview of the Company's financial reporting processes
- Review of the quarterly, half yearly and annual financial statements
- The adequacy of internal control systems
- The financial and risk management policies etc.

► Composition and name of members

The committee consists of the following three members and every member of the Committee possesses a strong financial and accounting background.

The Audit committee was reconstituted on March 14, 2003.

The members of the reconstituted Committee are as follows:

- Mr. R. M. Bhandari (Chairman)
- Mr. S. K. Mittal
- Mr. Rakesh Nangia

► Meeting and attendance during the year

The Audit Committee met four times during the year- on April 17, July 16, October 14 and January 31. The following table gives the attendance record of the audit committee.

Name of the Director	No. of Meetings attended
Mr. R. M. Bhandari	3
Mr. S. K. Mittal *	3
Mr. Anil Nayar *	4
Mr. Rakesh Nangia **	-

* Ceased to be a member on 07.02.2003

** Joined on 14.03.2003

2. SHARE TRANSFER AND INVESTOR GRIEVANCE COMMITTEE

► Terms of reference

It was constituted specifically to review compliance of rules and regulations, to redress shareholder's grievance and to provide suggestions. To expedite the process of share transfers the Board has delegated the power of share transfer to Alankit Assignments Limited viz. Registrar and Share Transfer Agents who will attend to the share transfer formalities at least once in a fortnight.

Terms of reference of the Share Transfer and Investor Grievance Committee are as per the guidelines set out in the listing agreements with the Stock Exchanges that inter alia include looking into the investors complaints on transfer of shares, non receipt of declared dividends etc and redressal thereof.

► Composition of members and attendance during the year

The Committee consists of three members - Mr. Ashok Jaipuria, Mr. S K Mittal and Mr. Anil Nayar. The Committee is chaired by Mr. Ashok Jaipuria, a Non-executive Director.

► Meeting and attendance during the year

The Committee met four times during the year.