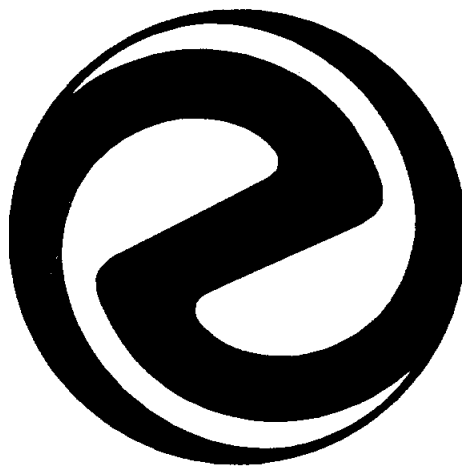


# EXCEL GLASSES LIMITED



**31st ANNUAL REPORT  
2001-2002**



# EXCEL GLASSES LIMITED

## 31ST ANNUAL REPORT 2001-2002

### BOARD OF DIRECTORS

S. J. PAREKH	— Chairman
PRASHANT SOMANI	— Managing Director
RAVINDRA SOMANI	— Executive Director
Dr. V. P. SHAH	— Nominee of ICICI
B. CHANDRASHEKHARAN NAIR	— Nominee of KSIDC
RAVI KARUNAKARAN	— Non Executive Director
SUSHEEL G. SOMANI	— Non Executive Director
SURENDRA SOMANI	— Non Executive Director
H. P. VYAS	— Non Executive Director
R. D. PRABHU	— Non Executive Director

### EXECUTIVES

T. C. THOMAS	— Vice-President (Technical)
B. G. AGARWAL	— Vice-President (Commercial)
R. P. KHATOD	— Corporate Executive

### AUDITORS

JOSEPH & NAMPIATHIRI  
Chartered Accountants,  
Allapuzha, Kerala

### BANKERS

STATE BANK OF TRAVANCORE  
THE SOUTH INDIAN BANK LIMITED  
UCO BANK

### REGISTERED OFFICE & WORKS

UDAYA NAGAR  
Pathirapally  
Allapuzha - 688 521 KERALA  
Telephone : (0477) 258671-5  
Fax : (0477) 258670  
E-mail : mail@excelglasses.com

### CORPORATE OFFICE

PARIJAT HOUSE,  
2n Floor  
1076, Dr. E. Moses Road, Worli  
Mumbai - 400 018 (Maharashtra)  
Telephone : (022) 493050/4920611/4952772  
Fax : (022) 4937743  
E-mail : egl@bom3.vsnl.net.in

### MARKETING OFFICE

591, 1st Cross, 1st Stage,  
Indira Nagar,  
Bangalore-560 027 (Karnataka)

### SHARE TRANSFER REGISTRAR

Sharex (India) Pvt. Ltd.  
17/B, Dena Bank Building, 2nd Floor, Homiman Circle,  
Fort, Mumbai-400 001 (Maharashtra)  
Telephone : (022) 2702485/2641376  
Fax : (022) 2641349  
E-mail : sharexindia@vsnl.com

### BOARD COMMITTEES

#### Audit Committee :

H. P. Vyas - Chairman  
R. D. Prabhu - Member  
V. P. Shah - Member

#### Shareholder Grievance Committee :

H. P. Vyas - Chairman  
R. D. Prabhu - Member  
V. P. Shah - Member



EXCEL GLASSES LIMITED

## FINANCIAL HIGHLIGHTS

Financial Year / Period	1996-97	1997-98	1998-99	1999-2000	2000-2001	[RS. IN LACS ] 2001-2002
<b>FINANCIAL DATA :</b>						
SALES & OTHER INCOME	4162	4578	3849	5372	4838	5082
PBIDT	289	661	682	881	725	644
INTEREST	504	644	389	480	360	432
DEPRECIATION	370	371	275	377	356	202
TAXATION	—	—	1	7	—	—
PAID UP EQUITY SHARE CAPITAL	434	434	434	434	1347	1347
NET WORTH	2291	1938	2859	2878	3798	3811
LOAN FUNDS	3339	3544	3257	3341	2428	2567
FIXED ASSETS (NET BLOCK)	3668	3370	3130	2987	2718	2622
WORKING CAPITAL	1962	2516	2986	3232	3507	3754
<b>KEY RATIOS :</b>						
PBIDT / SALES & OTHER INCOME	0.07	0.14	0.18	0.16	0.15	0.13
CURRENT RATIO	3.19	3.89	5.25	6.86	14.04	14.65
DEBT / EQUITY RATIO	0.92	0.90	0.56	0.61	0.28	0.32
BOOK VALUE PER SHARE	52.98	44.96	45.34	45.78	21.52	21.62



EXCEL GLASSES LIMITED

## NOTICE

Notice is hereby given that the Thirty-First Annual General Meeting of the Members of the Excel Glasses Limited will be held at the Registered Office of the Company at Allapuzha (Kerala) at 11.00 a.m on **Monday, the 30<sup>th</sup> September, 2002** at the Registered Office of the Company at Allapuzha (Kerala) to transact the following business :

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit and Loss Account for the Year ended 31st March, 2002 and the Balance Sheet as at that date and the reports of the Directors and Auditors thereon.
2. To elect Directors in place of those retiring by rotation.
3. To appoint Auditors and to fix their remuneration. In this connection, to consider and, if thought fit, to pass the following resolution which will be proposed as a Special Resolution:

**"RESOLVED** that Messrs. Joseph & Nampiathiri, Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting, on a Remuneration of sum as may be fixed by the Audit Committee of the Directors of the Company".

### SPECIAL BUSINESS :

4. To consider and, if thought fit, to pass, with or without modification, the following resolution which will be proposed as an ordinary Resolution :

**"RESOLVED** that Shri H.P.Vyas be and is hereby appointed a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."

5. To consider and, if thought fit, to pass, with or without modification, the following resolution which will be proposed as an ordinary Resolution :

**"RESOLVED** that Shri R.D.Prabhu be and is hereby appointed a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."

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

**"RESOLVED** that the Equity Shares of the Company be delisted from the Madras Stock Exchange, Chennai in accordance with the relevant Laws, Rules, Regulation(s) and Guidelines (including any Statutory modification(s) or enactments thereof for the time being in force and as may be enacted hereafter) and subject to such approvals, permissions and sanctions as may be necessary and in compliance with such conditions and modifications as may be necessary for this purpose."

**RESOLVED** further that the Board of Directors of the Company (hereinafter referred to as "the Board") which term shall be deemed to include any committee thereof for the time being exercising the powers conferred by the Board, be and is hereby authorized to seek voluntary delisting at such time, to take all necessary steps in this regard and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubts that may arise in regard to delisting of the Equity Shares and to execute all such deeds, documents, writings as may be necessary, desirable or expedient as may be deemed fit and for this purpose to delegate the Authority and the duty vested in it by virtue thereof to any other person whom the Board may consider suitable, to do the various acts, deeds and things required to be done in this behalf."

### NOTES :

1. A Member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a member of the Company. The proxies to be effective, should be deposited at the registered office of the Company not later than 48 hours before the commencement of the meeting.
2. In accordance with the provisions of Article 99 of the Articles of Association of the Company, Shri Susheel G.Somani, Shri Revi Karuna Karan and Shri Ravindra Somani will retire by rotation at the Annual General Meeting and, being eligible, offer themselves for re-election.
3. The Register of Members and Share Transfer Register will remain closed from 26<sup>th</sup> September, 2002 to 29<sup>th</sup> September, 2002 (both days inclusive).
4. Members seeking any further information about the Accounts and operations of the Company are requested to send their queries to the Company at the Registered Office, at least 10 days before the date of the Meeting.
5. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under section 109A of the Companies Act, 1956, are requested to submit to the Share Transfer Registrar of the Company the prescribed form 2B, which is attached for this purpose.

By Order of the Board

**S. J PAREKH**  
CHAIRMAN

Mumbai : 30<sup>th</sup> July, 2002



EXCEL GLASSES LIMITED

## EXPLANATORY STATEMENT

Pursuant to Section 173(2) of the Companies Act, 1956

### Item no. 4 & 5:

Shri H.P.Vyas and Shri R.D.Prabhu were appointed on 31<sup>st</sup> October, 2001, as Additional Non-Executive Directors of the Company in terms of Section 260 of the Companies Act, 1956.

Shri H.P.Vyas and Shri R.D.Prabhu vacate their office at this Annual General Meeting pursuant to the provisions of section 260 of the Act. The Board of Directors of your Company ('the Board') at its meeting held on 31<sup>st</sup> July, 2002, recommended for the approval of the Members, the appointment of Shri H.P.Vyas and Shri R.D.Prabhu whose period of office shall be liable to determination by retirement of Directors by rotation.

Due Notice under section 257 of the Companies Act have been received from Members proposing the appointments of Shri H.P.Vyas and Shri R.D.Prabhu as Directors of the Company. Requisite consents have been filed by Shri H.P.Vyas and Shri R.D.Prabhu, pursuant to the provisions of section 264(1) of the Companies Act, to act as such Director, if appointed.

Shri H.P.Vyas is a B.Com., L.L.B., F.C.S. and member of the Arbitration Panel of the Indian Council of Arbitration. He has a wide experience and expertise in area of Finance, Accounts, Legal and Administrative matters.

Shri R.D.Prabhu is a chartered Accountant and has a wide experience in Finance and Administrative matters.

Shri H.P.Vyas and Shri R.D.Prabhu are interested in the Resolutions relating to their respective appointment. None of the other Directors of your Company is interested in the said Resolution.

The Board of Directors recommends these Resolutions for your approval.

### Item no.6 :

Presently the Equity Shares of the Company are listed on the Stock Exchanges at Mumbai, Cochin and at Chennai. Consequent to rapid changes in the capital market in relation to the manner of dealing in Shares and Securities, most of the trading takes place at the only two Stock Exchanges of the Country namely at the Stock Exchange, Mumbai and at the National Stock Exchange. The Madras Stock Exchange, Chennai where the Company is seeking delisting, have not either traded since the time of listing on the stock Exchange or negligible transactions have taken place. Also as per the records of the Company Andhrapradesh, Tamilnadu and Karnataka the region which comes under the jurisdiction of the Madras Stock Exchange, Chennai, a few shareholders are only residing, which do not justify payment of listing fees and other expenses incurred on compliances of the agreement with the stock exchange. Therefore, the Resolution is seeking your consent for voluntary delisting of Equity Shares of the Company on the aforesaid Stock Exchange which is required as per guidelines of Securities & Exchange Board of India for voluntary delisting of Securities from the Stock Exchange.

After the proposed delisting, the Equity Shares of the Company will remain listed on the Stock Exchange at Mumbai and on the Stock Exchange, Cochin. Therefore, the directors of the Company feels that there will not be any problems in dealing in the Equity shares of the Company.

The Directors recommend the Resolution for your approval.

None of the Directors of the Company is concerned or interested in this resolution.

By Order of the Board

**S. J PAREKH**  
CHAIRMAN

Mumbai : 30<sup>th</sup> July, 2002



## DIRECTORS' REPORT TO THE MEMBERS

Your Directors submit their Report for the financial year ended 31<sup>st</sup> March, 2002.

### FINANCIAL HIGHLIGHTS

Gross turnover grew to Rs. 5078.77 Lacs as against the previous year's gross turnover of Rs. 4821.00 Lacs registering a growth rate of 5.34%. Net Profit after taxation is Rs. 9.71 Lacs as against Rs.9.46 Lacs for the previous year.

### DIVIDEND

In view of the inadequate profit, your Directors regret their inability to recommend any dividend.

### FIXED DEPOSITS

Your Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as of the balance sheet date.

### DEPOSITORY SYSTEM

As the members are aware, your Company's Equity shares are tradable compulsorily in electronic form and your Company has established through share transfer registrar connectivity with both the depositories, i.e. National Securities Depository Limited and Central Depository Services (India) Limited. In view of the numerous advantages offered by the Depository system, members are requested to avail of the facility of dematerialisation of the Company's Equity shares.

### PERSONNEL

Cordial and harmonious Industrial Relations prevailed during the year 2001-02. The Company is negotiating with the employees representatives for signing a long term settlement with the workers of the Company based on the bi-lateral negotiations and mutual gains.

### POWER TARIFF CONCESSION :

The power consumption by new glass plant of the Company installed in October,1995 is eligible for concessional tariff under the Industrial Promotion Incentive Scheme declared by the Government of Kerala (Notification dated 6<sup>th</sup> February,1992 and subsequent amendment thereof). The Director of Industries and Commerce certified our eligibility on 9<sup>th</sup> April,1997 for a period of 5 years but the Kerala State Electricity Board granted exemption only on partial consumption of power. We, therefore, filed original petition before the Hon. High Court of Kerala in 1999 and who granted interim stay which is still pending for disposal.

Meanwhile, Kerala State Electricity Board extended the concessional power period by another 214 days (i.e. upto 3<sup>rd</sup>

May,2001) due to power cut in excess of 50% or more during the concessional period of 5 years. Your Company has been advised that for period of power cut less than 50 % during the concessional period of 5 years, also, it should be eligible for extension in concessional period. Accordingly, provision for power charges in the accounts has been made on the basis of concessional power tariff (Refer note no. 10 to schedule 16 of significant accounting policies and Notes on accounts)

### DIRECTORS

Mr. H.P.Vyas and Mr. R.D.Prabhu were appointed as non executive Directors during the year to hold office till the conclusion of the ensuing Annual General Meeting (AGM).

Notice together with money deposits have been received from members pursuant to section 257 of the Companies Act, 1956 proposing Mr. H.P.Vyas and Mr. R.D.Prabhu for appointment as Directors of the Company at the ensuing AGM.

In accordance with the Articles of Association of your Company, Shri Revi Karunakaran, Shri Susheel G.Somani and Shri Ravindra Somani, Directors of your Company will retire at the ensuing Annual General Meeting and, being eligible, offer themselves for re-election.

### AUDITORS

M/s. Joseph and Nampiathiri, Chartered Accountants, retire and offer themselves for re-appointment.

### CORPORATE GOVERNANCE :

Corporate Governance and Management Discussion and Analysis Reports as well as Corporate Governance Compliance Certificate are set out in separate Annexure to this report.

### DIRECTOR'S RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA) OF THE COMPANIES ACT,1956

The Directors hereby confirm :

- that in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanations relating to material departures;
- that they 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;
- that they had taken proper and sufficient care for 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 frauds and other irregularities;


**EXCEL GLASSES LIMITED**

- d) that they had prepared the annual accounts on a going concern basis.

#### **APPRECIATION**

Your Directors take this opportunity to thank all the Financial Institutions, Bankers, Central and State Government Departments and Local Authorities for the co-operation and assistance provided to the Company.

Your Directors also wish to place on record their appreciation of the dedicated services of the employees in helping the Company realizing its objectives in the financial year under review.

On behalf of the Board

**S. J PAREKH**  
CHAIRMAN

Mumbai : 30<sup>th</sup> July, 2002

#### **ANNEXURE-I TO THE DIRECTORS' REPORT**

##### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

##### **INDUSTRY STRUCTURE AND DEVELOPMENT**

The year under review was an extremely difficult period for Indian glass industry with the increase in competition and mounting raw material cost. The take over of all three plants of Owens Bilt Limited situated at Hrishikesh, Pondichery and Pune by Hindustan National Glass and their associates consolidated the glass container manufacturing capacities. However, due to lower return and increasing competition in the Glass industry, no new capacities were added during the year under review.

##### **OPPORTUNITY AND THREATS**

The dramatic shift in economic power from the retailer to the customer is evident in all areas of the market. Businesses in almost every industry, from traditional, manufacturing and packaged goods to dotcoms are battling to keep their market share. Most likely corporates will have to accept declining

customer loyalty, increasing price pressure and reliance on price promotion. The Glass Industry is also facing the challenge from the second hand bottle market, which is liable for increasing competition between organized and unorganized sector.

Having the advantage of the longest relationship with the customers in south India, the Company will not be immune to the new threats posed by the declining in the customer loyalty.

The Company is also pursuing the objective of innovation. New range of bottles are developed which will result into widening the horizon for the customers.

##### **OUTLOOK**

The domestic outlook for the glass industry is positive. The packaged food and breweries industry, one of the key consumer of us, showing sign of recovery. The improved availability of cheaper finance and better purchasing power will also act as boosters for liquor industry. Collectively these should raise demand for glass industry.







## ANNEXURE-II TO THE DIRECTORS' REPORT

INFORMATION AS PER SECTION 217(1)(E) READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTOR'S REPORT FOR THE YEAR ENDED MARCH 31,2002.

### A. CONSERVATION OF ENERGY

- (a) Energy conservation measures taken:
- (1) V belt drives of compressors and blowers changed to flat belt drive.
  - (2) Two of the old compressors scrapped and one new compressor installed.
  - (3) Motor Capacities in some continuous running areas optimised.
- (b) Proposals under implementation :
- (1) Fuel additives being tried to reduce fuel oil consumption in melting furnace
  - (2) Proposal for changing impellers of cooling blowers under scrutiny.
- (c) Impact of energy conservation measures (a) and (b)
- (1) Energy consumption has come down.
- (d) Total energy consumption and consumption per unit:  
Refer Form A

### B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

#### RESEARCH & DEVELOPMENT (R & D)

- a) Specific area of R & D: Work on optimising metallurgy of mould castings and neck ring completed.
- b) Benefits derived as a result of the above: Mould equipment life has increased reducing cost of production.
- c) Future Action Planned: To develop and adopt appropriate technology to improve quality and reduce cost of production.

#### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1. Efforts made:
  - a) Cullet waste recovery system being implemented.
  - b) Continuous efforts being made with additives from different sources to reduce fuel oil consumption in furnace.

### 2. Benefits derived:

Improvement in quality and reduction in cost of production.

### 3. Details of Technology imported during the last five years.

No technology was imported in the last five years.

### C. FOREIGN EXCHANGE EARNINGS & OUTGO:

Activities relating to Exports: Exports of Glass Bottles

Total Foreign Exchange used and earned:

**Used:** Rs. 371.65 lacs (Pr. year. Rs. 242.28 lacs)

**Earned:** Rs. 183.46 lacs (Pr. Year. Rs.16.61 lacs)

INFORMATION AS PER SECTION 217(2A) READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AS AMENDED AND FORMING PART OF THE DIRECTOR'S REPORT FOR THE YEAR ENDED MARCH 31,2002.

The Company did not employ during the year under review any employee whose particulars are required to furnish u/s 217(2A).

#### FORM A

2001-2002    2001-2002

### A. POWER & FUEL CONSUMPTION:

#### 1. ELECTRICITY:

##### (a) Purchased

(a) Units ('000 KWH)	17741	18504
(b) Amount (Rs. lacs)	517.34	460.51
(c) Avg. Rate/Rs./KWH	2.92	2.49

##### (b) Own Generation (through Diesel Generator)

(i) Units ('000 KWH)	467	488
(ii) Units/ltr .of diesel	3.63	3.26
(iii) Avg. Rate (Rs.)/KWH	4.75	4.91





## EXCEL GLASSES LIMITED

### 2. FUEL:

#### i. LPG

(i) Quantity (MT)	738	694
(ii) Amount (Rs. lacs)	126.71	148.48
(iii) Avg. rate/(Rs./MT)	17170	21388

#### ii. HSD

(i) Quantity (KL)	120	162
(ii) Amount (Rs. lacs)	22.50	27.63
(iii) Avg. rate/(Rs./KL)	18748	16962

#### iii. FURNACE OIL

(i) Quantity (KL)	7609	7087
(ii) Amount (Rs. lacs)	775.76	781.90
(iii) Avg. rate/(Rs./KL)	10196	11033

#### iv. LDO

(i) Quantity (KL)	529	429
(ii) Amount (Rs. lacs)	72.44	57.34
(iii) Avg. rate/(Rs./KL)	13686	13365

#### v. HCR

(i) Quantity (KL)	43.78	-
(ii) Amount (Rs. lacs)	5.75	-
(iii) Avg. rate/(Rs./KL)	13134	-

Power Consumption: KWH      401      398

Fuel Consumption:

LPG - Kgs.	16	15
LDO - Litres	12	8
Furnace Oil - Litres	168	148

## REPORT ON CORPORATE GOVERNANCE

### Corporate Governance

Corporate Governance is concerned with creation of long-term values for shareholders while also serving the interests of the other stake holders, viz. Employees, Creditors, Customers, Governments and the Lenders.

#### 1. Company's Philosophy

The Company firmly believes in and has consistently endeavoured to practice good Corporate Governance.

The Company also, firmly believes in the values of transparency, professionalism and accountability in its dealing with its customers, dealers, employees, shareholders and with every individual who comes in contact with the Company.

### 2. Board of Directors

The Board consists of Managing Director and Executive Director who are executive directors and eight non-executive directors including nominee directors.

There have been no materially significant related party transactions, pecuniary transaction or relationships between the Company and its Directors that may have potential conflict with the interest of the Company at large.

The remuneration of non-executive directors is decided by the Board of Directors.

A management Discussion and Analysis Report which forms a part of this Annual Report is given by means of a separate annexure and is attached to the Directors' Report.

During the year, five Board Meetings were held on 16 April, 2001, 30<sup>th</sup> April, 2001, 31 July, 2001, 31 October, 2001 and 31 January, 2002. The Maximum interval between two meetings was 91 days.

The Composition of Directors and the attendance at the Board Meetings during the year and number of other directorship in public limited companies and Committee memberships are given below.

Name of Director	Position	Board Meetings held during the Directorship during the year	Board Meeting attended	Whether attended AGM	Directorship held in other Companies
S.J.Parekh	Chairman & Non-Executive Director	5	4	No	26
Prashant Somani	Managing Director	5	5	No	14
Ravindra Somani	Executive Director	5	5	No	3
Dr. V.P.Shah	Nominee Director	5	5	No	-
B.Chandra Shekharan Nair	Nominee Director	5	2	No	7
Revi Karunakaran	Non-Executive Director	5	Nil	No	4
Susheel Somani	Non-Executive Director	5	5	No	14
Surendra Somani	Non-Executive Director	5	5	No	20
H.P.Vyas **	Non-Executive Director	2	2	No	4
R.D.Prabhu **	Non-Executive Director	2	1	No	6

\*\* Appointed on 31.10.2001



### 3. Audit Committee

The Audit Committee of the Company meets thrice a year in the following pattern. One meeting is held before finalisation of accounts and one in every six months. During the financial year ended 31<sup>st</sup> march ,2002 , the Audit Committee met on January 31,2002.

The Audit Committee has been vested with the following powers:

- to investigate any activity within its terms of reference
- to seek information from any employee of the Company
- to obtain outside legal or other professional advice
- to secure attendance of outsiders with relevant expertise, if it considers necessary

#### Term of reference

The Audit Committee reviews the reports of internal auditor and the statutory auditors and periodically discusses their findings. The major role of audit committee are as under:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for other services
- Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:-
  - Any Changes in accounting policies and practices
  - Major accounting entries based on exercise of judgement by management
  - Qualifications in draft audit report
  - Significant adjustments arising out of audit
  - The going concern assumption
  - Compliance with accounting standards
  - Compliance with stock exchange and legal requirements concerning financial statements
  - Any relating party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of Company at large
  - Reviewing with the management, external and internal auditors, the adequacy of internal control systems
  - Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority official heading the department, reporting structure coverage and frequency of internal audit
  - Discussion with internal auditors any significant findings and flow up thereon
  - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a

failure of internal control systems of a material nature and reporting matter to the Board

- Pre and post audit discussion with the external auditors
- Reviewing the Company's financial and risk management policies

#### Composition

The Audit Committee of the Board comprises of three non-executive independent Directors namely Shri H.P.Vyas, Shri V.P.Shah and Shri R.D.Prabhu.

### 4. Remuneration paid or payable to Directors during the financial year 2001-02

Name of Director	Relationship with other Directors	Sitting Fees (Amt. in Rupees)	Salary/ Commission on Profits/ Contribution to Provident Fund (Amt. in Rupees)	Perquisites (Amt. in Rupees)	Total (Amt. in Rupees)
S.J.Parekh	None	4000	N.A.	N.A.	4000
Prashant Somani	None	N.A.	NIL	77513	77513
Ravindra Somani	None	N.A.	NIL	45487	45487
Dr. V.P.Shah	None	5000	N.A.	N.A.	5000
B.Chandra Shekharan Nair	None	2000	N.A.	N.A.	2000
Revi Karunakaran	None	Nil	N.A.	N.A.	Nil
Susheel Somani	None	5000	N.A.	N.A.	5000
Surendra Somani	None	5000	N.A.	N.A.	5000
H.P.Vyas	None	2000	N.A.	N.A.	2000
R.D.Prabhu	None	1000	N.A.	N.A.	1000

At the request of the Board of Directors, the managing Director and Executive Director of the Company have accepted to forgo their salary and arrears thereof till the financial situation of the Company improves to a reasonable extent.

The above excludes provisions for contribution to employee retirement / post retirement and other employee benefits which are based on actuarial valuation done on an overall Company basis.

### 5. Shareholder Grievance Committee

The Board has formed a shareholder Grievance Committee consisting of the following independent Directors  
Shri H.P.Vyas  
Shri R.D.Prabhu  
Shri V.P.Shah

All investor complaints which can not be settled at the level of Mr.B.G.Agarwal, Compliance Officer and Mr. KC.Ajith Kumar, the registrar is forwarded to the shareholders committee for final settlement. A share holder committee meeting was held on January 31,2002 which was attended by Shri H.P.Vyas , Shri R.D.Prabhu and Shri V.P.Shah.