



# **FILATEX INDIA LIMITED**

**(AN ISO 9002 COMPANY)**

## **13th ANNUAL REPORT 2002-2003**

## BOARD OF DIRECTORS

Mr. Ram Avtar Bhageria  
Chairman

Mr. MadhuSudhan Bhageria  
Vice Chairman & Managing Director

Mr. Purushotam Bhageria  
Joint Managing Director

Mr. Madhav Bhageria  
Joint Managing Director

Mr. B.K. Batra  
IDBI Nominee

Mr. S.C. Parija

Mr. S.P. Setia

## COMPANY SECRETARY

Mr. Sanjeev Gupta

## BANKERS

Oriental Bank of Commerce

Punjab National Bank

Union Bank of India

## AUDITORS

Amod Agrawal & Associates,  
D-58, East of Kailash,  
New Delhi - 110 065.

## REGISTERED OFFICE

S.No. 274, Demni Road,  
Dadra - 396 191  
(U.T. of Dadra & Nagar Haveli)

## CORPORATE OFFICE

42, Community Centre,  
New Friends Colony,  
New Delhi - 110 065

## WORKS

1. A-2, Extension,  
Phase - II (Noida)  
Distt. Gautam Budh  
Nagar-201 304 (U.P.)
2. S.No.274, Demni Road,  
Dadra - 396 191  
(U.T. of Dadra & Nagar Haveli)
3. Pazhavor Village, Tirunelveli,  
Kathabomman District, Tamil Nadu

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## NOTICE

NOTICE is hereby given that the Thirteenth Annual General Meeting of the members of FILATEX INDIA LIMITED will be held as scheduled below :

**DAY : SATURDAY**  
**DATE : 27TH SEPTEMBER, 2003**  
**TIME : 9.30 A.M.**  
**PLACE : SURVEY NO.274, DEMNI ROAD, DADRA**  
**(U.T. OF DADRA & NAGAR HAVELI) 396 191.**

to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as on March 31, 2003 and the Profit & Loss Account of the Company for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and authorise the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS

3. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION: -  
RESOLVED THAT Shri Ram Avtar Bhageria who was appointed as an Additional Director of the Company and who holds such office upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing pursuant to Section 257 of the Companies Act, 1956 proposing his candidature to the office of Director be and is hereby appointed as Director of the Company.
4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION: -  
RESOLVED THAT Shri Madhu Sudhan Bhageria who was appointed as an Additional Director of the Company and who holds such office upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing pursuant to Section 257 of the Companies Act, 1956 proposing his candidature to the office of Director be and is hereby appointed as Director of the Company.
5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION: -  
RESOLVED THAT Shri Purushotam Bhageria who was appointed as an Additional Director of the Company and who holds such office upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing pursuant to Section 257 of the Companies Act, 1956 proposing his candidature to the office of Director be and is hereby appointed as Director of the Company.
6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION: -  
RESOLVED THAT Shri Madhav Bhageria who was appointed as an Additional Director of the Company and who holds such office upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing pursuant to Section 257 of the Companies Act, 1956 proposing his candidature to the office of Director be and is hereby appointed as Director of the Company.
7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION: -  
RESOLVED THAT Shri S.P. Setia who was appointed as an Additional Director of the Company and who holds such office upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing pursuant to Section 257 of the Companies Act, 1956 proposing his candidature to the office of Director be and is hereby appointed as Director of the Company.
8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a ORDINARY RESOLUTION: -  
RESOLVED THAT Shri S.C. Parja who was appointed as an Additional Director of the Company and who holds such office upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing pursuant to Section 257 of the Companies Act, 1956 proposing his candidature to the office of Director be and is hereby appointed as Director of the Company.
9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an SPECIAL RESOLUTION: -  
RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government and such other approvals as may be necessary in this regard, Shri R.P. Gupta be and is hereby appointed as Wholetime Director of the Company designated as Executive Director for a period of 5 years effective from 27.02.2003 on the following terms, conditions and remuneration:
  1. Basic Salary : Rs.22,215 p.m. in the scale of Rs.20,000-2,215-33,290.
  2. House Rent Allowance : 50% of the Salary.
  3. Leave Travel Concession : As per the rules of the company - for self and family upto one month salary in a period of 2 years.
  4. Medical Reimbursement : As per the rules of the Company- for self and family upto one month salary in a year.
  5. Encashment of Leave : As per the rules of the Company.

**FILATEX INDIA LIMITED**

6. Car : Provision of car maintained by the Company for use on the Company's business.
7. Provident Fund : As per the rules of the Company.
8. Superannuation : As per the rules of the Company.
9. Gratuity : As per the rules of the Company.
10. Such other benefits in accordance with the schemes and rules of the Company framed from time to time.
11. Reimbursement of expenses incurred in connection with the business of the Company.
12. Minimum Salary : In the event of inadequacy or absence of profits, Shri R.P. Gupta would be entitled to the salary and perquisites as stated herein.

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

RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310 read with Schedule XIII of the Companies Act, 1956, and all other applicable provisions, if any, of the said Act including any statutory modification(s) or re-enactment thereof for the time being in force and subject to the approval of Central Government and such other approvals as may be necessary in this regard, Shri Madhu Sudhan Bhageria be and is hereby appointed as Managing Director of the Company for a period of 5 years w.e.f. 30.07.2003 on the following terms and conditions:-

Consolidated Salary per month : Rs. 60,000 - 9,000 - 96,000

Commission : One per cent of the net profits of the Company.

Perquisites and Allowances : In addition to the aforesaid consolidated salary and commission, Shri MadhuSudhan Bhageria shall also be entitled to perquisites like furnished accommodation or housing allowance in lieu thereof, gas, electricity, water and furnishings, medical reimbursement and leave travel concession for self and family, club fees, personal accident insurance and any other perquisites in accordance with the Rules of the Company, the monetary value of such perquisites being limited to 150% of consolidated salary for the purposes of which limit:-

- (a) perquisites shall be evaluated as per Income Tax Rules, wherever applicable, and in the absence of any such Rules, perquisites shall be evaluated at actual cost;
- (b) use of Company car for official purposes and telephone at residence (including payment for local calls and long distance official calls) shall not be included;
- (c) Company's contribution of Provident Fund and Superannuation Funds not exceeding 10% of the consolidated salary shall not be included;
- (d) Gratuity payable not exceeding half months salary for each completed year of service shall not be included; and
- (e) Encashment of unavailed Earned Leaves at the end of his tenure shall not be included.

RESOLVED FURTHER THAT the above remuneration and perquisites shall also be payable to Shri Madhu Sudhan Bhageria in the event of loss or inadequacy of profits.

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

RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310 read with Schedule XIII of the Companies Act, 1956, and all other applicable provisions, if any, of the said Act including any statutory modification(s) or re-enactment thereof for the time being in force and subject to the approval of Central Government and such other approvals as may be necessary in this regard, Shri Purushotam Bhageria be and is hereby appointed as Wholetime Director of the Company designated as Joint Managing Director for a period of 5 years w.e.f. 30.07.2003 on the following terms and conditions:-

Consolidated Salary per month : Rs. 50,000 - 7,500 - 80,000

Commission : One per cent of the net profits of the Company.

Perquisites and Allowances: In addition to the aforesaid consolidated salary and commission, Shri Purushotam Bhageria shall also be entitled to perquisites like furnished accommodation or housing allowance in lieu thereof, gas, electricity, water and furnishings, medical reimbursement and leave travel concession for self and family, club fees, personal accident insurance and any other perquisites in accordance with the Rules of the Company, the monetary value of such perquisites being limited to 150% of consolidated salary for the purposes of which limit :-

- (a) perquisites shall be evaluated as per Income Tax Rules, wherever applicable, and in the absence of any such Rules, perquisites shall be evaluated at actual cost;
- (b) use of Company car for official purposes and telephone at residence (including payment for local calls and long distance official calls) shall not be included;
- (c) Company's contribution of Provident Fund and Superannuation Funds not exceeding 10% of the consolidated salary shall not be included;
- (d) Gratuity payable not exceeding half months salary for each completed year of service shall not be included; and
- (e) Encashment of unavailed Earned Leaves at the end of his tenure shall not be included.

RESOLVED FURTHER THAT the above remuneration and perquisites shall also be payable to Shri Purushotam Bhageria in the event of loss or inadequacy of profits.

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



RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310 read with Schedule XIII of the Companies Act, 1956, and all other applicable provisions, if any, of the said Act including any statutory modification(s) or re-enactment thereof for the time being in force and subject to the approval of Central Government and such other approvals as may be necessary in this regard, Shri Madhav Bhageria be and is hereby appointed as Wholetime Director of the Company designated as Joint Managing Director for a period of 5 years w.e.f. 30.07.2003 on the following terms and conditions:-

Consolidated Salary per month : Rs. 50,000 - 7,500 - 80,000

Commission : One per cent of the net profits of the Company.

Perquisites and Allowances: In addition to the aforesaid consolidated salary and commission, Shri Madhav Bhageria shall also be entitled to perquisites like furnished accommodation or housing allowance in lieu thereof, gas, electricity, water and furnishings, medical reimbursement and leave travel concession for self and family, club fees, personal accident insurance and any other perquisites in accordance with the Rules of the Company, the monetary value of such perquisites being limited to 150% of consolidated salary for the purposes of which limit:-

- perquisites shall be evaluated as per Income Tax Rules, wherever applicable, and in the absence of any such Rules, perquisites shall be evaluated at actual cost;
- use of Company car for official purposes and telephone at residence (including payment for local calls and long distance official calls) shall not be included;
- Company's contribution of Provident Fund and Superannuation Funds not exceeding 10% of the consolidated salary shall not be included;
- Gratuity payable not exceeding half months salary for each completed year of service shall not be included; and
- Encashment of unavailed Earned Leaves at the end of his tenure shall not be included.

RESOLVED FURTHER THAT the above remuneration and perquisites shall also be payable to Shri Madhav Bhageria in the event of loss or inadequacy of profits.

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

RESOLVED THAT pursuant to Regulation 5 of Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and all other applicable laws, rules, regulations, guidelines etc. and subject to approvals/permissions, if any, from the regulatory authorities and / or government departments, as may be required for this purpose, approval be and is hereby given for delisting of equity shares (including equity shares that may be listed in future) of the Company from the following stock exchanges:

- The Delhi Stock Exchange Association Ltd.
- The Stock Exchange, Ahmedabad

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to give necessary approvals, take appropriate steps, give necessary authority to any Director / Officer of the Company for the purpose of delisting of equity shares as mentioned herein above and also to delegate such powers to the Committee of Directors.

By Order of the Board of Directors  
For Filatex India Limited

Place : New Delhi  
Date : 30.07.2003

Sanjeev Gupta  
Company Secretary

REGISTERED OFFICE:  
Survey No.274, Demni Road, Dadra  
(U.T. of Dadra & Nagar Haveli) 396 191

#### NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD REACH AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED.
- The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting is annexed to this Notice.
- The Register of Members and Share Transfer Books of the Company shall remain closed from 16th September, 2003 to 27th September, 2003 (both days inclusive).
- Documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on any working day during office hours from 9.30 A.M. to 5.30 P.M. upto the date of this Meeting.
- Members/Proxy holders are requested to produce at the entrance the enclosed Admission Slip duly completed and signed for admission to the meeting hall.
- Shareholders seeking any information with regard to Accounts are requested to write to the Company atleast ten days in advance so as to enable the Company to keep the information ready.

**FILATEX INDIA LIMITED****EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****Item No(s). 3 to 8**

Shri Ram Avtar Bhageria was co-opted as Additional Director of the Company on 27.02.2003 and Shri Madhu Sudhan Bhageria, Shri Purushotam Bhageria, Shri Madhav Bhageria, Shri S.P. Setia and Shri S.C. Parija were co-opted as Additional Directors of the Company on 30.07.2003. These Directors hold office upto the date of this Annual General Meeting. Notices under Section 257 of the Companies Act, 1956 have been received from members of the Company signifying their intention to propose the candidature of abovesaid Directors to the office of Directors of the Company.

The Board of Directors consider that the continuance of Shri Ram Avtar Bhageria, Shri Madhu Sudhan Bhageria, Shri Purushotam Bhageria, Shri Madhav Bhageria, Shri S.P. Setia and Shri S.C. Parija on the Board will be beneficial to the Company and recommend the resolutions of their appointments for your approval.

Shri Ram Avtar Bhageria, Shri Madhu Sudhan Bhageria, Shri Purushotam Bhageria and Shri Madhav Bhageria, may be deemed to be concerned or interested in Resolution No.(s) 3 to 6. Shri S.P. Setia and Shri S.C. Parija may be deemed to be concerned or interested in Resolution No.(s) 7 and 8 respectively.

**Item No. 9**

Shri R.P. Gupta is a graduate in Commerce and fellow member of The Institute of Chartered Accountants of India. He has vast experience in heading the Accounts, Finance and Taxation functions in number of Companies belonging to reputed industrial houses like Surya Roshini Ltd., Ester Industries Ltd. Shri R.P. Gupta has been working with the Company since 1995 as Sr. Vice President (Finance & Corporate Affairs) and was over all incharge of the Accounts, Finance and Taxation functions of the Company.

Shri R.P. Gupta was appointed as Wholetime Director designated as Executive Director by the Board of Directors in their meeting held on 27.02.2003. Shri R.P. Gupta has resigned from the Board of Directors of the Company w.e.f. 30.07.2003.

Your Directors recommend passing of this resolution as a Special Resolution.

None of the Directors of the Company except Shri R.P. Gupta is concerned or interested in this resolution.

**Item No. 10 to 12**

The Board of Directors of the Company in their meeting held on 30.07.2003 appointed Shri Madhu Sudhan Bhageria as Managing Director, Shri Purushotam Bhageria and Shri Madhav Bhageria as Wholetime Directors designated as Joint Managing Directors on the terms and conditions and remuneration as stated in the resolution. The remuneration payable to Shri Madhu Sudhan Bhageria, Shri Purushotam Bhageria and Shri Madhav Bhageria has been approved by the Remuneration Committee. An abstract and Memorandum containing the terms and conditions of the appointment under Section 302 of the Companies Act, 1956 has been circulated to the shareholders of the Company. The profile of the appointees has been annexed with the Report on Corporate Governance annexed with the Directors Report.

Your Directors recommend passing of these resolutions as Special Resolutions.

None of the Directors of the Company except Shri Madhu Sudhan Bhageria, Shri Purushotam Bhageria, Shri Madhav Bhageria and Shri Ram Avtar Bhageria, being related to the appointees, is concerned or interested in these resolutions.

**Item No. 13**

In terms of Regulation 5 of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 a Company may delist securities from Stock Exchanges where its securities are listed provided that the securities of the Company have been listed for a minimum period of 3 years on any Stock Exchange. It is also provided that if the securities of the Company continue to be listed in a Stock Exchange having nationwide trading terminals, then it need not give an exit opportunity to the investors. In terms of the explanation to Regulation 5, The Stock Exchange, Mumbai (BSE) and National Stock Exchange of India Ltd. have been specified as Stock Exchanges having nationwide trading terminals. The Equity Shares of the Company are listed on BSE and accordingly the Company is not required to give exit opportunity to the shareholders.

The Equity shares of the Company are not being traded in a material way on The Delhi Stock Exchange Association Ltd. (DSE) and The Stock Exchange, Ahmedabad (ASE). The trading volumes of the equity shares of the Company on the above mentioned Stock Exchanges is negligible and continued listing on these Stock Exchanges is not providing any advantage to the shareholders of the Company. The shareholders of the Company will not be put to any inconvenience by the proposed delisting as the Equity shares of the Company will continue to be listed on the BSE. Accordingly in terms of the aforesaid Guidelines with regard to delisting of securities and as the Equity Shares of the Company will continue to be listed on the BSE, the Board of Directors of the Company in their meeting held on 30.07.2003 considered and approved, delisting of the Equity Shares of the Company from DSE & ASE subject to the approval of the shareholders.

Your Directors recommend passing of this resolution as a Special Resolution.

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

By Order of the Board of Directors  
For.Filatex India Limited

Place : New Delhi  
Date : 30.07.2003

Sanjeev Gupta  
Company Secretary





## DIRECTORS REPORT

Your Directors have pleasure in presenting the Thirteenth Annual Report alongwith the Audited Accounts for the year ended March 31, 2003.

### FINANCIAL RESULTS

Particulars	2002-2003	(Rs. in Lacs)	2001-2002
Sales/Income from Operations	18297		15898
Gross Profit before Interest, Depreciation & Taxation	1948		970
Financial charges	961		844
Depreciation	574		544
Net Profit / (Loss)	413		(418)

In order to conserve the resources of the Company, your Directors regret their inability to recommend dividend for the year under review.

Your Directors wish to state that there has been a significant change in the composition of the Board of Directors of the Company during the year under review in view of applicability of provisions of Section 274 (1) (g) of the Companies Act, 1956 on account of default in timely repayment of Debentures. The apparent default occurred due to UTI not agreeing to the restructuring of financial assistance as approved by the Corporate Debt Restructuring Cell. To ensure continuity in the management of the Company, Shri Madhu Sudhan Bhageria, Shri Purushotam Bhageria and Shri Madhav Bhageria were retained as President & Chief Executive Officer, Chief Financial Officer and Chief Operating Officer respectively on the same terms and conditions as were applicable to them prior to their resignations as Directors of the Company. Your Directors wish to inform you that due to the change in the composition of the Board of Directors, the Company could not fully comply with the Listing Agreement Guidelines relating to Corporate Governance since 27.02.2003.

However, during the current year the matter has been resolved and the Company and UTI have entered into a One Time Settlement and the Company has repaid the financial assistance given by UTI and fulfilled its financial obligations in terms of the One Time Settlement. As on the date of this Report, your Company fully complies with the Listing Agreement guidelines relating to Corporate Governance.

### OPERATIONS & OUTLOOK

Your Directors are pleased to inform you that in view of the growth in turnover and better product mix, the Company has turned around during the year under review. During the year under review, the Company achieved a gross sales of Rs. 18297 lacs against Rs. 15898 lacs in the previous year and net profit amounted to Rs. 413 Lacs against the net loss of Rs. 418 Lacs in the previous year.

During the year under review, the Company successfully implemented the expansion/modernisation of its works at Dadra which would result in increased production and improved labour efficiency. The Company is also pursuing various other debottlenecking and stringent cost control schemes for improved performance.

During the year under review, your Company allotted 15,00,000 Equity Shares of Rs.10/- each for cash at par by way of Preferential Issue to the Promoters in terms of the restructuring of financial assistance approved by the Corporate Debt Restructuring Cell. Applications have since been made to the Stock Exchanges where the shares of the Company are listed for listing of the aforesaid shares.

### FIXED DEPOSITS

During the year under review, the Company has not accepted any deposits.

### DIRECTORS

Shri Madhu Sudhan Bhageria, Shri Purushotam Bhageria, Shri Madhav Bhageria, Shri S.P. Setia and Shri Yogesh Jain resigned from the Board of Directors of the Company since the last Annual General Meeting. The Board of Directors place on record their appreciation for the valuable guidance and support given by them during their tenure as Directors of the Company.

Shri Ram Avtar Bhageria and Shri R.P. Gupta were co-opted as Additional Directors on 27.02.2003. Shri R.P. Gupta was appointed as Wholtime Director designated as Executive Director for a period of 5 years w.e.f. 27.02.2003. Shri R.P. Gupta has resigned from the Board of Directors of the Company w.e.f. 30.07.2003. The Board of Directors place on record their appreciation for the valuable guidance and support given by Shri R.P. Gupta during his tenure as Director of the Company.

Shri Madhu Sudhan Bhageria, Shri Purushotam Bhageria, Shri Madhav Bhageria, Shri S.P. Setia and Shri S.C. Parija were co-opted as Additional Directors on 30.07.2003 and hold office upto the date of the forthcoming Annual General Meeting. Requisite notices have been received under Section 257 of the Companies Act, 1956 from members of the Company signifying their intention to propose them and Shri Ram Avtar Bhageria for the office of Directors. Shri Madhu Sudhan Bhageria has been appointed as Managing Director and Shri Purushotam Bhageria and Shri Madhav Bhageria have been appointed as Wholtime Directors designated as Joint Managing Directors.

### DIRECTORS RESPONSIBILITY STATEMENT

In terms of Section 217 (2AA) of the Companies Act, 1956, the Directors would like to state that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were

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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 of the Company for the year under review;

- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the annual accounts on a going concern basis.

**CORPORATE GOVERNANCE**

A separate Report on Corporate Governance is annexed hereto as Annexure 'A' alongwith the Auditors Certificate on its compliance and Management Discussion & Analysis is annexed hereto as Annexure 'B' as part of Annual Report.

**AUDITORS**

M/s Amod Agrawal & Associates, Chartered Accountants, Auditors of the Company hold office upto the conclusion of the forthcoming Annual General Meeting and are recommended for re-appointment. Your Company has received a letter from them to the effect that their appointment, if made, would be within the limits prescribed under Section 224(I-B) of the Companies Act, 1956.

The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further comments.

**STOCK EXCHANGE LISTING**

The Equity Shares of your Company are listed on Ahmedabad, Bombay, Delhi and Calcutta Stock Exchanges. The Annual Listing Fees has been paid to the aforesaid Stock Exchanges for the year 2003-2004.

In terms of Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, your Directors have subject to your approval decided to seek delisting of the Equity Shares from The Delhi Stock Exchange Association Ltd. and The Stock Exchange, Ahmedabad as the shares are infrequently traded on these Stock Exchanges.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

A statement showing the necessary information as required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is annexed to this Report as Annexure 'C'

**PARTICULARS OF EMPLOYEES**

There are no employees in respect of whom the particulars are required to be furnished under Section 217 (2A) of the Companies Act, 1956.

**ACKNOWLEDGEMENTS**

Your Directors wish to place on record their sincere appreciation of the devoted services of the employees at all levels who have largely contributed to the improved performance and Company's inherent strength.

Your Directors also wish to thank and gratefully acknowledge the sustained co-operation and support received by the Company from the Central and State Government Departments, Financial Institutions, Banks, Dealers, Customers, Vendors and Shareholders.

For and on behalf of the Board of Directors

Place : New Delhi  
Date : 30.07.2003

**RAM AVTAR BHAGERIA**  
Chairman

**CORPORATE GOVERNANCE DISCLOSURE****ANNEXURE 'A'**

In terms of Clause 49 of the Listing Agreement with the Stock Exchanges, given below is a Report on the matters mentioned in the said Clause.

**1. Company's Philosophy on Code of Governance**

The Company believes in adopting the principles of good Corporate Governance and is committed to achieving the highest standards of Corporate Governance to enhance the trust of the creditors, employees, suppliers, customers and public at large. The Company's philosophy on Corporate Governance lays strong emphasis on integrity, transparency and accountability and full disclosure in all facets of its operations. However, w.e.f. 27.02.2003 the Company could not fully comply with the listing agreement guidelines with the Stock Exchanges relating to Corporate Governance in view of the applicability of provisions of Section 274 (1) (g) of the Companies Act, 1956. However, as on the date of this Report all the provisions of Corporate Governance are being duly complied with.

**2. Board of Directors**

Presently the Board of Directors consists of 7 members out of which 4 are non-executive Directors and out of which 3 are independent Directors. The non-executive Directors are eminent professionals and highly experienced in their respective fields.





Details of Directors being appointed at the Annual General Meeting are given at the end of this Report.

**i) Present structure of Board of Directors**

S.No.	Name	Designation	Category of Director
1.	Shri Ram Avtar Bhageria	Chairman	Non-Executive Director
2.	Shri Madhu Sudhan Bhageria	Managing Director	Executive Director & Promoter
3.	Shri Purushotam Bhageria	Joint Managing Director	Executive Director & Promoter
4.	Shri Madhav Bhageria	Joint Managing Director	Executive Director & Promoter
5.	Shri B.K. Batra	Nominee Director (IDBI)	Non-Executive & Independent Director
6.	Shri S.P. Setia	Director	Non-Executive & Independent Director
7.	Shri S.C. Parija	Director	Non-Executive & Independent Director

The Board of Directors is headed by a non Executive Chairman and the number of independent Directors on the Board meets the requirements of the Listing Agreement.

**ii) Board Meetings**

During the year 2002-2003, the Board met 5 times on the following dates, namely, 23rd May, 2002, 31st July, 2002, 27th November, 2002, 31st January, 2003 and 27th February, 2003.

The Annual General Meeting was held on 28th September, 2002 and the Extra Ordinary General Meeting was held on 25th July, 2002.

The following table gives details of Directors, attendance of Directors at the Board meetings and at the last Annual General Meeting, Extra Ordinary General Meeting, number of membership held by Directors in the Board / Committees of various Companies: -

S. No.	Name	Category of Director	No. of Board Meetings held during their respective tenure	No. of Board Meetings attended	No. of other Directorships in Public Ltd. Co's *	Committee Memberships *	Committee Chairmanships *	Attendance in AGM	Attendance in EGM
1.	Shri Madhu Sudhan Bhageria Chairman & Managing Director *a	Executive Director & Promoter	5	5	-	-	-	Yes	Yes
2.	Shri Madhav Bhageria Joint Managing Director *a	Executive Director & Promoter	5	None	-	-	-	Yes	Yes
3.	Shri Purushotam *a Bhageria Wholetime Director	Executive Director & Promoter	5	5	-	-	-	Yes	Yes
4.	Shri B.K. Batra	Non-Executive & Independent Director	5	2	10	1	1	No	No
5.	Shri S.P. Setia *a	Non-Executive & Independent Director	5	4	-	-	-	Yes	Yes
6.	Shri Yogesh Jain *a	Non-Executive & Independent Director	5	5	1	-	-	No	No
7.	Shri Ram Avtar *b Bhageria	Non Executive Director	1	1	-	2	1	N.A.	N.A.
8.	Shri R.P. Gupta *b	Executive & Non-Independent Director	1	1	-	2	-	N.A.	N.A.

\* As on 31.03.2003

\*a Resigned from the Board of Directors w.e.f. 27.02.2003

\*b Appointed as Director w.e.f. 27.02.2003.