

REPORT AND ACCOUNTS 2001 - 2002



NOTICE

Notice is hereby given that the 72nd Annual General Meeting of the Members of GKW Limited will be held on Friday, 27th September, 2002 at 11.00 a.m. at Kala Kunj, 48, Shakespeare Sarani, Kolkata 700 017 to transact the following business :

AS ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2002, the Audited Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. G. Srinivasan who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and for that purpose to consider and, if thought fit, to pass with or without modification the following Resolution which will be proposed as an Ordinary Resolution provided that if on the date of the Annual General Meeting not less than 25% of the subscribed share capital of the Company is held by public financial institutions and nationalised banks, the Resolution will be proposed as a Special Resolution pursuant to Section 224A of the Companies Act, 1956 :

"RESOLVED that Lodha & Co., Chartered Accountants of 14 Government Place East, Kolkata 700 069, be and they are hereby appointed Auditors 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 at a remuneration to be fixed by the Board of Directors of the Company plus out-of-pocket expenses as may be incurred by them in

connection with the audit and that such remuneration be paid to them in four equal quarterly instalments".

AS SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modifications the following Resolution as an Ordinary Resolution :

"RESOLVED that in accordance with the applicable provisions of the Companies Act, 1956, or any amendment or modifications thereof and subject to Central Government approval, if required, this meeting hereby approves the appointment of and remuneration payable to Mr. G. Srinivasan as a Wholetime Director of the Company for a period of five years commencing from 13th September, 2002 on the terms and conditions as set out in the draft Agreement to be entered into between the Company and Mr. G. Srinivasan, a copy whereof initialled by the Chairman for the purpose of identification is placed before the meeting".
5. To consider and, if thought fit, to pass with or without modifications the following Resolution as Special Resolution:

"RESOLVED that pursuant to Section 163(1) of the Companies Act, 1956, the Register of Members of the Company, the Index of Members, the Register and Index of Debenture holders of the Company and copies of Annual Returns of the Company prepared under Section 159 of the Companies Act, 1956 together with the copies of certificates and documents required under Section 161 of the said Act be hereafter kept with the Registrars of the Company, C.B. Management Services Private Limited, P-22, Bondel Road, Kolkata 700 019.

Registered Office :

3A, Shakespeare Sarani
Kolkata 700 071

Dated : 28th June, 2002

By Order of the Board

R K Bahl
Assistant Secretary

NOTES :

- i) The Register of Members and Share Transfer Books will remain closed from 16th September, 2002 to 27th September, 2002, both days inclusive.
- ii) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead and a proxy need not be a member of the Company.
- iii) Members are requested to notify any change in their addresses to the Company's Registrars and Share Transfer Agents, C.B. Management Services Private Limited, P-22, Bondel Road, Kolkata 700 019.
- iv) Pursuant to Section 205A(5) of the Companies Act, 1956 as amended from the 31st October 1998, the dividends pertaining to the financial year ended 31st March, 1996 and thereafter remaining unclaimed for a period of seven years from the date of the transfer in accordance with Section 205A(1) of the Companies Act, 1956 need to be transferred to the Investor Education and Protection Fund of the Central Government. According to the provisions of the Act, no claims shall lie against the said fund or the Company nor shall any payment be made in respect of such claims.
- v) Members who have multi-accounts in identical name and address or in joint names in the same order are requested to intimate the Company the ledger folios of such accounts for consolidating their shareholding into one account.
- vi) **MEMBERS WHO WERE SHAREHOLDERS OF ERSTWHILE POWMEX STEELS LIMITED (Powmex) AND WHO HAVE NOT TILL DATE EXCHANGED THEIR SHARE CERTIFICATES OF POWMEX WITH SHARE CERTIFICATES OF GKW LIMITED ARE ONCE AGAIN REQUESTED TO KINDLY SEND THE SHARE CERTIFICATE OF POWMEX TOGETHER WITH A FORWARDING LETTER SIGNED BY THE JOINT HOLDER(S), IF ANY, BY REGISTERED POST TO :**

C. B. Management Services Private Limited
P-22, Bondel Road
Kolkata 700 019

GKW LIMITED

- vii) Individuals holding shares singly or jointly with upto two persons may nominate another person to whom the shares shall vest in the event of the shareholders death. Form 2B has been prescribed for the purpose. Blank forms are available from the Company's Secretarial Department and the Registrar's office.
- viii) **Re-appointment of Mr. G. Srinivasan as Director**
 Mr. G. Srinivasan seeking re-election as Director of the Company, aged about 58 years, is a graduate in Mechanical Engineering. Mr. Srinivasan joined the Company in the year 1967 as trainee engineer and worked his way up to become Director in the year 1988. Except for a brief period between 1994-97 Mr. Srinivasan has been with the Company throughout. He has vast experience of 35 years in various fields of industry and oversees the operations of Southern and Western Regions of the Company. Mr. Srinivasan is currently not on the Board of any other Company.

EXPLANATORY STATEMENT**Resolution No. 4**

The Board of Directors of the Company (the Board) at its Meeting held on 28th June, 2002 appointed Mr. G. Srinivasan as a Wholetime Director of the Company for a period of 5 years with effect from 13th September 2002 on the terms and conditions as set out in the draft Agreement ("the Agreement") to be entered into between the Company and Mr. Srinivasan.

Mr. Srinivasan shall be a Wholetime Director of the Company for a period of 5 years with effect from 13th September 2002 and shall perform such duties and exercise such powers as are or may from time to time be lawfully entrusted to and vested in him by the Board and/or the Managing Director ("M.D.") of the Company either alone or jointly with any other person or persons as the Board and/or the M. D. may from time to time impose.

In consideration of his services he shall be entitled to the following by way of remuneration :

- Salary** : Rs.50,000 per month in the scale of Rs. 30,000 – Rs.1,50,000 with an authority to the Board or any Committee thereof to fix in its absolute discretion and from time to time, within the scale stated above, the salary payable to Mr. Srinivasan.
- Commission** : In addition to the salary and perquisites, the Wholetime Director will be entitled to such commission based on the net profit of the Company in any financial year not exceeding 1% of such profit as the Board or the Committee thereof shall decide having regard to the performance of the Company.
- Perquisites** : Mr. Srinivasan will be entitled to perquisites (evaluated as per Income Tax Rules, wherever applicable, and at actual cost to the Company in other cases) like the benefit of the Company's unfurnished accommodation, gas, electricity, water and furnishings, club fees, personal accident insurance, medical reimbursement, leave and leave travel concession, provident fund, superannuation fund gratuity and other benefits, amenities and facilities in accordance with the Company's scheme(s)/Rule(s) applicable in this regard.

In case of Company-owned accommodation is not provided, Mr. Srinivasan shall be eligible for house rent allowance subject to a ceiling of 60% of his salary or Rs.3,00,000/- per annum whichever is lower and maintenance of accommodation including furniture, fixtures and furnishings, as may be provided by the Company.

In the event of absence or inadequacy of profits in any financial year the remuneration by way of salary, allowances and perquisites payable to the Wholetime Director shall not exceed the limits prescribed under the Companies Act, 1956, and the Rules made thereunder or any statutory modification or re-enactment thereof.

The draft Agreement provides for earlier determination in certain specified events and also sets out the mutual rights and obligations of the parties and other administrative details.

The Board recommends the Resolution for approval.

A copy of the draft Agreement referred to in the Resolution will be available for inspection by the Members at the Registered Office of the Company between the hours of 11.00 a.m. and 1.00 p.m. on any working day prior to the date of the meeting and will also be available at the meeting.

No Director excepting Mr. G. Srinivasan is concerned or interested in the Resolution.

Resolution No. 5

M/s. Robson Black & Ghosh (Management Consultants) Private Limited having closed down their share division, C.B. Management Services Private Limited were appointed as Registrars and Share Transfer Agents with effect from 1st April, 2002 in place of Robson Black & Ghosh (Management Consultants) Private Limited.

Following the change in Registrars, the Register of Members of the Company, the Index of Members, the Register and Index of Debenture holders of the Company and copies of all Annual Returns of the Company prepared under Section 159, together with copies of the certificates and documents required to be annexed thereto which were previously kept at the office of Messrs Robson Black & Ghosh (Management Consultants) Private Limited are being maintained at the Registered Office of the Company. Hereafter, for administrative convenience and efficiency, it is proposed to keep these registers and documents with the Company's new Registrars, Messrs C. B. Management Services Private Limited at their office at P-22, Bondel Road, Kolkata 700 019. Approval of the Members by a special resolution is necessary under Section 163 of the Companies Act, 1956, to permit keeping of the records at the office of the new Registrars. The resolution No. 5 set out in the Convening Notice seeks this approval.

No Director is concerned or interested in the above Resolution.

GKW LIMITED

Registered Office : 3A Shakespeare Sarani, Kolkata 700 071

Please Complete the attendance slip and hand it over at the entrance of the Meeting Hall. Please also bring your copy of the enclosed Annual Report.

ATTENDANCE SLIP

I hereby record my presence at the 72nd Annual General Meeting of the Company held on 27th September, 2002.

REGD. FOLIO NO.

NO. OF SHARES

NAME OF THE SHAREHOLDER(S) (IN BLOCK CAPITALS)

SIGNATURE OF THE SHAREHOLDER OR PROXY

GKW LIMITED

Registered Office : 3A Shakespeare Sarani, Kolkata 700 071

REGD. FOLIO NO.

NO. OF SHARES

PROXY FORM

I/We _____

of _____

_____ being a member/members of GKW Limited,

hereby appoint _____ of _____

or failing him _____ of _____

or failing him _____ of _____

as my/our Proxy to attend and vote for me/us and on my/our behalf at the 72nd Annual General Meeting of the Company to be held on 27th September, 2002 and at any adjournment thereof.

AS WITNESS my/our hand this _____ day of _____ 2002

Signed by the said _____

30 P
Revenue
Stamp

Note : The Proxy must be deposited at the Registered office not less than 48 hours before the time for holding the Meeting.

MANAGING DIRECTOR

J D Curavala

WHOLETEIME DIRECTOR

G Srinivasan

DIRECTOR

S K Mukerji

*Nominee of LICI***ASSISTANT SECRETARY**

R K Bahl

AUDITORS

Lodha & Co

REGISTERED OFFICE

3A Shakespeare Sarani

Kolkata 700 071

Phone : 282 2385/2386

Fax : 282 9747

E-mail : gkw@cal2.vsnl.net.in

BANKERS

Central Bank of India

Bank of India

Canara Bank

State Bank of Hyderabad

State Bank of India

Union Bank of India

United Bank of India

American Express Bank Limited

Indian Overseas Bank

REGISTRAR & SHARE TRANSFER AGENT*(For Physical & Demat)*

C. B. Management Services Pvt. Ltd.

P-22 Bondel Road

Kolkata 700 019

Phone : 280 6692 – 94

Fax : 247 0263

E-mail : cbmsl1@cal2.vsnl.net.in

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GKW LIMITED**DIRECTORS' REPORT
TO THE SHAREHOLDERS**

1. Your Directors submit their Annual Report together with the audited accounts for the year ended 31st March, 2002.
2. The results for the year under review are given below :

| | Rs. Crores | |
|--|------------|-----------|
| | 2001/2002 | 2000/2001 |
| Sales | 66.22 | 76.59 |
| Profit/(Loss) before interest, depreciation and extra-ordinary items | (17.03) | (18.39) |
| Interest | (14.93) | (23.67) |
| Gross Profit/(Loss) | (31.96) | (42.06) |
| Depreciation | (9.07) | (9.09) |
| Profit/(Loss) before Tax | (41.03) | (51.15) |
| Taxation | (0.01) | (0.02) |
| Profit/(Loss) after Taxation | (41.04) | (51.17) |
| Prior year Income/ (Expenses) | 0.17 | (0.43) |
| Extra-ordinary Items | 48.41 | 60.99 |
| Profit/(Loss) after Taxation and Extra-ordinary Items | 7.54 | 9.39 |

3. In view of the carried forward loss, your Directors regret their inability to recommend any dividend in respect of equity and preference shares for the year ended 31st March, 2002.

ACCOUNTS & FINANCE

4. Out of the amounts no longer required to be kept in the Property Revaluation Reserve an amount of Rs. 23 lakhs (2000/2001 Rs. 24 lakhs) has been transferred to Profit and Loss Account an Rs.117 lakhs transferred to extra ordinary items (2000/2001 Rs. 217 lakhs).
5. Capital expenditure during the year under review amounted to Rs. 6 lakhs (2000/2001 Rs. 38 lakhs) and the value of new assets put into use was Rs. 6 lakhs (2000/2001 Rs. 48 lakhs).
6. The total borrowings as at 31st March, 2002 amounted to Rs. 9197 lakhs (2000/2001 Rs.12690 lakhs) out of which bank borrowing was Rs. 7809 lakhs (2000/2001 Rs. 7828 lakhs). The significant reduction in borrowings was on account of one time settlement of term loans and bank overdraft with ICICI Limited and ICICI Bank Limited respectively.
7. As regards non-availability of vouchers, related documents and physical verification of assets in units under suspension of operation etc. referred to in the Auditors' Report, Note No. 32(c) to the accounts is

self-explanatory. As regards, Auditors' observation pertaining to applicability of the provisions of Section 274(1)(g) of the Companies Act, 1956 regarding disqualification of Directors referred to in their Report, Note 32(e) to the accounts is self-explanatory.

CONSOLIDATED ACCOUNTS

8. In compliance with Accounting Standard No. 21 of The Institute of Chartered Accountants of India, consolidated accounts are annexed hereto. As regards Auditor's comments on non-inclusion of GKW Cement Limited, Note No. 32(g) to the accounts is self-explanatory.

MANAGEMENT DISCUSSION AND ANALYSIS ON OPERATIONS

9. Performance of the operating divisions was affected mainly due to severe liquidity problems. Despite this, the restructuring exercise continued during the year and the Company was able to achieve a further significant reduction in long term debt with a corresponding reduction in interest cost.
10. Sankey Electrical Stampings Division at Bhandup was able to execute some tooling/component business for overseas customers and continued to process electrical stampings on conversion basis. Steps are being taken to secure more overseas business for this division and to restructure its operation for long term viability. As reported last year, the division's Bangalore unit continues to remain closed and tripartite negotiations between the State Government, unions and the Company are in progress to resolve the issues.
11. The Metal Pressings unit near Pune has started earning cash profit mainly on account of improved volume of business from the car segment during the later part of the year under review.
12. Activity in the Wheels Division was almost at a stand-still due to extremely low demand and severe working capital constraints. Steps are being taken to drastically reduce costs in this division. Towards that end a memorandum of settlement has been entered into with the Unions, whereby all workmen/staff have tendered their resignation from service and provision has been made in the accounts for an ex-gratia amount payable to them. Various options including demerger are being evaluated for this division.
13. The Andul Road Works (ARW) divisions, comprising Steel, Bolt & Nut, Engineering and Machinery continued to remain under suspension of work.
14. Powmex Steels Division's operations suffered mainly due to lower domestic demand, working capital constraints, and steep increase in per unit rates of high speed diesel and electricity. Saving in energy cost has therefore been identified as a thrust area. On the export front the sustained efforts put in by this division have recently yielded some results.

15. Screws & Fasteners Division's profitability improved due to pricing action taken during the year under review. However this unit is also experiencing slack demand and tight liquidity conditions in the trade.
16. The Company has adequate internal control system to ensure protection of assets against loss from unauthorised use or disposal, proper maintenance of accounting records and adherence to Company's policies and procedures. The Company has an Internal Audit system which is commensurate with its size and nature of its business. An Audit Committee of the Board of Directors periodically reviews the internal control system to ensure their effectiveness and adequacy.

RESTRUCTURING

17. The debt restructuring exercise continued during the year under review by way of swapping the dues of ICICI Limited and ICICI Bank Limited to the tune of Rs. 40.21 crores by sale and transfer of land admeasuring approximately 34,000 sq.mts. situated at Bhandup, Mumbai to the said institutions.
 - A similar transaction with Unit Trust of India and Army Group Insurance Fund towards swapping of 19% non convertible Debentures is in an advanced stage of implementation.
 - Final orders on the Scheme of Arrangement in the Hon'ble High Court at Calcutta for demerger of the divisions at Andul Road Works, Kolkata and Wheels Division at Durgapur are awaited, pending approval from certain agencies.

SCHEME FOR REHABILITATION

18. The Company's reference under Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 has been accepted by the Board for Industrial & Financial Reconstruction; accordingly the Company has been declared a Sick Company in April 2002. State Bank of India has been appointed as the Operating Agency to examine the viability of the Company and formulate a rehabilitation scheme.

As reported last year, the Company had already formulated a restructuring plan, implementation of which is progressing satisfactorily as stated in para 17 above.

The rehabilitation scheme to be submitted to the Operating Agency will incorporate the salient features of this restructuring plan and will include *inter alia* a plan for settlement of the Bankers dues and rationalisation of the Company's operations/workforce. The scheme will give due emphasis to products which reflect the Company's core competence and have potential for future growth.

EXPORTS

19. Products exported during the year amounted to

Rs. 648 lakhs (2000/2001 Rs. 848 lakhs). Powmex Steels Division accounts for bulk of the exports.

20. Earnings in foreign exchange during the year amounted to Rs. 648 lakhs (2000/2001 – Rs. 848 lakhs) and outgo was Rs. 718 lakhs (2000/2001 – Rs. 856 lakhs).

CONSERVATION OF ENERGY

21. The prescribed Form 'A' relating to conservation of energy in the Company's Powmex Steels Division at Titilagarh in Orissa is annexed. The increase in consumption of electricity in melting shop is due to longer refining time introduced for enhancing the quality of certain grades of steel. In case of rolled product smaller batch quantities and rolling of smaller diameter rods undertaken during the year has resulted in increased consumption of fuel oil.

TECHNOLOGY AND RESEARCH & DEVELOPMENT

22. During the year under review Powmex Steels Division :
 - has developed two special grades of high speed steel viz. HSS 1.2369 and 1.3202 specifications, and two grades of hot die steel i.e. H/11 and H/21 for the Export Market.
 - has been successful in indigenously developing the gripping arms of the Long Forging Machine. This has helped in significant reduction in replacement cost of arms and reduced the lead time for procurement considerably.

SUBSIDIARY COMPANIES

23. Accounts and annual reports of the subsidiary companies have been appended hereto.

PARTICULARS OF EMPLOYEES

24. There was no employee in receipt of remuneration the particulars of which are required to be given as per Companies (Particulars of Employees) Rules 1975 (as amended).

DIRECTORS

25. Mr. G. Srinivasan, Director retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for reappointment.

AUDITORS

26. Messrs. Lodha & Company, the retiring Auditors, have expressed their willingness to be re-appointed.

DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956.

27. The Directors hereby confirm :
 - i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

GKW LIMITED

- ii) that the Directors had selected such accounting policies and applied them consistently and made judgments 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) that the Directors 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 fraud and other irregularities;
- iv) that the Directors had prepared the annual accounts on a going concern basis;

CORPORATE GOVERNANCE

28. The report on Corporate Governance is appended hereto.

ACKNOWLEDGEMENT

29. The Board of Directors would like to thank the Company's customers, employees, shareholders, bankers, financial institutions, suppliers and all others associated with the Company for their continued support.

For and on behalf of the Board

Kolkata,
28th June, 2002

J D Curavala
Managing Director

G Srinivasan
Director

FORM – A

(See Rule 2)

Form for disclosure of particulars with respect to conservation of energy

| (A) POWER & FUEL CONSUMPTION | | Current Year Ended 31.3.2002 | Previous Year Ended 31.3.2001 |
|---|----------------|------------------------------------|-------------------------------------|
| | | Powmex Steels Divn. | Powmex Steels Divn. |
| 1. Electricity : | | | |
| a) Purchased | | | |
| Unit (KWh million) | | 9.74 | 8.41 |
| Total Amount (Rs. Crores) | | 3.95 | 3.19 |
| Rate/Unit (Rs.) | | 4.06 | 3.79 |
| b) Own Generation (Diesel Generator) | | Nil | Nil |
| Unit (KWh) | | Nil | Nil |
| Unit/Litre of Diesel Oil | | Nil | Nil |
| Cost/Unit — Variable (Rs.) | | Nil | Nil |
| 2. HSD/Furnace Oil | | | |
| Quantity (Kilo Litre) | | 2,381 | 1,658 |
| Total Amount (Rs. Crores) | | 4.00 | 2.51 |
| Average Rate/Kilo Litre (Rs.) | | 16,801 | 15,159 |
| (B) CONSUMPTION PER UNIT OF PRODUCTION (M.T.) | | | |
| Electricity (KWh/tonne) | Melting | 997 | 949 |
| | Black Bar | 1,112 | 1,144 |
| | Bright Bar | 191 | 221 |
| | Heat Treatment | 100 | 219 |
| HSD/Furnace Oil (Litre/tonne) | Rolled Product | 449 | 381 |

REPORT ON CORPORATE GOVERNANCE

The following is a report on the ongoing implementation of the Code by your Company.

1. Company's Philosophy on Corporate Governance

The Company has always recognised the importance of good Corporate Governance and has strived to practise and improve its focus on it by increasing transparency and accountability to its shareholders and other stakeholders.

2. Composition Category and Directorship in other Companies

Board of Directors

| Director | | Executive/ Non-executive Independent | Member of Board of Other Public Cos. | Total No. of other committee membership held | |
|--------------------|---|--|--|---|-----------|
| | | | | As Chairman | As Member |
| Mr. Kaisar Ahmad | 1 | Non-Executive * | 9 | — | — |
| Mr. R.P. Goyal | 2 | Non-Executive * | 14 | 2 | — |
| Mr. Y. F. Lombard | 3 | Non-Executive * | 3 | — | — |
| Mr. N. D. Auddy | 4 | Non-Executive * | 2 | — | — |
| Mr. S. K. Mukerji | | Non-Executive* | — | — | — |
| Mr. J. D. Curavala | | Executive | 2 | — | — |
| Mr. G. Srinivasan | | Executive | — | — | — |
| * also independent | | | | | |

1. Resigned w.e.f. 06.12.01
2. " " 24.04.01
3. " " 28.06.01
4. " " 28.06.01

Board, Annual General Meeting and Attendance

Board Meetings were held on 28th June, 27th July, 6th September, 30th November, 2001 and 27th March, 2002. The Annual General Meeting was held on 6th September, 2001.

| Director | No. of Board Meetings | | Attended last AGM |
|--------------------|-----------------------|----------|-------------------|
| | Held | Attended | |
| Mr. Kaisar Ahmad | 5 | 2 | Yes |
| Mr. S. K. Mukerji | 5 | 5 | Yes |
| Mr. J. D. Curavala | 5 | 5 | Yes |
| Mr. G. Srinivasan | 5 | 5 | Yes |

3. Audit Committee

The broad terms of reference of the Audit Committee are to review and interact with the Management and/or Statutory Auditor and/or Internal Auditor in the following areas :

- a) appointment and terms thereof of Statutory Auditor.
- b) the statutory annual, half-yearly and quarterly financial reporting by the Company.
- c) Updation of applicable accounting policies of the Company in terms of the accounting standards.
- d) The audit approach and methodology of statutory Auditors and any material issues arising from the audit.
- e) The adequacy and effectiveness of accounting and financial controls of the Company, Compliance with Company policies and applicable laws and regulations.
- f) Undertake special tasks assigned by the Board and recommend corrective actions.

GKW LIMITED**Compositions, Name of Members and Chairpersons**

Audit Committee meetings were held on 28th June, 27th July, 6th September, 30th November, 2001, 30th January and 27th March, 2002.

| <u>Member</u> | <u>Meetings Held</u> | <u>Meetings Attended</u> |
|-------------------|----------------------|--------------------------|
| Mr. Kaisar Ahmad | 6 | 2 |
| Mr. S. K. Mukerji | 6 | 6 |
| Mr. G. Srinivasan | 6 | 6 |

4. Remuneration Committee

The Company has not yet formed a Remuneration Committee.

Details of Remuneration to Directors for the year ended 31st March, 2002.

| <u>Sl. No.</u> | <u>Name</u> | <u>Salary Rs.</u> | <u>Commission Rs.</u> | <u>Perquisites Rs.</u> | <u>Sitting fees Rs.</u> | <u>Total Rs.</u> |
|----------------|--------------------|-------------------|-----------------------|------------------------|-------------------------|------------------|
| 1. | Mr. Kaisar Ahmad | — | — | — | 8000 | 8000 |
| 2. | Mr. S. K. Mukerji | — | — | — | 26000 | 26000 |
| 3. | Mr. J. D. Curavala | 780000 | — | 513125 | — | 1293125 |
| 4. | Mr. G. Srinivasan | 600000 | — | 637020 | — | 1237020 |

The above remuneration is within the ceiling prescribed under the applicable provisions of the Companies Act, 1956.

5. Shareholders'/Investors' Grievance Committee

The Investors Grievance Committee of the Company, under the nomenclature "Shareholders Grievance and Service Committee" approves transfer and transmission, duplicate, sub-division and replacement of shares, debentures, fixed deposits, other related matters and to deal with complaints regarding transfer of shares, debentures and fixed deposits, non-receipt of balance sheet and non-receipt of dividend.

The Committee is headed by Mr. S. K. Mukerji, Mr. Ravi K. Bahl, Assistant Company Secretary is the Compliance Officer. The Company has received 329 complaints as on 31.3.2002 and all of them have been resolved.

6. General Body Meetings**A. Location and time for last three Annual General Meetings were :**

| <u>Financial Year</u> | <u>Date of AGM</u> | <u>Venue</u> | <u>Time</u> |
|-----------------------|----------------------|----------------------|-------------|
| 31st March, 2001 | 6th September, 2001 | Kala Kunj, Kolkata | 11.00 a.m. |
| 31st March, 2000 | 21st September, 2000 | Kala Kunj, Kolkata | 10.30 a.m. |
| 31st March, 1999 | 29th December, 1999 | Kala Mandir, Kolkata | 11.00 a.m. |

B. Special Resolutions at the last three Annual General Meetings :

- i) At the Sixty-ninth Annual General Meeting held on 29th December, 1999
 - Appointment of Auditors
 - Alteration of Articles of Association under Section 31 of the Companies Act, 1956 relating to Dematerialisation of Securities.
- ii) At the Seventieth Annual General Meeting held on 21st September, 2000.
 - Appointment of Auditors
- iii) At the Seventy-first Annual General Meeting held on 6th September, 2001.
 - Appointment of Auditors

No resolution was put through postal ballot.

7. Disclosures

Disclosures on materially significant related party transactions of the Company of material nature, with its promoters, the directors, the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the Company at large :

None