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GAJRA BEVEL GEARS LIMITED

29th Annual Report 2003-2004

**Board of Directors**

Mr DM Ghia
Mr Surendra Singh
Mr BS Samat
Mr LS Sarma
Mrs Rani Singh
Mrs C Krishnan
Mrs M Zachariah

*Chairman**Managing Director**Up to 27.10.2004**Up to 28.12.2003**IDBI Nominee up to 25.02.2004**IDBI Nominee w.e.f. 25.02.2004***Company Secretary**

Mr Nilesh Limaye

Auditors

M/s. O.T. Gandhi & Co.
Basketball Complex,
Race Course Road,
Indore - 452 003

**Registrar & Transfer
Agent for Physical and
Dematerialised Shares**

M/s. Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai - 400 078

307, City Center, 3rd Floor
570, M.G. Road,
Indore - 452 001

Bankers

State Bank of India

**Registered Office &
Factory**

Industrial Area,
Agra Bombay Road,
Dewas - 455 001 (M.P.)



NOTICE TO SHAREHOLDERS

NOTICE is hereby given that 29th Annual General Meeting of Gajra Bevel Gears Limited will be held at Registered Office of the Company situated at Industrial Area, Agra Bombay Road, Dewas- 455 001 (M.P.) on Monday, the 27th December, 2004 at 3.00 P.M. to transact the following business :-

ORDINARY BUSINESS:

- 01 To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2004 and the Audited Profit & Loss Account for the year ended 31st March, 2004 and reports of the Directors and Auditors.
- 02 To appoint a Director in place of Mr. D.M. Ghia who retires by rotation and being eligible, offers himself for re-appointment.
- 03 To appoint Auditors to hold office from the conclusion of the meeting until the conclusion of next Annual General Meeting of the Company and fix their remuneration.

SPECIAL BUSINESS:

- 04 To consider, and if thought fit, to pass following resolution with or without modification(s), as an Ordinary Resolution:

"RESOLVED THAT 10,00,000 Nos. of un-classified Shares of Rs.10/- each in the Authorised Share Capital of the Company be and are hereby classified as Equity Shares of Rs.10/- each ranking pari passu with the existing Equity Shares."

- 05 To consider, and if thought fit, to pass following resolution with or without modification(s), as a Special Resolution:

"a) RESOLVED THAT pursuant to provisions of Section 16(1) and all other applicable provisions, if any, of the Companies Act, 1956, Clause V of the Memorandum of Association of the Company including the marginal notes thereof be amended by substituting thereof the following clause:

V The Authorised Share Capital of the Company is Rs. 10,00,00,000/- (Rupees Ten Crores) divided into 1,00,00,000/- (One Crore) Equity Shares of Rs.10/- (Rupees Ten) each."

b) RESOLVED FURTHER THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the following manner:

Substitute the following Article for Article 4 (a)

4(a) The Authorised Share Capital of the Company is Rs. 10,00,00,000/- (Rupees Ten Crores only) divided into 1,00,00,000/- (One

Crore) Equity Shares of Rs.10/- (Rupees Ten) each."

- 06 To consider, and if thought fit, to pass following resolution with or without modification(s), as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310, 311 and 314 and other applicable provisions, if any, of the Companies Act, 1956, subject to approval from Central Government and as required by Schedule XIII of the Companies Act, 1956, the terms of re-appointment and remuneration of Mr. Surendra Singh, who has been re-appointed as the Managing Director of the Company for a further period of five years with effect from 17th November, 2004 be and is hereby approved as set out in the draft agreement to be executed by Mr. Surendra Singh, and as approved by the Board of Directors, submitted to this meeting and initialed by the Chairman for the purpose of identification.

RESOLVED FURTHER THAT remuneration as set out in the Board resolution be paid or granted to Mr. Surendra Singh as minimum remuneration notwithstanding that in any financial year of the Company, during the term Mr. Surendra Singh's office as Managing Director of the Company has no Profit or Profits made are inadequate."

Registered Office:
Industrial Area,
Agra Bombay Road,
Dewas - 455 001 (M.P.)
Dated : 19th November, 2004

By Order of the Board
Nilesh Limaye
Company Secretary

NOTES:

- 01 Members entitled to attend and vote at the above meeting may appoint one or more proxies to attend and vote instead of him. The proxy need not be a member of the Company.
- 02 The Register of members/ Register of beneficial owners and Share Transfer Book of the Company will remain closed from 24th December, 2004 to 27th December, 2004 (both days inclusive).
- 03 Proxy forms duly completed and signed should reach the Company's Registered Office not less than 48 hours before the time of the meeting.
- 04 Members can avail of the Nomination facility by filing Form 2B (in duplicate) with the Company. Blank forms will be supplied on request.
- 05 Shareholders, who have not dematerialised their shares yet, are advised to have their Shares dematerialised to avail of the benefit of paperless



trading. Please take note of ISIN NO. INE282D01010 allotted to the Equity Shares of the Company.

06 Members having more than one folio with identical order of names are requested to intimate to the company Ledger Folios of such shareholding together with Share Certificate(s) to enable the Company to consolidate all the holdings into one folio. The Share Certificate(s) will be returned to Members, after endorsement in due course.

07 Shareholders are requested to:

i) Intimate changes in their address if any, immediately to the Company / Registrar and Transfer Agent in respect of Equity Shares held in physical form and to their depository Participant (DP) in respect of Equity Shares held in electronic form (Demat Account).

ii) Quote folio number/ Depository Account Number (Client ID No.) in all their Correspondence with the Company.

08 Shareholders /Proxies are requested to bring the attendance slip duly filled in for attending the meeting.

09 Profile of Director being re-appointed:

As required under clause 49 of the Listing Agreement the particulars of Director who is proposed to be re-appointed are given below:-

Name of the Director : Mr. D.M. Ghia
Date of Birth : 18.03.1923
Date of Appointment : 09.09.1974
on the Board
Qualification : Inter Science

Mr. D.M. Ghia is associated with the Company from its inception and is one of the subscriber to the Memorandum and Articles of Association of the Company. He has a very rich management and industrial experience.

Other Directorship held : M/s.Allied
Photographics India Ltd.
M/s. Jata Chemicals Ltd.
M/s. Easun Engineering
Company Limited

Chairman / Membership : M/s. Tata Chemicals
of the Committee on the Limited - Shareholders/
other Board Investor Grievances
Committee - Chairman
M/s. Tata Chemicals
Limited-Audit Committee -
Member

Registered Office:
Industrial Area,
Agra Bombay Road,
Dewas - 455 001 (M.P.)
Dated : 19th November, 2004

By Order of the Board
Nilesh Limaye
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

Item No. 4

IDBI has approved restructuring of outstanding Term Loans and has granted certain reliefs and waiver to the Company. IDBI has also opted for conversion of overdue interest and interest differential totaling to Rs.178.12 lacs into Equity Shares at par. Similar proposal for restructuring of outstanding Term Loan is also at advance stage of consideration with IFCI Ltd. It is expected that on the similar lines of IDBI, IFCI Ltd. will also opt for conversion of overdue interest into Equity Shares at par. Company has also requested Madhya Pradesh Financial Corporation (MPFC) in the restructuring proposal being considered for conversion of portion of overdue interest into Equity Shares at par.

To facilitate allotment of Equity Shares to IDBI and other Financial Institutions it is required to classify the un-classified shares in Authorised Share Capital of the Company as Equity Shares of the Company. Accordingly, this resolution is placed before the meeting for its approval. None of the directors are interested in the proposed resolution.

Item No. 5

Consequent upon the classification of un-classified Shares into Equity Shares in the Authorised Share Capital of the Company Clause V of the Memorandum of Association and Article 4(a) of the Articles of Association will require alteration so as to reflect the change in the Authorised Share Capital. The proposed alteration of Memorandum and Articles of Association of the Company requires approval of the members in the General Meeting. Accordingly, this resolution is placed before the meeting for its approval. None of the directors are interested in the proposed resolution. The Memorandum and Articles of Association of the Company together with the proposed changes is available for inspection by the members at the Registered Office of the Company on any working day between 10.30 A.M. to 12.30 P.M. prior to the date of the meeting.

Item No. 6

Mr. Surendra Singh's re-appointment and remuneration as Managing Director of the Company was approved for the period of five years w.e.f. 17.11.1999 in the Annual General Meeting of the company, which has expired on 16.11.2004.

Considering valuable contribution of Mr. Surendra Singh to the Company, Remuneration Committee and Board of Directors approved re-appointment and remuneration of Mr. Surendra Singh as Managing Director of the Company for the period of five years w.e.f. 17.11.2004, subject to the



approval of members in General Meeting and subject to the approval of Central Government on the terms and conditions given hereinafter.

Mr. Surendra Singh is having wide and varied experience in business and industry. Your Directors feel that re-appointment of Mr. Surendra Singh as Managing Director of the Company will be of immense benefit to the Company.

The terms and conditions approved by the Remuneration Committee and Board of Director for re-appointment and remuneration of Mr. Surendra Singh are as under:-

01 Managing Director shall, subject to directions and restrictions imposed by the Board have the general control of the business of the Company.

02 **Duration** : Five years commencing from 17.11.2004

03 **Remuneration** :

(A) **Salary** : Rs. 40,000/- P.M.

(B) **Perquisites** :

(I) 1) **Accommodation** : House rent allowance of Rs.20,000/- p.m. or free furnished residential accommodation the cost of which to the Company shall not exceed Rs.20,000/- p.m.

2) **Medical benefits for self and family** : Reimbursement of expenses actually incurred, the total cost of which to the Company shall not exceed Rs.24,000/- p.a. or Rs. 72,000/- over a period of three years.

3) **Leave Travel Concession** : For self and family, as per the rules of the Company, subject to the condition that the cost of which to the Company shall not exceed Rs.20,000/- p.a.

4) **Personal Accident Insurance** : Of an amount the Annual Premium of which does not exceed Rs.2,000/-.

5) **Fees of clubs** : The payment of fees provided that no life membership or admission fees is payable. The cost of which to the Company shall not exceed Rs. 20,000/- p.a.

6) **Servants and guards at residence** : The cost of which to the Company shall not exceed Rs. 6,500/- p.m. or Rs. 78,000/- p.a.

(II) **Perquisites not included in the ceiling on the remuneration** :

1) Company's contribution towards Provident Fund, Superannuation Fund or Annuity Fund as per the rules of the Company, subject to the condition that Company's contribution to the said funds together shall not exceed the limit allowed under

Income Tax Act, 1961, which is at present 25% of the salary and dearness allowance.

2) Gratuity payable in accordance and as per the rules of the Company but not exceeding one-half month's salary for each completed year of service.

3) Encashment of Leave at the end of the tenure as per the rules of the Company.

(III) Provision of Car for the use of Company's business and telephone at residence and cell phone will not be considered as perquisites. Personal long distance calls of telephone and use of car for private purpose shall be billed by the Company.

04 All sums payable as above shall be payable as minimum remuneration notwithstanding the absence or inadequacy of Profits made during any year.

This statement may also be treated as an abstract of the terms and conditions of the re-appointment and remuneration of Mr. Surendra Singh as Managing Director of the Company pursuant to Section 302(2) of the Companies Act, 1956.

The terms and conditions for re-appointment and remuneration of Mr. Surendra Singh as Managing Director are open for inspection by the members at the Registered Office of the Company on any working day between 10.30 a.m. to 12.30 p.m. prior to the date of the meeting.

Except Mr. Surendra Singh, Managing Director no other director of the Company is concerned or interested in the aforesaid resolution and your Board recommends your consent to the proposal in the interest of the Company.

Registered Office:
Industrial Area,
Agra Bombay Road,
Dewas - 455 001 (M.P.)
Dated : 19th November, 2004

By Order of the Board
Nilesh Limaye
Company Secretary



DIRECTORS' REPORT

To the members of Gajra Bevel Gears Limited.

The Directors have pleasure in presenting their 29th Annual Report together with the audited accounts for the year ended 31st March, 2004.

FINANCIAL RESULTS

	(Rupees in Lacs)			
	31.03.2004 Rupees (12 Months)	31.03.2003 Rupees (6 Months)	31.03.2004 Rupees (12 Months)	31.03.2003 Rupees (6 Months)
Sales (including Excise Duty) and Miscellaneous Income			3888.34	1673.18
Profit before Interest, Depreciation and tax			554.26	89.69
Less : Interest (net)	406.35	194.63		
Depreciation	104.32	<u>54.14</u>	510.67	<u>248.77</u>
Profit/ (Loss) before Tax			43.59	(159.08)
Less : Provision for Tax			--	--
Profit/ (Loss) after Tax			43.59	(159.08)
Prior year Income Tax adjustment		(1.23)		
Transferred from Debenture Redemption Reserve	13.03	10.19		
Transferred to Debenture Redemption Reserve	<u>(33.33)</u>	<u>(16.66)</u>	<u>(20.30)</u>	<u>(7.70)</u>
Add : Balance brought forward from last year			(590.06)	(423.28)
Balance carried to Balance Sheet			<u>(566.77)</u>	<u>(590.06)</u>

In view of carry forward losses, your directors regret their inability to recommend Dividend this year.

OPERATIONS:

During the year Sales turnover including miscellaneous income was of Rs. 3888.34 lacs, Profit before interest, depreciation and tax was of Rs. 554.26 lacs. As a result of write back of interest and other charges waived by Financial Institutions, Company has made profit of Rs. 43.59 lacs after providing interest and depreciation. Company was required to absorb increase in cost of raw material and consumables due to prevailing market conditions.

FINANCE:

During the year Madhya Pradesh State Industrial Development Corporation (MPSIDC) approved restructuring of Inter Corporate Deposit availed by Company and has sanctioned certain reliefs and waivers by way of reduction in rate of interest with retrospective effect, funding of overdue interest and reschedulement in repayment. Madhya Pradesh Financial Corporation (MPFC) also approved restructuring of Term Loan availed by Company and has sanctioned funding of overdue interest and reschedulement in repayment.

During the current year Industrial Development Bank of

India (IDBI) approved restructuring of Term Loans availed by Company and has sanctioned certain reliefs and waivers by way of reduction in rate of interest with retrospective effect, funding of portion of overdue interest, waiver of penal interest/ liquidated damages/ interest differential and reschedulement in repayment. IDBI has also opted for conversion of portion of overdue interest and interest differential totaling to Rs. 178.12 lacs into Equity Shares at par.

Company has submitted proposal for restructuring of Term Loan availed from IFCI Ltd. on the same line as approved by IDBI; which is at an advanced stage of consideration at IFCI.

State Bank of India (SBI) has also agreed for reduction in rate of interest and to provide need base Working Capital to the Company.

DEPOSITS:

During the year your Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and Rules made thereunder.

EXPORTS:

During the year direct/ indirect exports were of Rs. 1421.70 lacs. Continuous interactions with overseas



customers and faster development of products' have proved beneficial in increasing Export sale of the Company. Products of the Company are well established in overseas market.

FOREIGN EXCHANGE :

Expenditure on this head was Rs. 33.22 lacs on account of Import of Tools, spares and Travelling.

CONSERVATION OF ENERGY :

Your Company is not covered under the list of Specified Industries requiring disclosure under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988. Major consumption of energy is in Heat Treatment Furnaces. Company has started using Gas Fired Furnaces which will give saving in energy consumption. Your Company is making continuous efforts to conserve and optimise the use of energy, to improve operational method and other methods.

RESEARCH AND DEVELOPMENT :

Your Company's Research and Development Centre is recognised by the Department of Science and Technology, Government of India. New Crown Wheel & Pinion, Differential Gears were developed for domestic and Export market. Your Company has incurred expenditure during the year on Research and Development to the tune of Rs. 25.59 lacs.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Your Company is manufacturing and marketing of Automobile Gears namely Differential Gears and Kits and having wide range of Gears for domestic as well as overseas market.

i) Industry structure and development

Your Company is a major player in the heavy/medium/ light commercial vehicle segment, tractor segment and utility vehicle segment. Since, April, 2004 demand is growing in all these segments and it is expected to grow by 10% in the current year.

ii) Opportunities and threat

With expected rise in GDP and inflation coupled with overall satisfactory monsoon, growth should be good during the current year. Interest rates are also expected to remain static.

Constant increase in prices of steel and other consumables have created pressure on margins which can be released by improving productivity.

iii) Segmentwise performance

The Company has only one segment viz. Automobile Gears. Hence segmentwise performance report is not applicable.

d) Outlook

In domestic market demand is increasing gradually. All major vehicle manufacturers are confident about multiple increase in their volumes. Tractor segment has also registered improvement in production and sale. In overseas market also demand is going upward. Approval of restructuring of Term Loans by Financial Institutions will bring down interest cost in coming years.

e) Risks and concerns

Paucity in Working Capital funds coupled with several hikes in Steel prices and shortages in steel availability made it difficult to meet with customers' demand. Gradual reduction in rate of DEPB by Government of India will reduce margin in Export sales. Current down trend in exchange rate of US \$ will also have negative impact on Export turnover.

f) Internal Control System and their adequacy

The Company has fully computerised accounting system of Purchase, Stores, Raw Materials, Plant and Machinery, Sale of Goods, Payment of Salary and Wages etc. and has put in place an adequate system of Internal Control.

The system of Internal Control of the Company is commensurate with the size and nature of the Company's business. In addition, the operations are subject to periodic Internal Audit by independent Auditor.

g) Financial performance with respect to Operational Performance is discussed in the main part of the report.

h) Material developments in Human Resources/ Industrial Relations

The Company values its Human Resources and strives to nurture them as part of the Company's philosophy. Relations with employees continue to be cordial. Close co-ordination and interactions at all level is constantly encouraged. It is noteworthy that the turnover of the employees continues to be lowest in the Industry as well as in the region.

AUDIT REPORT :

Auditors' qualification for decision to write off R & D expenses read with note 1(viii) and 1 (ix) of Schedule 18, forming part of the account. Company has incurred R & D expenses for development of new products for domestic and export market and development of Automatic Transmission. Actual sale of the said products will be effected over a period of five years. Hence it is decided to write off the said R & D expenses over a period of five years.



Auditors' qualification regarding capitalising interest and demurrage of capital work-in-progress read with note 17 of Schedule 18, forming part of the account. Company has taken this decision as per the generally accepted accounting practice.

Auditors' qualification regarding reconciliation of the outstanding balances with IFCI Ltd. read with note 19 of Schedule 18, forming part of the account. Reconciliation is in process and During the year balances with IFCI Ltd. will be reconciled.

Auditors' qualification regarding non-disclosure of information relating to Small Scale Industrial Undertakings read with note 3(b) of Schedule 18, forming part of the accounts is self explanatory.

Auditors' qualification regarding recovery from debtors read with note 18 of Schedule 18, forming part of the account. Company is confident about recovery of these amounts.

Auditors' qualification regarding accruing of the restructuring benefit read with note 30B of Schedule 18, forming part of the accounts is self explanatory.

Auditors' observations in point No. (ix) (a) in Annexure to their Report. Your Directors wish to state that Statutory dues could not be paid on time due to inadequacy of Working Capital which have been paid later on.

DIRECTORS :

During the year Mrs. Rani Singh resigned as a Director of the Company. IDBI withdrew nomination of Mrs. C. Krishnan from the Board of the Company and nominated Mrs. M. Zachariah on the Board of the Company. During the current year Mr. L.S. Sarma has resigned as a Director of the Company.

Board of Directors put on record their appreciation of the services rendered by Mrs. Rani Singh, Mrs. C. Krishnan and Mr. L.S. Sarma during their tenure as a Director of the Company.

In accordance with the provisions of section 256 of the Companies Act, 1956 and Articles of Association of the Company Mr. D.M. Ghia is liable to retire by rotation and being eligible offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from Operating Management, confirm that :

- (i) in the preparation of the annual accounts for the year ended 31st March, 2004, the applicable accounting standards have been followed

alongwith proper explanation relating to material departures;

- (ii) they have in selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgements and estimates that were 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 the year under review;
- (iii) they have taken proper and sufficient care for the maintenance of the 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 to the best of their knowledge and ability;
- (iv) they have prepared the annual accounts for the year ended 31st March, 2004 on a 'going concern' basis.

CORPORATE GOVERNANCE :

Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, Report on Corporate Governance has been included in this Annual Report as a separate section.

AUDITORS :

Members are requested to appoint Auditors for the current year at a remuneration to be decided by the Board of Directors of the Company. M/s. O.T. Gandhi & Co., the retiring Auditors, are eligible for re-appointment and have furnished a certificate to the effect that their re-appointment, if made, will be in accordance with the limits specified in Section 224(1B) of the Companies Act, 1956.

FINANCIAL INSTITUTIONS AND BANKERS :

The Board expresses its gratitude for support, guidance and co-operation received from Financial Institutions and State Bank of India from time to time.

EMPLOYEES :

Your Company do not have any employee requiring disclosure of particulars of employees under section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975.

For and on behalf of the Board

Mumbai:
19th November, 2004

D.M. GHIA
Chairman



ANNEXURE TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

(As required by Clause 49 of the listing agreement of the Stock Exchange)

1. COMPANY'S PHILOSOPHY

GAJRA BEVEL GEARS LIMITED believes that good Corporate Governance is essential to achieve long term corporate goals and to enhance stakeholders value. The Company's philosophy to Corporate Governance envisages attainment of high level transparency, accountability and integrity in the functioning of the Company, conduct of its business, its relationship with the employees, stakeholders, creditors, customers, institutions and other lenders. The Company places due emphasis on regulatory compliance.

The Company believes that its system and actions must be integrated for enhancement of corporate performance resulting in the maximisation of stakeholders' value in the long run.

2. BOARD OF DIRECTORS

Composition and Category of Directors:

SR. NO.	CATEGORY	NAME OF THE DIRECTOR
I	Non-Executive Chairman (Independent)	Mr. D.M. Ghia
II	Promoter and Managing Director	Mr. Surendra Singh
III	Independent and Non-Executive Directors	Mr B.S. Samat Mr L.S. Sarma (upto 27.10.2004)
IV	Nominee Director	Mrs. M. Zachariah - (Nominee of IDBI w.e.f. 25.02.2004)

During the year Mrs. Rani Singh resigned as a Director of the Company and IDBI withdrew nomination of Mrs. C. Krishnan from the Board of the Company and nominated Mrs. M. Zachariah on the Board of the Company. During the current year Mr. L.S. Sarma has resigned as a Director of the Company.

Attendance of Directors at the meeting of Board of Directors (BoD) held during the year 2003-04 (April, 2003 to March, 2004) and the Annual General Meeting (AGM) held on 22nd December, 2003 are as follows:-

6 Board Meetings were held during the year (April, 2003 to March, 2004). They were held on 25.04.2003, 18.07.2003, 31.10.2003, 14.11.2003, 22.12.2003 and 21.01.2004.

The record of attendance of Directors and Directorships of Public Limited Companies and Membership of Board Committee are as under:-

Name of the Director	No. of Board Meetings attended ^a	Attendance at the last AGM	No. of other Directorships in Public Limited Companies ^b	No. of Memberships of Board Committees ^c	No. of Chairmanships of Board Committees ^c
Mr. D.M. Ghia	6	Present	4	1	1
Mr. Surendra Singh	6	Present	1	-	-
Mrs. Rani Singh	-	-	-	-	-
Mr. B.S. Samat	6	Present	-	-	-
Mr. L.S. Sarma	5	Present	5	4	1
Mrs. C. Krishnan	3	Present	1	-	-

^aAttendance at the Board Meetings relevant to the period when Director of the Company.

^bDirectorship in companies registered under the Companies Act, 1956, excluding directorships in Private Limited Companies.

^cOnly covers Chairmanship/ membership of Audit Committee, Remuneration Committee and Shareholders/ Investor Grievance Committee.



03. COMMITTEES OF BOARD OF DIRECTORS

A) AUDIT COMMITTEE

Brief description of Terms of Reference:

The Role and Terms of Reference of Audit Committee cover the matters specified for Audit Committee under Clause 49 of the listing agreement and Section 292A of the Companies Act, 1956.

Composition, name of members and record of attendance during the year (April, 2003 to March, 2004) are as under:-

Name of the Director	No. of Meetings held	No. of Meetings attended
Mr. B.S. Samat, Chairman	3	3
Mr L.S. Sarma (upto 27.10.2004)	3	3
Mr. Surendra Singh	3	3

3 Audit Committee meetings were held during the year. The meetings were held on 24.04.2003, 31.10.2003 and 14.11.2003.

On resignation of Mr. L.S. Sarma as a Director of the Company, Mrs. M. Zachariah has been appointed as a member of Audit Committee.

B) REMUNERATION COMMITTEE

Remuneration Committee was constituted by the Board of Directors on 25.04.2003.

Brief description of Terms of Reference:

To decide and fix payment of remuneration and sitting fees to the Managing Director and Non-Executive Directors of the Company.

The Remuneration Committee consists of Mr. D.M. Ghia, Chairman, Mr. B.S. Samat and Mr. Surendra Singh.

Details of remuneration paid to the Managing Director for the year (April, 2003 to March, 2004) are as under:-

Name	Gross Remuneration and perquisites (Rs.)
Mr. Surendra Singh	8,48,766/-

Company pays sitting fees @ Rs. 5,000/- to all Non-Executive Directors for attending each meeting of Board of Directors. Company pays sitting fees @ Rs. 2,000/- to all Non-Executive Directors for attending Committee meeting of the Board. Company do not pay any sitting fee to Managing Director for attending any meeting of Board of Directors or Committee thereof.

C) SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE

Brief description of Terms of Reference:

To specifically look into Redressal of complaints like Transfer/ Transmission / Demat / Remat of Shares, non receipt of Share Certificates and Annual Reports etc. received from shareholders/ investors and to improve the efficiency in investors services wherever possible.

In accordance with Clause 49 of the listing agreement of the Stock Exchange, the Board has delegated the power of share transfers/ transmissions and other related matters to the share transfer committee in order to expedite the process of Share Transfer/ Transmission / Sub Division/ Consolidation/ Issue of duplicate share certificates etc.

Company has appointed M/s Intime Spectrum Registry Ltd., Mumbai a SEBI Registered Share Transfer Agent as Registrar and Share Transfer agent w.e.f. 01.02.2003.

The existing share transfer committee was reconstituted as a Shareholders' Committee.

Composition, names of members and record of attendance during the year (April, 2003 to March, 2004) are as under:-

Name of the Director	No. of Meetings held	No. of Meetings attended
Mr. B.S. Samat, Chairman	4	3
Mrs, Rani Singh (upto 18.12.2003)	4	1
Mr. Surendra Singh	4	4