

# J.M.A. INDUSTRIES LIMITED

Regd. Office : B-13, Badarpur Extn., New Delhi - 110044

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**ANNUAL REPORT**  
**2003-2004**

# J.M.A. INDUSTRIES LIMITED

## BOARD OF DIRECTORS

Mr. Gerwin Vilain	Chairman
Mr. Martin Herbst	
Mr. Thomas Bernhard Cornelius	
Mr. Peter F. Doyle	
Mr. R.K. Bhandari	
Mr. V.K. Mathur	
Dr. V.P. Juneja	
Mr. Raman Sharma	Alternate Director
Mr. Kuldeep Singh	Alternate Director
Mr. R.S. Sharma	Managing Director

## COMPANY SECRETARY

Mr. Rakesh Sharma

## AUDITORS

S.P. Chopra & Co.  
Chartered Accountants  
New Delhi

## BANKERS

-Canara Bank  
-State Bank of Patiala

## REGISTERED OFFICE

B-13, Badarpur Extn.,  
New Delhi - 110044

## UNITS

- 14/6, Mathura Road,  
Faridabad, Haryana

-Derabassi, Distt. Patiala  
Punjab

## LISTING OF EQUITY SHARES

-The Delhi Stock Exchange Association Ltd.  
3 /1 & 4/4B, Asaf Ali Road,  
New Delhi - 110002

-The Stock Exchange, Mumbai  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai - 400001

## ANNUAL GENERAL MEETING

Thursday, 30th September, 2004 at  
Executive Club, 439, Village Shahoorpur,  
P.O. Fatehpur Beri, New Delhi - 110030.

## REGISTRAR & TRANSFER AGENTS

M/s Intime Spectrum Registry Limited,  
A-31, IIIrd Floor, Near PVR Cinema,  
Naraina Industrial Area, Phase-I,  
New Delhi - 110028.

## CONTENTS

	Page No.
Notice .....	2
Directors' Report .....	4
Report on Corporate Governance .....	7
Auditors' Report .....	14
Balance Sheet .....	17
Profit & Loss Account .....	18
Schedules forming part of the accounts .....	19
Cash Flow Statement .....	37
Statement u/s 212 .....	38

# J.M.A. INDUSTRIES LIMITED

## NOTICE

Notice is hereby given that the 44th Annual General Meeting of the members of J.M.A. Industries Limited will be held at Executive Club, 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi on Thursday, 30<sup>th</sup> September, 2004 at 11.00 A.M. to transact the following business :

### ORDINARY BUSINESS :

1. To consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2004, Profit & Loss Account for the period ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Martin Herbst who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. R.K. Bhandari who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. R.S. Sharma who retires by rotation and is eligible for re-appointment.
5. To appoint Statutory Auditors and to fix their remuneration.

"RESOLVED THAT M/s. S.P. Chopra & Co., Chartered Accountants, New Delhi, the Statutory Auditors of the company, who retires at the conclusion of the 44<sup>th</sup> Annual General Meeting be and is hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of 44th Annual General Meeting till the conclusion of 45th Annual General Meeting of the Company at the remuneration to be decided by the Board of Directors of the Company."

### SPECIAL BUSINESS :

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

"RESOLVED THAT pursuant to the provisions of section 21 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be required, consent of the Company be and is hereby accorded to the change of the name of the Company from 'JMA INDUSTRIES LIMITED' to 'HELLA INDIA LIGHTING LIMITED' and immediately upon the said change in the name of the Company becoming complete and effective, the new name be substituted for the existing name wherever it appears in the Memorandum and Articles of the Association and other documents of the Company.

"RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board of Directors be and is hereby authorised to do all such acts, deeds and things as may be deemed necessary."

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

"RESOLVED THAT subject to the provisions of sections 309, 310, 311, 198, 269 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 and the Articles of Association of the Company and subject to the approval of the Central Government and/or any other Government/ Statutory/ Judicial /Quasi-Judicial body, wherever necessary, Mr. R.S. Sharma be and is hereby re-appointed as Managing Director of the Company w.e.f. 30.01.2004 for a period of five years on

the following terms and conditions :

1. By way of Salary not exceeding Rs.95,000/- per month.
2. By way of Perquisites : Comprising of rent free furnished accommodation or house rent allowance, house maintenance allowance, gas, electricity, water, furnishings, reimbursement of medical expenses, servants & guards salaries, leave encashment and leave travel assistance for self and family, club fees, premium on personal accident/mediclinic insurance, Company cars with driver and such other benefits and allowances as are applicable to the Senior-most Management Cadre of the company and as per the Company's rules, schemes and policies from time to time. Monetary value of such perquisites shall not exceed Rs.95,000/- per month.

The value of perquisites shall be determined according to the Income Tax Rules, 1962. In the absence of any such rules, perquisites shall be valued at actual cost of the Company.

3. Mr. R.S. Sharma shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling on remuneration as specified above :

- a) contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- c) encashment of leave at the end of the tenure.

4. Commission @ 1% of the net profit of the company for each financial year or part thereof, computed in the manner laid down under section 309 of the Companies Act, 1956 and within the limits specified in Section 198 and Section 309 of the Companies Act, 1956.

During the continuance of his appointment, he shall devote adequate time and attention to the Company's work and shall use his best endeavors for promotion of the interest and welfare of the Company.

If he ceases to hold office of the Director for any reason, he shall ipso facto and immediately cease to be Managing Director.

He shall not be entitled to any sitting fees for attending meetings of the Board of Directors of the Company or any committee or committees thereof.

His services may be terminated by either party by giving to the other party 90 days notice of such termination or salary in lieu thereof.

His services will be governed by the service rules of the Company as may be in force from time to time in so far as they are not at variance with the terms herein contained."

By Order of the Board  
For J.M.A. INDUSTRIES LIMITED,

(Rakesh Sharma)  
Associate V.P. (Commercial) cum  
Company Secretary

Date : 30<sup>th</sup> July, 2004  
Place : New Delhi

# J.M.A. INDUSTRIES LIMITED

## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument(s) appointing the proxy, if any, should be delivered at the registered office of the Company at B-13, Badarpur Extension, New Delhi-110 044, not less than 48 (forty eight) hours before the commencement of the meeting and in default, the instrument of proxy shall be treated as invalid. Proxies shall not have any right to speak at the meeting.
3. The Explanatory Statement setting out the material facts in respect of the special business under Item Nos. 6 & 7 is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company shall remain closed for a period of 15 days, from Thursday, 16<sup>th</sup> day of September, 2004 to Thursday, 30<sup>th</sup> day of September, 2004 (both days inclusive).
5. Members are requested to send request for change in their addresses, if any, directly to the Share Registrar and Transfer Agents viz. Intime Spectrum Registry Limited, A-31, 3<sup>rd</sup> Floor, Near PVR Cinemas, Naraina Industrial Area, Phase-1, New Delhi.
6. Members desirous of having any information regarding Accounts are requested to send their queries to the Company at least 10 days before the date of the meeting, so that the requisite information is made available at the meeting.

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

#### Item No. 6

Hella K.G. Hueck & Co. ('Hella') through its subsidiary company is holding 51% shares in the capital of the Company. Hella is a well known name in the field of automobile lamps. Hella is constantly providing technical support to the Company to improve its quality. Hella in its endeavor to render continuous support has agreed to allow the Company to use the word "Hella" in its corporate name. Accordingly it is proposed to change the name of the Company from "JMA Industries Ltd." to "Hella India Lighting Limited". Your directors feel that the changed name would be beneficial for the Company. This requires consent of the members. Therefore, the resolution is being placed before the shareholders for their consideration and approval. None of the Directors are interested in the resolution except to the extent of their shareholdings, if any.

#### Item No. 7

Mr. R.S. Sharma was appointed as the Managing Director of the Company with effect from 30.01.2001 for a period of 5 years, which was approved by the shareholders in their Annual General Meeting held on 29<sup>th</sup> September, 2001. The appointment and remuneration of Mr. R.S. Sharma was approved by Department of Company Affairs on 22<sup>nd</sup> October, 2001 for a period of three years w.e.f. 30.01.2001.

Mr. Sharma who is a seasoned professional having an Honours Degree in Engineering and over 30 years experience of mostly in Automotive Industry, has the calibre to steer the company for achieving the new heights.

Mr. Sharma had started his career with M/s ITI Limited wherein he was responsible for Production Planning, Inspection and Quality Control. Thereafter he joined M/s Maruti Udyog Limited. He worked with M/s Maruti Udyog Limited for more than 10 years and was the member of Management Committee for 3 years. Mr. Sharma thereafter moved to M/s Escorts Limited wherein he was the Associate Vice President.

Mr. Sharma thereafter joined M/s Birla Yamaha Limited, a Sick Company as its Managing Director. With the efforts of Mr. Sharma, M/s Birla Yamaha not only came out of red but also started earning handsome profits despite industrial recession.

After taking charge of the Company by Mr. Sharma on 30<sup>th</sup> January, 2001, there was a substantial reduction in the losses of the Company. In the year 2001-02 the losses of the Company came down to Rs. 2.52 crores as compared to the losses of Rs. 8.42 crores during the year 2000-01.

Keeping in view the expertise of Mr. Sharma and the efforts put up by him, the Board had recommended his re-appointment for a further period of five years w.e.f. 30.01.2004, subject to the approval of shareholders, Central Government and/or other statutory bodies.

In view of the above, the said resolution is being placed before the shareholders for their consideration and approval.

Mr. R.S. Sharma is deemed to be interested in the said resolution. Further, none of the other directors are interested in the said resolution except to the extent of their shareholdings, if any.

By Order of the Board  
For J.M.A. INDUSTRIES LIMITED,

(Rakesh Sharma)  
Associate V.P. (Commercial) cum  
Company Secretary

Date : 30<sup>th</sup> July, 2004  
Place : New Delhi

# J.M.A. INDUSTRIES LIMITED

## DIRECTORS' REPORT

To,  
The Members,  
Your Directors take pleasure in presenting the 44th Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March, 2004.

## FINANCIAL RESULTS

	(Rs. in lacs)	
CURRENT YEAR ENDED 31.3.2004	PREVIOUS YEAR ENDED 31.3.2003	
Profit / (Loss) before Depreciation & Interest	(346.37)	(201.79)
Interest	129.11	₹138.95
Profit/ (Loss) before Depreciation	(475.48)	(340.74)
Depreciation	25.61	28.30
Net profit / (Loss) after Depreciation	(501.09)	(369.04)
Balance Brought Forward	(1816.18)	(1447.14)
Transfer from General Reserve to Profit & Loss Account	Nil	Nil
Balance Carried over to the Balance Sheet	(2317.27)	(1816.18)

## PERFORMANCE

During the period under review for 12 months, the company achieved a net sales turnover of Rs.1249.85 lacs as compared to the previous year Rs.1341.94 lacs for 12 months. The net loss amounts to Rs.501.09 lacs for 12 months as compared to the loss for previous year of Rs.369.04 for 12 months. The loss during the year include loss on Foreign Exchange revaluation of loans Rs. 39.59 lacs, loss on sale of Machinery Rs.0.45 lacs and Rs 114.76 lacs paid as terminal benefits to employees.

## DIVIDEND

Since your Company has not made any profits during the year under review, your Directors have not recommended any dividend.

## SUBSIDIARIES

M/s Bitoni Lamps Limited and Chetan Genthe & Co. Limited are the subsidiaries of the Company. Since, the Directors of the said subsidiary companies have failed to provide the audited accounts, the Company is constrained to provide the complete statement and accounts of subsidiary companies in terms of Section 212 of the Companies Act, 1956.

## DIRECTORS

During the year under review, Dr. H. W. Rixen resigned from the Board of Directors of the Company with effect from 17<sup>th</sup> January, 2004. Your Board places on record its appreciation of the valuable guidance and support provided by Dr. Rixen during his association with the Company.

Mr. Werner Boekels resigned from the Board of Directors of the Company with effect from 21<sup>st</sup> April, 2004. Your Board takes this opportunity to place on record its appreciation for the guidance provided by Mr. Boekels during his tenure.

Further the Board of Directors appointed Mr. Thomas Bernhard Cornelius and Mr. Gerwin Vilain as Directors in casual vacancies caused due to the resignation of Dr. Heinz Werner Rixen and Mr. Werner Boekels in its meeting held on 17.01.2004 and 21.04.2004 respectively.

In accordance with the provisions of the Companies Act, 1956,

and the Company's Articles of Association, Mr. Martin Herbst, Mr. R K Bhandari and Mr. R.S. Sharma retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed

- That in the preparation of annual accounts for the financial year ended 31<sup>st</sup> March 2004, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- That the Directors had selected such accounting policies and 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 loss of the Company for the year under review.
- That 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.
- That the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2004 on a going concern basis.

## AUDITORS

M/s S. P. Chopra & Co. Chartered Accountants, the Statutory Auditors of the company, have audited the accounts of the Company for the financial year 2003-2004, following the prescribed accounting standards.

M/s S. P. Chopra & Co, Chartered Accountants, would be retiring at the conclusion of the forthcoming Annual General Meeting. The Company has received a certificate from the Statutory Auditors to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

## FIXED DEPOSITS

Your Company have not accepted or renewed any deposits under section 58A of the Companies Act, 1956, during the year under review.

## INDUSTRIAL RELATIONS

Relations with the work force at both the Units remained cordial through out the year except labour unrest at Faridabad unit. 162 employees left the company of their own and took the terminal benefits.

## STATUTORY DISCLOSURES

The information relating to the Conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 217 (1) (e) of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed as Annexure II and forms part of this report.

There are no employees whose particulars are to be furnished pursuant to Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.



# J.M.A. INDUSTRIES LIMITED

## ENVIRONMENTAL PROTECTION & POLLUTION CONTROL

Your Company regards preservation of the environment as one of its primary social responsibilities. Accordingly, the Company places great emphasis on compliance with pollution norms.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Details as required under Management Discussion and Analysis Report are appended as Annexure I.

## CORPORATE GOVERNANCE

A detailed report on Corporate Governance as required under the Clause 49 of Listing Agreement with Stock Exchanges is annexed as a separate section titled "Report on Corporate Governance" to this Annual Report.

## COMPLIANCE CERTIFICATE

A certificate from the Practicing Company Secretary, regarding compliance of the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached and forms part of this report.

## ACKNOWLEDGEMENT

Your Directors are grateful to the Banks, Shareholders, Customers, Distributors, Authorised Dealers and all other business constituents for the valued co-operation and support extended by them to the Company during the year under review.

Your Directors sincerely wish to thank the workers, staff and executives of the Company for the continuous hard work put in by them.

For and on behalf of the Board

Place : New Delhi  
Date : 30<sup>th</sup> July, 2004

GERWIN VILAIN  
CHAIRMAN

## ANNEXURES TO THE DIRECTORS' REPORT ANNEXURE I

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### 1. Industry Structure and developments.

The Company is engaged in the business of automotive lighting. The automobile sector has grown over a period of time. The market of lighting has gone a sea change in the last few years.

The Company comply with various standard of lighting. The Company is looking for the business in exports. Hella being a well trade name in the automotive lighting, the import trading is also being made. The Company is looking for original equipment manufacturers (OEMs) and various dealers to sell its new generation lighting.

#### 2. Opportunities and Threats.

There is a growth in the automobile segment in the last year. New model in various segment have been introduced in the last few years. The Company has a strong "Hella" brand with high quality products to offer to the growing market. Strong parental support from Hella KG Hueck & Co. both financial and technical, international brand innovative and environment friendly products

continue to remain the main strengths of the Company.

The stiff competition in the domestic as well as international market, rigid norms and the competition from various unorganized segments may pose a short term threat to the Company.

However intense competition from existing as well as new players with consistent pressure on realization, need for continued investment in product upgradation, new product introduction and delayed entry in various plastic moulded lighting which are facing high growth, are the main areas of concern for the management.

#### 3. Segment wise performance.

The Company operates in a single business segment. Within this segment there is a decline in the sales of head lamps. The main reasons for decline as compare to previous years is the discontinuation of non-profitable head lamps by OEMs business.

#### 4. Outlook.

The Company recognizes the need to produce the Free Form Plastic Reflector and Clear Lense Headlamp. All existing and new Headlamps are to be produced with leveling system to cater to the OEMs requirements.

Your company also plans to put substantial investments in the plant and machinery to provide latest technology in the automotive lighting of world standard to cater to the need of growing market of automobile.

#### 5. Internal Control Systems & their adequacy.

Your Company has an effective Internal Control System in place. The Company has an Internal Auditors who undertake routine checking of various procedures, vouching etc.. The observations of Internal Auditors are reviewed by the management and placed before the audit committee wherein key findings are discussed for implementation and/ or correction, as the case may be. This, subject to inherent limitations in any system and procedure and coverage thereof, provide management with reasonable assurance that the established policies and the procedures of the Company have been followed, its assets safeguarded and any form of fraud and other irregularities prevented from occurring.

#### 6. Financial performance of the Company with respect to Operational Performance.

The operational and financial performance of the Company has been explained separately in the Director's Report.

#### 7. Material Developments in Human Resources, Industrial Relations.

Your Company continue to lay emphasis on qualitable growth of its human resources by providing congenial and constructive work environment.

Relations with the work force at both the Units remained cordial through out the year except labour unrest at Faridabad unit. 162 number of employees left the company of their own and took the terminal benefits.

The Management is conducting productivity improvement studies to improve efficiency levels at its manufacturing facilities to bring them at par with other comparable facilities in the Industry.

**J.M.A. INDUSTRIES LIMITED****ANNEXURE II**

**INFORMATION PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.**

**A CONSERVATION OF ENERGY**

- a) Energy conservation measures taken :  
The manufacturing process in our plant vary widely and cover process such as Electroplating, Painting, Die Casting, Bakelite Moulding, Sheet Metal Working and Plastic Injection Moulding.  
In almost all these processes the introduction of temperature controller and their regular proper operational maintenance has ensured achievement of the energy saving.
- b) Additional Investments and proposals if any, being implemented for reduction in consumption of energy :  
The investments involved will be to introduce above mentioned schemes.
- c) Impact of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of the goods :  
It is hoped that with the proposed implementation of the above, there would be a decrease in energy consumption. Energy conservation has been made an integral part of the induction training programme for new employees. In addition, regular training sessions are held where employees are educated in the need to reduce energy consumption to the minimum.
- d) Total energy consumption and energy consumption per unit of production : Not Applicable

**Form B****A RESEARCH & DEVELOPMENT (R&D)**

- 1 Specific Areas in which R&D carried out by the company : R&D has been carried out in the fields of lighting and signaling and also in production technology with the intent of producing better quality products.
- 2 Benefits derived as a result of the above R&D : We have been able to successfully develop several headlamps for domestic & export market, tail lamps, blinker lamps and switches for the Indian vehicle manufacturers and for export to foreign customers.
- 3 Future plan of action : Our R&D effort will be aimed at developing products in line with international quality standards so that we can provide better quality products to our reputed automobile manufacturers /customers
- 4 Expenditure on R&D : (Rs. In Lacs)  
Recurring expenses : 2.02  
R&D expenditure as a % of total turnover : 0.16 %

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

- 1 Efforts, in brief, made towards technology absorption, adaptation and innovation : Currently we are not importing any technology but developing ourselves. Our R&D facility is recognised by the Government.
- 2 Benefit derived as a result of the above efforts : Not Applicable
- 3 In case of imported technology during the last five years :  
a) Technology imported :  
b) Year of Import : Not Applicable  
c) Has technology been fully absorbed :  
d) If not, areas where this has not taken place, reasons therefore and future plans of action :

**B. FOREIGN EXCHANGE EARNINGS AND OUT GO**

: (Rs. In lacs)

- a) Earnings : Rs 38.15
- b) Outgo : Rs 38.29

For and on behalf of the Board

Place : New Delhi  
Date : 30<sup>th</sup> July, 2004

**GERWIN VILAIN**  
CHAIRMAN

**J.M.A. INDUSTRIES LIMITED****REPORT ON CORPORATE GOVERNANCE****1. GENERAL**

Standards of corporate governance are mandated by the Securities and Exchange Board of India for all companies listed on Indian stock exchanges. These standards are notified under Clause 49 of the listing agreement.

**2. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

Company's philosophy of Corporate Governance is preserving core values and ethical business conduct. Commitment to maximizing shareholder value on a sustained basis, while looking after the welfare of multiple stakeholders is a fundamental shared value of Company's Board of Directors, management and employees and critical to the company's success. This value system translates into institutionalizing structures and procedures that enhance the efficacy of the Board and inculcates a culture of transparency, accountability and integrity across the Company.

The Company is committed to conduct its business in a manner that exemplifies growth in shareholder value through ever improving financial results. The Company has set a goal for attaining the highest standard of good governance, meticulously pursue it and thereby maximize value for its shareholders, customers, employees and public at large.

**3. BOARD OF DIRECTORS**

As mandated by Clause 49, none of the Directors are members of more than ten committees of Boards nor are they Chairman of more than five committees in which they are members.

Apart from receiving sitting fee, and managerial remuneration for Managing Director, independent Directors do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries, which in the judgment of the Board may affect independence of judgment of the Director.

As on March 31, 2004 the Board of Directors of the Company consists of 8 Directors, with a mix of Executive and Non-Executive Directors. The Board consists of one (1) Executive and seven (7) Non-Executive Directors. Three Non-Executive Directors are independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement.

**a) Composition of the Board**

The details of the Directors on the Board of the Company for the financial year 2003-2004 is as under:

Name of the Director	Category	Number of Other Directorships held	Other Committee Membership	
			Chairman	Member
Mr. Werner Boekels	Chairman (NED)	3	1	-
Mr. Martin Herbst	Director (NED)	8	-	-
Mr. P.F. Doyle	Director (NED)	19	-	-
Mr. T.B. Cornelius	Director (NED)	NIL	-	-
Mr. R.K. Bhandari	Director (NED)	2	-	-
Dr. V.P. Juneja	Director (NED)	NIL	-	3
Mr. V.K. Mathur	Director (NED)	2	1	1
Mr. R.S. Sharma	Managing Director (ED)	2	-	2
Mr. Raman Sharma	Alternate Director (NED)	5	-	1
Mr. Kuldeep Singh	Alternate Director (NED)	NIL	-	-

**Notes :-**

NED – Non Executive Director

ED – Executive Director

- Mr. Werner Boekels has resigned from the directorship and the chairmanship of the Company, with effect from 21.04.2004 and Mr. Gerwin Vilain was appointed as a director in casual vacancy in his place.
- Mr. Raman Sharma was appointed as Alternate Director to Mr. Martin Herbst with effect from 21.04.2004.
- The number of other directorships mentioned above include the directorships held by Directors in the Companies which are specifically excluded under section 278 of the Companies Act, 1956.

**b) Attendance at the Board Meetings**

During the year under review, the Board of Directors met six (6) times. The meetings were held on 29th April, 2003; 10th May, 2003; 23rd June, 2003; 26th July, 2003; 19th October, 2003 and 17th January, 2004.

The attendance of each of the Directors at the Board Meetings and at the last Annual General Meeting (AGM) is presented below.



**J.M.A. INDUSTRIES LIMITED**

Name of the Director	Number of Board Meetings attended (Total meetings held : 6)	Attendance at last AGM of 20th September, 2003
Mr. Werner Boekels	5 (6)	Yes
Mr. Martin Herbst	2 (6)	No
Mr. P.F. Doyle	1 (6)	No
Mr. T.B Cornelius	1 (6)	No
Mr. R.K Bhandari	0 (6)	No
Dr. V.P. Juneja	6 (6)	No
Mr. V.K Mathur	6 (6)	No
Mr. R.S Sharma	6 (6)	Yes
Mr. Raman Sharma	6 (6)	Yes
Mr. Kuldeep Singh	2 (6)	No
Mr. Peter Wabenhorst	1 (6)	No
Mr. R. Bhandari	3 (6)	No

**\*Note :**

1. Mr. T.B. Cornelius was appointed on Board w.e.f. 17.01.2004.
2. Mr. Kuldeep Singh was appointed as alternate to Mr. P. F. Doyle on 29th April, 2003, ceases to be his alternate on 26th July, 2003 and again appointed as his alternate on 19th October, 2003.
3. Mr. Peter Wabenhorst was appointed as alternate to Mr. P.F. Doyle on 26th July, 2003 and ceases to his alternate w.e.f. 19th October, 2003.
4. Mr. R. Bhandari was removed from the Directorship in the last A.G.M. of the Company.
5. Mr. Raman Sharma is an alternate director to Martin Herbst.

**4. INFORMATION SUPPLIED TO THE BOARD**

The Board has complete access to all information with the Company. Inter – alia, the following information is regularly provided to the Board :

- Annual operating plans and budgets, capital budgets, updates;
- Quarterly results of the Company and its operating divisions of business segments;
- Minutes of meeting of audit committee and other committees of the board;
- Materially important show cause, demand, prosecution and penalty notices;
- Any materially relevant default in financial obligations to and by the Company or substantial-non-payment for goods sold by the Company;
- Any issue which involves possible public or product liability claims of a substantial nature;
- Details of any joint venture or collaboration agreement;
- Significant labour problems and their proposed solutions;
- Significant development in the human resources and industrial relations fronts;
- Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business;
- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risk of adverse exchange rate movement;
- Non-compliance of any regulatory, statutory nature or listing requirements as well as share holder services such as non-payment of dividend and delays in share transfer;

**5. COMMITTEE OF DIRECTORS**

The Company has three Board level committees. Audit Committee, Remuneration Committee, and Shareholders/ Investors Grievance.

All decisions pertaining to the constitution of committees, appointment of members and fixing of terms of service for committee members is taken by the Board of Directors. Details on the role and composition of these committees, including the number of meetings held during the financial year and the related attendance, are provided below:

**(a) AUDIT COMMITTEE**

The Board of Directors has constituted an Audit Committee, which deals in all matters relating to financial reporting and internal controls. The role and terms of reference of the Audit Committee covers the matters specified for the Audit Committee under Clause 49 of the Listing Agreement as well as Section 292A of the Companies Act, 1956.

The minutes of each Audit Committee meeting are placed before the Board for information.

## J.M.A. INDUSTRIES LIMITED

The majority of members of the Audit Committee are Non-Executive Independent Directors. The Company Secretary of the Company acts as the secretary of the committee.

During the year, the committee met two (2) times viz. on 14th June, 2003 and 17th January, 2004. The composition and Directors' attendance at the committee meetings is presented below:

Member Director	Category	No. of Meetings Attended (Total Meetings held : 2)
Mr. Raman Sharma	Chairman	2
Dr. V.P. Juneja	Member	1
Mr. R.S. Sharma	Member	2

**\* Note**

1. Mr. Raman Sharma has vacated the office of chairman of the Committee w.e.f. 21.04.2004 and Mr. Gerwin Vilain was appointed as chairman of the Committee on the same date.
2. Mr. R.S. Sharma has vacated the office of the Member of the Committee w.e.f. 21.04.2004 and Mr. Raman Sharma was appointed as Member on the same date.

The functions of the Audit Committee include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending the appointment and removal of external auditor, fixation of audit fee and approval for payment for any other services rendered by the auditors;
- Reviewing with the management the quarterly, half yearly and annual financial statements before submission to the Board, focusing primarily on:-
  - Any changes in accounting policies and practices.
  - Major accounting entries based on exercise of judgment by management.
  - Qualification in draft audit report.
  - Significant adjustments arising out of audit.
  - The going concern assumption.
  - Compliance with accounting standards.
  - Compliance with stock exchange and legal requirements concerning financial statements.
  - Any related party transaction i.e. transaction of the Company of material nature, with promoters of the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large;
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems;
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with external auditors before the audit commences, on nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Reviewing the Company's financial and risk management policies;
- Review of the draft audit report on quarterly, half yearly and annual financial statements before submission to the Board;
- Review of management discussion and analysis of financial condition and results of operations;
- Review of reports relating to compliance with laws ;

The Audit Committee is empowered, pursuant to its terms of reference, to:

- Investigate any activity within its terms of reference and to seek any information it requires from any employee;
- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

**(b) REMUNERATION COMMITTEE**

The Company has constituted a remuneration committee. The committee has three (3) Directors, majority of whom are Non-Executive Independent Directors. The Chairman of the committee, Mr. Werner Boekels is a Non-Executive Director.

During the year, the committee met two (2) times viz. on 26th July, 2003 and 17th January, 2004. The composition and Directors' attendance at the committee meetings is presented below: