

# ANNUAL REPORT

## 2002 - 03

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**JCT ELECTRONICS LIMITED**

**BOARD OF DIRECTORS**

Mr. M.M. Thapar, *Chairman*  
 Mr. Arjun Thapar, *Managing Director*  
 Mr. K. Jayabharath Reddy  
 Mr. V. Rajaraman  
 Mr. P.K. Ganguly  
 Mr. S. Ananthakrishnan, *Nominee IDBI*  
 Dr. S. S. Jha, *Nominee IFCI*  
 Mr. J.N. Pandey, *Nominee Allahabad Bank*

**CHIEF OPERATING OFFICER**

Mr. Raj Kapur

**COMPANY SECRETARY**

Mr. Gopal Krishnan

**AUDITORS**

V. Sahai & Co.  
 New Delhi

**REGISTERED OFFICE**

A-32, Industrial Phase VIII  
 S.A.S. Nagar,  
 Mohali (Punjab)

**HEAD OFFICE**

Thapar House,  
 124 Janpath  
 New Delhi - 110 001

**BANKERS**

Allahabad Bank  
 Bank of Baroda  
 Bank of Nova Scotia  
 Citibank N.A.  
 Hongkong & Shanghai Banking Corpn.  
 Indian Overseas Bank  
 Oman International Bank Ltd. S.A.O.G.  
 Punjab National Bank  
 Punjab & Sind Bank  
 SBI Commercial & International Bank Ltd.  
 Standard Chartered Bank  
 State Bank of India  
 State Bank of Patiala  
 The Bank of Tokyo - Mitsubishi Ltd.  
 Mizuho Corp. Bank Ltd.  
 The UFJ Bank Limited  
 The Siam Commercial Bank p.l.c.  
 UCO Bank

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## NOTICE

Notice is hereby given that the 26<sup>th</sup> Annual General Meeting of the Members of JCT ELECTRONICS LIMITED will be held at Dara Studio, Phase-VI, S.A.S. Nagar, Mohali – 160 055, Punjab on Tuesday the 30th day of September, 2003 at 3.00 p.m. to transact the following business:

### Ordinary Business :

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2003, the Profit & Loss Account for the financial year ended on that date and the Reports of the Auditors and Directors' thereon.
2. To appoint a Director in place of Mr. M. M. Thapar, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. P. K. Ganguly, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s V. Sahai & Co., Chartered Accountants as the Statutory Auditors of the company to hold office from the conclusion of this annual general meeting till the conclusion of the next annual general meeting and authorise the Board of Directors to fix their remuneration.

### Special Business :

5. To consider and if thought fit, to pass with or without modification(s), the following resolutions as ordinary resolution.

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII thereto and subject to such consents as may be required, approval be and is hereby accorded to the re-appointment of Mr. Arjun Thapar as the Managing Director of the Company for a period of five years with effect from 4th February, 2003 and to his receiving remuneration, perquisites etc. as set out hereunder :

Salary : Rs.50,000 per month.

Perquisites :

i) Housing

The Company shall provide rent-free furnished accommodation.

In case no accommodation is provided by the Company, he shall be entitled to house rent allowance limited to 60% of his salary.

In case Company owned accommodation is provided, 10% of his salary shall be deducted by the Company.

The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962.

ii) Medical Reimbursement

Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years as per rules of the Company.

iii) Leave Travel Concession

For self and family once in a year in accordance with the rules of the Company.

Explanation : Family here means the spouse and dependent children.

iv) Club fees

Fees of clubs subject to a maximum of two clubs, which will not include admission fees.

v) Personal Accident Insurance

Personal Accident Insurance, the premium of which shall not exceed Rs.4,000 per annum.

vi) Encashment of Leave

Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on remuneration/perquisites.

vii) Provident Fund, Superannuation and Gratuity

Company's contribution towards Provident Fund and Superannuation Fund as per rules of the Company but not exceeding 25% of the salary or as laid down in the Income Tax Rules, 1962.

Contribution to the Provident Fund or Superannuation Fund shall not be included in the computation of the ceiling on remuneration/perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.



Gratuity as per rules of the company but not exceeding half month's salary for each completed year of service. Such gratuity will also not be included in the computation of the ceiling on remuneration/perquisites.

viii) Car and Telephone

The company shall provide a company maintained car and residential telephone with fax. The car for use on company's business and telephone/fax at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the company to him.

Minimum Remuneration

In the event of loss or inadequacy of profits in any financial year during his tenure as Managing Director, remuneration shall be paid by way of salary and perquisites as set out hereinabove provided the total remuneration so paid does not exceed the limits prescribed under Schedule XIII to the Companies Act, 1956 or any modification or re-enactment thereof as applicable from time to time.

RESOLVED Further that the Board (which expression shall be deemed to include any committee of the Board for the time being, exercising the powers conferred by the Board) is authorised to alter or vary the remuneration, subject to the overall ceiling under the provisions of the Companies Act, 1956 read with Schedule XIII thereto or any amendment or re-enactment thereof or otherwise as may be permissible from time to time."

6. To consider and if thought fit, to pass with or without modification, the following resolutions as special resolution.

"RESOLVED that pursuant to the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to the provisions of the Companies Act, 1956, including any amendment or re-enactment thereof, the Securities Contracts (Regulation) Act, 1956 and the rules framed thereunder and other applicable laws, rules, regulations and guidelines etc. prescribed and subject to such other approvals, permissions, sanctions etc. if any, as may be necessary and subject to such conditions as may be prescribed by any authority while granting such approvals, permissions, sanctions etc. which may be agreed to by the Board of Directors (hereinafter referred to as "the Board", which expression shall be deemed to include any committee of the Board for the time being, exercising the powers conferred by the Board), approval be and is hereby accorded to the Board to voluntarily delist on account of negligible or nil trading volumes, the equity shares of the company (including equity shares that may be issued and listed in future) from The Stock Exchange, Ahmedabad, The Calcutta Stock Exchange Association Limited, The Delhi Stock Exchange Association Limited and The Ludhiana Stock Exchange Association Limited.

"RESOLVED Further that the Board be and is hereby authorised to do all acts deeds and things as it may in its absolute discretion deem necessary, desirable and appropriate to give effect to the above resolution."

By order of the Board  
for JCT ELECTRONICS LIMITED

Gopal Krishnan  
Company Secretary &  
Chief Internal Auditor

Place : New Delhi

Dated : 31<sup>st</sup> July, 2003

## NOTES

- a) **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.**  
**Proxies in order to be effective must be received by the company at its registered office not less than 48 hours before the meeting.**
- b) The Register of Members and Transfer books of the company will remain closed from Wednesday the 24th September, 2003 to Tuesday the 30th September, 2003 (both days inclusive)
- c) Dividend for the financial years ended 31<sup>st</sup> March, 1996 and 1997, which remains unpaid or unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government in November, 2003 and November, 2004 respectively pursuant to the provisions of Section 205A/205C of the Companies Act, 1956.  
Members who have not encashed their dividend warrant(s) for the said period are requested to seek revalidation/issue of duplicate warrant(s) by writing to the company.



- d) Members can send the shares in physical form for transfer and all other queries to the company's share department at : Thapar House, 124 Janpath, New Delhi – 110 001
- e) Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos. 5 & 6 is annexed hereto.
- f) Particulars of Directors who retire by rotation and are seeking re-appointment at the ensuing annual general meeting fixed on 30th September, 2003 are given hereunder :

Mr. M. M. Thapar – Mr. Thapar, Industrialist aged 70 years has been a director and non executive chairman of the company since 1987. He holds a Degree in Engineering from the University of Pennsylvania, USA and has over 50 years of experience. He is on the Board of several Thapar Group Companies and is also the Chairman and Managing Director of JCT Limited.

Mr. P. K. Ganguly – Mr. Ganguly, aged 62 years is an Advocate and Solicitor and a fellow of the Indian Council of Arbitration. He has been a director on the Board since the year 2000. He has over 40 years of experience and has been associated with J. B. Dadachanji & Co. for over 17 years with specialisation in Corporate Laws, Joint Ventures and Arbitration. He is also on the Boards of companies like - Yang Du Estates Limited, Menarin Raunaq Pharma Ltd., Zellweger Luwa India Limited and Foundry Automation India Limited

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

##### **Item 5**

Mr Arjun Thapar was appointed as the Managing Director of the company for a period of five years with effect from 4<sup>th</sup> February, 1998 with the approval of the members. His term of appointment expired on 3<sup>rd</sup> February, 2003. The Board at its meeting held on 30<sup>th</sup> January, 2003 approved his re-appointment as the Managing Director of the company for a further period of five years with effect from 4<sup>th</sup> February, 2003, subject to necessary approvals, as may be required. The remuneration committee constituted by the Board has also subject to necessary consents approved payment of remuneration during this tenure as set out in the resolution at Item '5' of the Notice.

Mr. Arjun Thapar has been associated with the company since 1986 and has been actively involved in the management of the company and its operations. He was instrumental in bringing Hitachi, Japan the world leaders in CPT technology, as a technical collaborator to set up the first CPT plant in India. He further pioneered the setting up of a world class green field project at Vadodara.

In view of Mr. Thapar's experience in the business of CPTs and also since there is no change in the remuneration proposed despite the size & operations of the company and the trend in the industry, directors recommend the resolutions for approval of the members.

Except Mr. M. M. Thapar who is related to Mr. Arjun Thapar and Mr. Arjun Thapar himself, none of the other directors of the company are interested or concerned in the resolution.

##### **Item 6**

At the last annual general meeting held on 20<sup>th</sup> August, 2002, the members had authorised the Board to take steps for the voluntarily delisting of the company's equity shares from some of the stock exchanges and in particular the stock exchanges at Ahmedabad, Kolkata and New Delhi. This was done as the trading volumes on these stock exchanges was negligible or nil and further as the cost incurred and the procedural formalities involved were not commensurate with the benefits, accruing to the investors. The equity shares are already listed at the National Stock Exchange (NSE) and the Stock Exchange, Mumbai (BSE) which have extensive connectivity and networking and investors have access to online trading across the country. Though necessary applications were made to these stock exchanges, approval from them is still pending. Meanwhile, The Securities and Exchange Board of India have now brought out the new delisting guidelines 2003 whereupon the earlier guidelines stand withdrawn. As per the new guidelines, if the equity shares continue to be listed on the NSE and BSE, then exit opportunity need not be provided and further listing on the regional exchange is not compulsory. Some of the stock exchanges have desired that approval of the members be now sought under the new guidelines and as such resolution at Item '6' is proposed for consideration of members. The delisting will take effect after all approvals, permissions and sanctions are received.

Directors recommend the resolutions for approval of the members.

None of the Directors of the company shall be deemed to be interested in the above resolutions.



## DIRECTORS' REPORT

Your directors present their report together with audited accounts for the year ended 31<sup>st</sup> March, 2003.

### Financial Results

	Year Ended 31.03.2003 (12 months)	Period Ended 31.03.2002 (18 months)
	(Rupees in lacs)	
Gross Sales including other income	41638	35792
Earnings before interest and depreciation	2443	(-) 2517
Less : Interest	8493	8543
Miscellaneous expenses written off	80	858
Depreciation	4062	5859
Net Loss before tax	10192	17777
Provision for tax	-	-
Net Loss after tax	10192	17777
Loss from earlier years brought forward	22205	4428
Loss carried over to Balance Sheet	32397	22205

### Operations

The Colour Picture Tube (CPT) industry continued its growth during the year ended 31<sup>st</sup> March, 2003. The industry improved its volumes from over 6 million to 8 million CPTs during the year. The CPT market remained buoyant for most of the year except for the seasonal dip in June – July, 2002. Thereafter the market picked up with the festive season and continued till the world cup of cricket. The margins have however been under pressure on account of prices coming down both in the domestic and international markets due to the rupee getting stronger coupled with aggressive competition and pricing by the Colour TV industry. This trend is continuing as the customs' duty on CPTs has been brought down further in the Union Budget 2003.

The production volumes improved substantially during the year to a level of 1467938 nos. as against 748759 nos. recorded in the previous twelve months. Sales during the year improved from 731789 nos. to 1432871 nos achieving a near 100% increase. During the year the company operated only its Vadodara unit. The operations at the Mohali unit have remained suspended on account of lock out declared to safeguard against threat to people and property. The earnings before interest and depreciation for the year was Rs. 2443 lacs. After providing for interest and depreciation there is a net loss of Rs. 10192 lacs during the year. With the loss of Rs. 22205 lacs carried forward from earlier period the net loss at the end of the year is Rs. 32397 lacs.

In view of the above losses, no dividend is recommended.

Your company had made a reference to the Board for Industrial and Financial Reconstruction (BIFR) pursuant to the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985, consequent to erosion in its net worth. With the audited accounts as at 31<sup>st</sup> March, 2002 being adopted by the members at the last annual general meeting, the reference since stands registered with BIFR.

### Business Outlook

The domestic Colour TV (CTV) market holds good growth potential with the advent and growth of diverse viewing software & channels, aggressive pricing strategies of the CTV manufacturers and low interest financing options available. With cheaper sets made available by CTV manufacturers, the demand in the rural and semi urban areas have improved and opened a big market. Having established itself as a leading player with supplies to all reputed CTV manufacturers including host of multinational brands, your directors are confident of regaining leadership in the mid size segment. Various steps have been initiated for increasing production volumes and improving operating efficiencies. Through constant reduction in cost of raw materials, overheads, improvement and usages, the contributions are intended to be maintained. Plans are on the anvil for setting up a captive power plant to save on the high power cost. Your company also intends to improve its product range by taking up manufacture of Pure flat Colour Picture Tubes.



**Finances**

Your company has initiated a major revised financial re-structuring exercise in order to reduce interest costs to serviceable levels. Moreover in view of the reducing margins, the lenders have been approached to reschedule the debt repayments. The revised restructuring proposal submitted to the lenders is under their active consideration and your company is confident of a positive outcome. Though fresh working capital facilities were not available from the bankers, production was ramped up and operations sustained with the support of vendors and customers.

**Fixed Deposits**

The company had stopped accepting deposits since September, 2000. However, as on 31<sup>st</sup> March, 2003, four deposits amounting to Rs.83,000 remained unclaimed.

**Human Resources**

Your company acknowledges that the employees are its greatest strength in realising its goals and the human resource policies are aimed at providing for growth opportunities as also getting improved productivity and performance levels.

The lock out at the Mohali unit continues and the Company is confident of resolving all issues at the earliest. Industrial relations remained cordial at the Vadodara unit.

**Directors**

IFCI Limited (IFCI) has nominated Dr. S S Jha, General Manager, IFCI on the Board of the company with effect from 30<sup>th</sup> January, 2003 in place of Mr. R V Rao. Industrial Development Bank of India (IDBI) also has nominated Mr S Ananthakrishnan, General Manager, IDBI on the Board with effect from 14<sup>th</sup> October, 2002 in place of Mr S Ravi.

Your Directors place on record their appreciation for the contributions made by Mr. Rao and Mr Ravi during their association with the company.

Mr M M Thapar and Mr P K Ganguly, directors retire by rotation at the forthcoming annual general meeting and being eligible offer themselves for re-appointment.

The term of Mr Arjun Thapar as Managing Director expired on 3<sup>rd</sup> February, 2003. The Board of Directors have unanimously approved his re-appointment for a further period of five years on the existing remuneration, subject to such consents as may be required. Necessary approvals for his reappointment and remuneration is being taken up at the forthcoming annual general meeting. The company has meanwhile as per statutory provisions applied to the Central Government in this regard.

**Directors' Responsibility Statement**

On the basis of compliance certificates received from various executives of the company and subject to disclosures in the annual accounts, as also on the basis of discussion with the Statutory Auditors from time to time, we state:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period.
- 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.
- that the directors have prepared the annual accounts on a going concern basis.

**Corporate Governance**

The company has complied with the conditions of corporate governance. A separate report on corporate governance is enclosed as part of this annual report alongwith a certificate from the Auditors of the company regarding compliance of corporate governance as stipulated under Clause 49 of the listing agreement.

**Other Information**

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo and forming part of this report is annexed. As no employee is covered in the limits prescribed under the provisions of Section 217(2A) of the Companies Act, 1956 and rules framed thereunder, necessary particulars are not annexed.



## Delisting of Equity Shares

The Board has recommended for approval of members, voluntary delisting of equity shares from stock exchanges at Delhi, Kolkata, Ahmedabad and Ludhiana as there is negligible trading. Special resolution seeking your approval is appearing in the Notice for AGM. The shares shall continue to be listed on the Mumbai & National Stock Exchange.

## Auditors

The Auditors, Messrs V Sahai & Co., Chartered Accountants, hold office till the conclusion of the forthcoming annual general meeting and are eligible for re-appointment.

The non provision of certain items mentioned by the Auditors in their report have been taken care of in the revised restructuring proposal submitted to the lenders which is under consideration and these would eventually be addressed.

## Acknowledgement

The Board acknowledges the valuable support of the government agencies, financial institutions, banks, collaborators, customers, suppliers, shareholders and employees and looks forward to their continued support.

New Delhi  
31<sup>st</sup> July, 2003

On behalf of the Board,  
M. M. Thapar  
Chairman

## ANNEXURE TO THE DIRECTORS' REPORT

Information under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2003.

### A. CONSERVATION OF ENERGY

To conserve energy, following measures have been taken:

- By implementing the Environment Management System, we have taken many projects to reduce the consumption of water in the plant and also we were able to reduce water consumption by recycling of water.
- LPG consumption in the furnaces has been reduced by plugging the heat losses and fine tuning the combustion system.
- Internal Audit conducted to plug leakages of Air, Water & LPG, thus saving Power and Fuel.
- Modification of main plant machines to remove excess motors on idle positions and by clubbing two areas.

### B. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

#### a) RESEARCH & DEVELOPMENT

(i) Specific areas in which R&D is being carried out :

- Import Substitution
- Technology upgradation
- Process Development
- Quality Improvement
- Energy conservation
- Development of alternative Raw Materials

(ii) Benefits derived as a result of above activities :

- Import substitution of a large number of components
- Cost reduction by improving design of various components and by developing alternative sources.

- Usage Improvement.
- Quality Improvement.

(iii) Future plan of action

- To continue R&D work in above areas.
- Launch 21" Pure Flat Colour Picture Tubes

(iv) Expenditure on R&D

- No significant expenditure was involved. The up-gradations and improvements were carried out during the normal operations.

#### b) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

i. Technology

For manufacture of 21", 20" and 14" Colour Picture Tubes, 20" Deflection Yokes & 21" Electron Gun and other components from Hitachi, Japan.

ii. Year of Import

20" CPTs in 1986 and 21" and 14" CPTs in 1994.  
Deflection Yokes in 1988.  
Electron Gun in 1994.

iii. Has technology been fully absorbed.

Development of capability and technology for the above have been absorbed.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange outgo during the year	Rs. 5937.98 lacs
Foreign exchange earning during the year	Rs. 902.65 lacs





## CORPORATE GOVERNANCE REPORT

Company's policies on the corporate governance and Report on due compliance of specific areas wherever applicable for the year ended 31<sup>st</sup> March, 2003 are given hereunder :

### I. Company's philosophy on Corporate Governance

JCT Electronics Limited (JCTEL) believes that good corporate governance is essential to achieve long term corporate goals and to enhance stakeholders' value. Company's business objective and that of its management and employees is to manufacture and market the company's product in such a way so as to create value that can be sustained over a long term for all its stakeholders including shareholders, employees, customers, lenders and the government. In addition to compliance with regulatory requirements, JCTEL endeavors to ensure that highest standards of ethical conduct are met throughout the organisation.

### II. Board of Directors

The Board of Directors comprises of eminent persons who have the expertise and experience to guide and manage the company. The Board is constituted of eight members with three nominee directors and four non executive directors which includes three independent directors.

Name of Director	Category of Director	No. of other Directorships held	No. of other Board Committee (s) of which he is a member	No. of other Board Committee (s) of which he is Chairman
Mr. M M Thapar, <i>Chairman</i>	Promoter – Non Executive	Five	One	None
Mr. Arjun Thapar, <i>Managing Director</i>	Promoter – Executive	None	None	None
Mr. K Jayabharath Reddy	Independent – Non Executive	Eight	Three	Three
Mr. V Rajaraman	Independent – Non Executive	One	None	None
Mr. P K Ganguly	Independent – Non Executive	Four	None	None
Dr. S S Jha	Nominee – IFCI	Two	None	None
Mr. S Ananthakrishnan	Nominee – IDBI	One	None	None
Mr. J N Pandey	Nominee – Allahabad Bank	One	None	None

The Board met four times during the year on 30<sup>th</sup> April, 2002, 8<sup>th</sup> July, 2002, 30<sup>th</sup> October, 2002 and 30<sup>th</sup> January, 2003. The attendance of each of the directors during the year ended on 31<sup>st</sup> March, 2003 is as under :

Name of Director	No. of Board Meetings attended
Mr. M M Thapar,	One
Mr. Arjun Thapar,	Four
Mr. K Jayabharath Reddy	Four
Mr. V Rajaraman	Four
Mr. P K Ganguly	Four
Dr. S S Jha (from January, 2003)	One
Mr. R V Rao (upto December, 2002)	Two
Mr. S Ananthakrishnan (from October, 2002)	Two
Mr. S Ravi (upto October, 2002)	Two
Mr. J N Pandey	Four

Note : Dr. S S Jha was nominated by IFCI in place of Mr. R V Rao with effect from 30<sup>th</sup> January, 2003 and Mr. S Ananthakrishnan was nominated by IDBI in place of Mr. S Ravi with effect from 14<sup>th</sup> October, 2002.

The last AGM held on 20<sup>th</sup> August, 2002, was attended by Mr. V Rajaraman and Mr P K Ganguly.



### III. Audit Committee

The Audit Committee comprises of three independent non-executive directors and at present Mr. V Rajaraman, Mr. P K Ganguly and Dr. S S Jha (Nominee -IFCI ) are its members. Prior to Dr. Jha's nomination, Mr. R V Rao was a member of the committee. Mr. V Rajaraman is the chairman of the committee.

The committee met five times on 30<sup>th</sup> April, 2002, 14<sup>th</sup> June, 2002, 8<sup>th</sup> July, 2002, 30<sup>th</sup> October, 2002 and 30<sup>th</sup> January, 2003 and the attendance of each committee member is as under :

Name of Director	No. of Meetings attended
Mr. V Rajaraman	Five
Mr. P K Ganguly	Five
Dr. S S Jha	Nil
Mr. R V Rao	Three

The internal auditors, statutory auditors, Chief Operating Officer and the Company Secretary who is also the Chief Internal Auditor also attended the committee meetings to answer and clarify queries raised. Representatives from various departments of the company are invited as and when need arises.

The role and terms of reference of the committee covers all matters specified under Clause 49 of listing agreement as well as Section 292A of the Companies Act, 1956.

### IV. Remuneration Committee

The Remuneration Committee comprises of three independent non executive directors with Mr. K. Jayabharath Reddy, Mr. V Rajaraman and Dr. S S Jha (Nominee – IFCI) as its members. Mr. K Jayabharath Reddy is the chairman of the committee.

The committee was constituted to fix the remuneration payable to the Managing Director in view of the stipulations as contained in Schedule XIII to Companies Act, 1956.

### V. Shareholders Committee

The company has constituted a Shareholder's Committee with Mr. Ajun Thapar – Managing Director and three non executive directors viz. Mr. M M Thapar, Mr. V Rajaraman & Mr. P K Ganguly as its members.

The committee meets to approve inter-alia transfer/transmission of shares, issue of duplicate share certificates and review the status of the shares dematted/rematted and investor's grievance and redressal mechanism and recommend measures for improvement of investors' services. Details of shares transferred/transmitted and duplicate share certificates issued with the approval of the committee are placed before the Board from time to time.

During the year ended 31<sup>st</sup> March, 2003 there were no complaints/queries pending for reply. Further there were no share transfers pending for registration for more than 30 days.

Mr Gopal Krishnan, Company Secretary has been designated as the Compliance Officer.

### VI. Details of sitting fees, remuneration paid during the year ended 31<sup>st</sup> March, 2003.

Name of Director	Sitting Fees for meetings of the Board & Committee
Mr. M M Thapar	Rs. 2,000
Mr. K Jayabharath Reddy	Rs.10,000
Mr. V Rajaraman	Rs.30,000
Mr. P K Ganguly	Rs.30,000
Dr. S S Jha (from Jan., 2003)	Rs. 4,000
Mr. R V Rao (upto Dec., 2002)	Rs.12,000
Mr. S Ananthakrishnan (from Oct., 2002)	Rs. 4,000
Mr. S Ravi (upto Oct., 2002)	Rs. 4,000
Mr. J N Pandey	Rs. 8,000
No Commission has been paid to any Director.	

Mr Arjun Thapar, Managing Director has been paid a total remuneration of Rs.11.88 lakhs during the year.