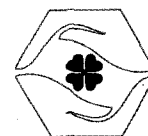




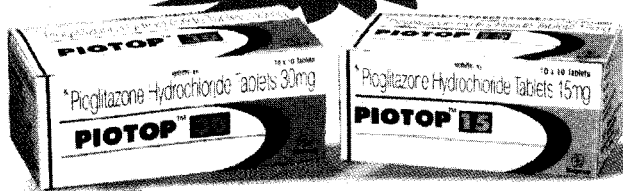
# Smyle

*A Way of Life*

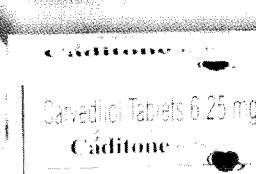
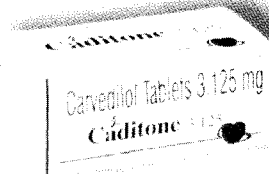
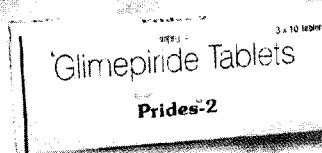
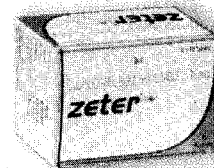
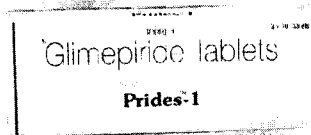


**Kopran**  
Corporate Statement  
2002-2003

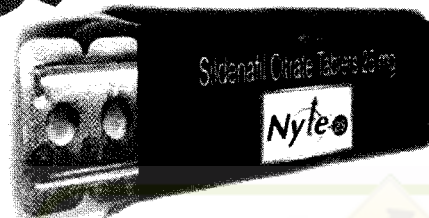
**An Anti-diabetic**



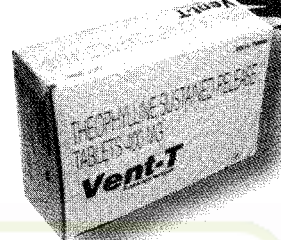
**An Anti-hypertensive**



**For Erectile Dysfunction**



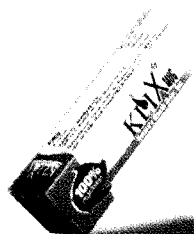
**An Anti-asthmatic**



# Brand Building Through New Products



**KLIX<sup>STR</sup>**  
India's First Triple Action Therapy



**KLIX<sup>MUG</sup>**  
India's First Dual Action Mouth Ulcer Gel



Kopran



**KLIX<sup>ODC</sup>**  
Nature's Medicated Oro-Dental Cream

**BOARD OF DIRECTORS**

SHRI SUSHEEL G. SOMANI  
 SHRI SURENDRA SOMANI  
 SHRI RAJENDRA SOMANI  
 SHRI S. J. PAREKH  
 DR. SURESH K. PARIKH  
 DR. A. C. SHAH  
 SHRI SUNIL S. PAREKH  
 SHRI MUKUND M. CHITALE  
 SHRI H. P. VYAS  
 SHRI NARASIMHA SAHU  
 SHRI TAPAN RAY

**Chairman***Executive Vice-Chairman**Director**Director**Director**Director**Director**Director (Resigned w.e.f. 25th September, 2003)**Director**Nominee Director – UTI (Appointed w.e.f. 31st January, 2003)***Managing Director****COMMITTEES OF THE BOARD****AUDIT COMMITTEE**

DR. A. C. SHAH	Chairman
SHRI H. P. VYAS	Member
DR. SURESH K. PARIKH	Member

**INVESTOR GRIEVANCE COMMITTEE**

SHRI H. P. VYAS	Chairman
SHRI SURENDRA SOMANI	Member
DR. A. C. SHAH	Member

**MANAGEMENT TEAM**

SHRI SURENDRA SOMANI  
 SHRI TAPAN RAY  
 SHRI K. M. SHIVANI  
 DR. A. V. PRABHU  
 DR. A. K. PUROHIT  
 SHRI JOSE THARAKAN

*Executive Vice-Chairman and Chief Executive Officer**Managing Director and Chief Operating Officer**Sr. Vice President and Chief Technical Officer**Sr. Vice President and Chief Scientific Officer**Vice President - Technical (Bulk Drugs)**Vice President and Chief Personnel Officer***G.M. (FINANCE) & COMPANY SECRETARY**

SHRI NARAYAN PAREKH

**BANKERS**

STATE BANK OF INDIA  
 ING VYSYA BANK LTD.  
 BANK OF BAHRAIN & KUWAIT B.S.C.  
 THE FEDERAL BANK LIMITED  
 BANK MUSCAT S.A.O.G.

**AUDITORS**

KHANDELWAL JAIN & CO.  
 Chartered Accountants

**REGISTERED OFFICE**

Parijat House,  
 1076, Dr. E. Moses Road,  
 Worli, Mumbai - 400 018.

**FINISHED DOSAGE FORM : PLANT**

Village Savroli, Khopoli,  
 Taluka Khalapur,  
 Dist. Raigad, Maharashtra.

**SPECIALITY BULKS : PLANT**

K-4/4, Additional M.I.D.C.,  
 Mahad, Dist. Raigad.  
 Maharashtra.

**KOPRAN RESEARCH LABORATORIES LTD.**

D-28/2, T.T.C. Industrial Area,  
 Village Bhonsari, Near Turbhe Tele. Exchange,  
 M.I.D.C., Navi Mumbai - 400 705.  
 Maharashtra.

**FINANCIAL HIGHLIGHTS****FIVE YEAR REVIEW****Rs. in Lacs**

	1998-1999	1999-2000 (9 months)	2000-2001	2001-2002	2002-2003
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**SOURCES:**

Equity Share Capital	1429.94	1429.94	1429.94	1430.00	<b>2005.20</b>
Preference Share Capital	2200.00	2100.00	1500.00	1000.00	<b>800.00</b>
Reserves & Surplus	16015.29	15744.49	16909.72	15490.89	<b>14832.80</b>
Net Worth	19645.23	19274.43	19839.66	17920.89	<b>17638.00</b>
Secured Loans	13703.40	13257.82	19107.79	17121.95	<b>19118.38</b>
Unsecured Loans	5047.25	3983.16	3093.63	550.00	<b>415.00</b>
Deferred Tax	—	—	—	1883.33	—
	<b>38395.88</b>	<b>36515.41</b>	<b>42041.08</b>	<b>37476.17</b>	<b>37171.38</b>

**APPLICATIONS:**

Fixed Assets (Net Block)	13366.28	15193.79	16470.47	15817.34	<b>17578.29</b>
Capital Work-in-Progress	2308.93	2269.93	634.12	568.84	—
Investments	7489.72	5,100.10	4338.78	2657.21	<b>2576.23</b>
Current Assets, Loans & Advances	22421.66	18583.41	23470.89	21587.78	<b>19868.60</b>
<b>Less : Current Liabilities &amp; Provisions</b>	<b>7863.76</b>	<b>5343.70</b>	<b>3738.90</b>	<b>4294.71</b>	<b>4789.91</b>
Net Current Assets	14557.90	13239.71	19731.99	17293.07	<b>15078.69</b>
Miscellaneous Expenditure	673.05	711.88	865.72	1139.71	<b>1938.17</b>
(to the extent not written off or adjusted)	<b>38395.88</b>	<b>36515.41</b>	<b>42041.08</b>	<b>37476.17</b>	<b>37171.38</b>

Sales and Other Income	20370.18	16627.18	23087.31	23891.94	<b>15501.11</b>
Gross Profit	1740.15	1717.46	2459.21	4736.90	<b>(841.03)</b>
Depreciation	630.36	594.92	897.92	961.52	<b>965.28</b>
Provision For Doubtful Advances	—	—	—	3061.77	—
Provision for Doubtful Debts	—	—	—	—	<b>577.38</b>
Income Tax (Including Deferred Tax)	80.00	110.00	120.00	(151.55)	—
Net Profit / (Loss)	1029.79	957.17	1441.29	865.16	<b>(2383.69)</b>



Kopran

KOPRAN LIMITED

**DIRECTORS' REPORT**

To  
The Members,

Your Directors present their FORTY FOURTH Annual Report of the Company with the Audited Statement of Accounts for the year ended on 31<sup>st</sup> March, 2003.

**FINANCIAL RESULTS**

	<b>For the Year Ended 31.03.2003</b>	<b>Rupees (in Lacs) For the Year Ended 31.03.2002</b>
Profit before Interest, Depreciation & Tax	<b>2017.73</b>	7442.67
Less : Interest	<b>2858.76</b>	2705.77
Profit / (Loss) before Depreciation and Tax	<b>(841.03)</b>	4736.90
Less : Depreciation	<b>965.28</b>	961.52
Profit / (Loss) before Tax	<b>(1806.31)</b>	3775.38
Less : Provision for Doubtful Advances	—	3061.77
Less : Provision for Doubtful Debts	<b>577.38</b>	—
Less : Provision for Taxation	—	60.00
Current	—	(211.55)
Deferred	—	—
Profit / (Loss) after Tax	<b>(2383.69)</b>	865.16
Add: Balance brought forward from previous year	<b>160.93</b>	252.07
Amount available for appropriation	<b>(2222.76)</b>	1117.23
<b>Appropriations:</b>		
Interim Dividend on Preference Shares	—	89.50
Proposed Dividend on Preference Shares	—	91.00
Tax on Dividend	—	9.13
Capital Redemption Reserve	—	500.00
Debenture Redemption Reserve	—	266.67
Surplus/(Deficit) carried to Balance Sheet	<b>(2222.76)</b>	160.93
	<b>(2222.76)</b>	1117.23

**DIVIDEND**

In view of the loss incurred during the year the Board has not recommended dividend on Equity and Preference Shares.

**OPERATIONS**

During the year under review, the total turnover was Rs. 155.01 crores of which Rs.42.78 crores was Formulations. The turnover was affected due to:

1. The Brand ATEN was assigned to Zydus Cadila and significantly affected the current year's performance.

However, the company launched various new products in therapeutic groups like Asthma, Cardiology, Diabetes and Life Style products to compensate for the same. The results would be forthcoming in the next few years.

2. Production of bulk drugs was affected due to a major expansion programme undertaken to increase the capacity of the Sterile Cephalosporins from 36 tons to 48 tons per annum, while simultaneously upgrading the facilities to meet International Regulatory Norms.

The benefit of this expansion and upgradation shall now accrue.

Your Company was approved by the European Directorate for Quality of Medicines (EDQM) in September '03. This shall open up the European market for our bulk products in the coming years.

3. Your company also upgraded the Formulation manufacturing facility to meet with the latest International Regulatory Norms.

The United Kingdom Medicines and Healthcare Products Regulatory Agency (UK MHRA) is expected to inspect the facilities in the first quarter of 2004.

The above steps taken shall form a part of our future growth strategy as elaborated further in the management analysis and discussions.



**FORMULATIONS****Domestic**

Your company continues to pursue the mission of creating value through Brand Building, while **VENT** showed a growth of 11.20%, the company launched the following new products in various therapeutic groups viz. **Ventair tablets** (Montelukast Sodium), **Ventipra Easecaps** and inhalers (Salbutamol + ipratropium), **Vent SF inhalers** (Salmeterol + Fluticasone), **Caditone** (Carvedilol – a B-blocker), **Zeter** (Clopidogrel – an anticoagulant), **Nyte** (Sildenafil Citrate – drug for Erectile Dysfunction), **Prides** (Glimepiride – an antidiabetic drug), **Pioglitazone** (an oral antidiabetic drug), **Piotop-OB** (Pioglitazone – an antidiabetic drug), **Piotop - UD** (Pioglitazone + Glimepiride – an antidiabetic drug).

This is the first year of investment in new product launch and it is expected that the returns would accrue in the coming few years.

**International**

A major break-through during this year was the strategic alliance with M/s. Betabs Pharmaceuticals, South Africa and the registration of **BREN** Ibuprofen tablets, which is the first amongst the whole range of products, which the company expects to market in S. Africa. The endeavour to move in the other regulatory markets including UK, Europe and US would continue.

**SPECIALITY BULKS**

The multi-product bulk drug facility of your company at Mahad was upgraded and a major expansion undertaken in the Sterile Cephalosporins facilities. During the year, the company got approval for Roxithromycin for the European market for which it has entered into a strategic alliance with Helm AG, Germany. This is the second product from this unit, which got regulatory approval and marketed in Europe after Atenolol.

**KOPRAN RESEARCH LABORATORIES LTD.**

Your company has made significant investment in the discovery of New Chemical Entities based on a platform technology which is being used by your company towards discovery research for New Chemical Entities (NCEs) in various therapy areas.

The significant achievement during the current year has been the filing of a process patent for the platform technology thereby protecting a pipeline of new chemical entities, which could be discovered during the application of the platform technology.

Further two important process patents filed during the current year included Amlodipine and a single polymer coating technology used in products like Lansoprazole and Omeprazole.

**GLOBALISATION****Globalpharma Co. LLC, Dubai - A joint venture with the Dubai Investment Corporation**

First registrations of two products viz. **GLOMOX** (Amoxycillin) and **GLOCLAV** (Amoxycillin and Clavulanic) have been received and accordingly production and marketing has also been commenced. Globalpharma plans to register more than 25 products during the current year.

**Kampala Pharmaceutical Industries (1996) Ltd. – A joint venture between Industrial Promotion Services, Kenya (a subsidiary of Aga Khan Fund for Economic Development)**

KPI has met with limited success in the endeavour to take up Anti-Aids products. The new focus has been to enlarge its presence in the anti-malarial market.

**DEBT RESTRUCTURING**

Your company has made major investments in globalisation, brand building and research & development. The returns shall accrue only in the long run. Your company has applied for restructuring of these debts under the Corporate Debt Restructuring Scheme. The Company expects to receive an approval from the Corporate Debt Restructuring Cell (CDR) for the restructuring of its debts, around third quarter of 2003.

The restructuring will lead to reduction in the interest rate, additional finance from the working capital bankers and re-schedulement of the long-term debt repayments, thus easing cash flow.

The debt restructuring would help improve profitability and cash flow for the future.

**DIRECTORS' RESPONSIBILITY STATEMENT AS PER SECTION 217(2AA) OF THE COMPANIES ACT, 1956.**

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to directors' responsibility statement, it is hereby confirmed.

- (I) That in the preparation of the accounts for the financial year ended 31<sup>st</sup> March, 2003 the applicable accounting standards except Accounting Standard –22 "Accounting For Taxes on Income" (AS-22) have been followed and that no material departures have been made from the same.
- (II) That the directors have 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.
- (III) 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 safeguard of the assets of the company and for preventing and detecting fraud and other irregularities.
- (IV) That the directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2003 on a 'going concern' basis.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

A report in the form of Management Discussion and Analysis pursuant to clause 49 of the Listing Agreement, as a part of this report, is annexed hereto as Annexure I.

**CORPORATE GOVERNANCE**

Your Company is committed to incorporation of appropriate standards for good Corporate Governance. Towards this end and in line with guidelines recommended by SEBI Committee on Corporate Governance adequate steps have been taken to ensure that all the provisions of Clause 49 of the Listing Agreement are duly complied with.

A report on Corporate Governance along with the Auditors' statement in its compliance is annexed hereto as Annexure II.

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

The information in accordance with the provisions of Clause (e) of Sub-section (1) of Section 217 of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2003 is given in Annexure III of this Report.

**PARTICULARS OF EMPLOYEES**

Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 forms part of this report. However, as per the provisions of Section 219 (b) (iv) of the Companies Act, 1956, the Report and the Accounts are being sent to all members, excluding the Statement of Particulars under Section 217(2A).

Any Member, interested in obtaining a copy of this statement may write to the Company Secretary at the Regd. Office of the Company.

**PERSONNEL**

Relations between the Management and workers remained normal and cordial. Your Directors wish to place on record the appreciation of their sincere work and look forward to continued co-operation in future.

**DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri Sevantilal J. Parekh, Shri Rajendra Somani and Dr. Suresh K. Parikh retire by rotation at the ensuing Annual General Meeting. They are eligible for re-appointment.

Shri Surendra Somani was re-designated as Executive Vice-Chairman from Managing Director.

Shri Narasimha Sahu has been appointed as Nominee Director – Unit Trust of India on our Board w.e.f. from 31-01-2003.

**SUBSIDIARY COMPANIES**

As required under Section 212 of the Companies Act, 1956, the Audited Statement of the Accounts alongwith the Reports of the Board of Directors of Kopran (H.K.) Ltd. and Kopran Research Laboratories Ltd. and respective Auditors' Reports thereon are annexed hereto.

**DELISTING OF SHARES OF THE COMPANY FROM ASE, CSE, MSE & DSE**

The Company's equity shares are listed on the Stock Exchanges at Mumbai (BSE), Ahmedabad (ASE), Calcutta (CSE), Madras (MSE), Delhi (DSE) and The National Stock Exchange of India Ltd. (NSE). SEBI has recently issued guidelines for voluntary delisting of its shares subject to the approval of the shareholders provided however that the equity shares of the company are listed on one or more of the Stock Exchanges having nationwide trading facilities.

The Company's shares are traded in material volumes only at BSE and NSE. In case of other Stock Exchanges i.e. ASE, CSE, MSE and DSE, the trading volume is insignificant. Further BSE and NSE have extensive networking of trading terminals, which facilitate trading by the Members and Investors across the country.

In view of the above fact, the Company's listing on ASE, CSE, MSE and DSE neither serves any interest of the members/ investors nor that of the Company.

The Board of Directors in its meeting held on 25<sup>th</sup> September, 2003, have recommended for the approval of the members, a proposal to voluntarily delist the Company's shares from the Stock Exchanges viz. ASE, CSE, MSE and DSE. The Company's shares will continue to be listed on the BSE and NSE. Delisting of Company's shares from ASE, CSE, MSE and DSE will not have a major effect on the trading volumes of your company.

Further delisting of shares on these stock exchanges will result in administrative convenience and saving in cost on account of listing fees etc.

A proposal in this respect is contained in the accompanying Notice of the forthcoming Annual General Meeting.

**AUDITORS**

M/s. Khandelwal Jain & Co., Chartered Accountants retire at the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received confirmation from them to the effect that their re-appointment, if made, would be within the prescribed limits under section 224(1)(B) of the Companies Act, 1956.

**QUALIFICATION OF AUDITORS**

The observations of the Auditors in their Report on Accounts read with the relevant notes are self-explanatory.

**APPRECIATION & ACKNOWLEDGEMENTS**

Your Directors place on record their appreciation of workers, staff and officers for their co-operation. They also desire to put on record their appreciation of shareholders, banks, financial institutions, suppliers and associates for their co-operation.

For and on behalf of the Board of Directors

Place : Mumbai  
Dated : 25<sup>th</sup> September, 2003

**SUSHEEL G. SOMANI**  
Chairman

**ANNEXURE - I TO THE DIRECTORS' REPORT****MANAGEMENT DISCUSSION AND ANALYSIS REPORT****INDUSTRIAL OVERVIEW :**Global Pharmaceutical Industry

The Pharmaceutical industry is growing globally at a Compound Annual Growth Rate (CAGR) of 7% to 8% with higher growth rates recorded in developed countries such as USA, Western Europe and Japan. According to IMS Health, a market research firm, North America, Europe and Japan, the three largest markets account for about 85% of the global pharmaceutical industry.

The share of pharmaceuticals in the total health care expenditure in developed countries varied from 7% to 15%. As the demand for the pharmaceutical products is directly influenced by medical needs, the global pharmaceutical industry is relatively less impacted by the economic cycles (especially the demand for life saving drugs) and thus the industry maintains a minimum growth rate. With the increasing life expectancy and the demographic profile across large number of countries, particularly in the developed nations, shifting towards increasing proportion of aged, the demand for pharmaceutical products would continue to go up. What is more, the demand in pharmaceutical industry is relatively price insensitive.

Indian Pharmaceutical Industry

The Indian Pharmaceutical Industry, one of the largest among the developing countries, with estimated sales of Rs.231 billion in FY 2001-02, has witnessed an impressive growth of 18.2% (CAGR) since 1990s and has therefore emerged as an attractive segment of the Indian manufacturing sector. This industry accounts for 8% of the global market in volume terms but for only 1% in terms of value. This is on account of relatively lower prices of drugs in India. Therefore, even though the Indian Pharmaceutical industry ranks fourth in terms of volume, it ranks thirteen in terms of value globally.

The Indian Pharmaceutical industry is a net exporter of pharmaceutical products. Overall, the pharmaceutical exports amounted to Rs.87.3 billion in FY 2001-02 and have increased at a CAGR of 27% during FY 1991- FY 2001-02 period. The share of bulk drugs in pharmaceutical exports has increased from 24% of pharmaceutical exports in FY 1981 to 45% in FY 2000-01. Indian industry manufactures around 300-400 bulk drugs belonging to several therapeutic segments. Factors such as the industry's cost competitiveness, the established qualities of its products and its internationally approved manufacturing facilities have enabled the industry to carve a place for itself in the international market. Export of formulations has also increased as Indian companies made inroads into the generic formulations market in the developed countries and for protected products (products under patent internationally) in some developing markets.

The United States of America (USA) is the largest market for Indian pharmaceutical exports, followed by Russia, Hongkong and Germany. Though bulk drugs are exported to both developed as well as developing markets, a large proportion of formulations is exported mainly to the developing countries. However, with a number of products going off patent, large Indian players have also started exporting formulations to the developed countries.

The year 2002-03 had witnessed a considerable slowing down of the domestic market, which had also adversely impacted your company. As per ORG MAT March 2003 the value of the retail market was Rs.18,205 Crores growing at 6.4%

**FUTURE STRATEGY:**

Your company has worked out the following strategy for 2003-04 to fuel its business growth.

**A. Strengthening Existing Business and Expansion of Domestic and International Business**

1. Restructuring the business into 5 profit centers with 5 profit center heads for greater accountability and business focus:
  - Domestic Formulations
  - International Formulations
  - Domestic API
  - International API
  - Business development – Commercialization of R&D product/process discoveries
2. Re-structure domestic Pharmaceutical Formulations Business into 4 optimum-sized units based on Therapy Area/Customer speciality type for better focus and penetration to improve upon the demand generation process
  - Kopran Pharma Division
  - Kronicare Division
  - Kresp Division
  - Natural Products Division





3. Enter into prescription Natural Healthcare Products business and create at least 5 strong brands to create additional sustainable intellectual property and provide an extra shield to the business considering post product patent regime
4. Strengthening Formulations Export business in the Regulated Markets with the existing and expanded Strategic Alliances.
  - Increase the number of registered products for Kopran in South Africa from currently one to at least five in 2003-04 and 14 by 2005-06.
  - Simultaneously enter into European Markets after getting MHRA approval for Khopoli Plant in 2003-04.
  - Obtain approval from the European Directorate of Quality Medicines (EDQM) to strengthen bulk drug business in the regulated markets of Europe with the help of existing and expanded strategic alliances and
  - Obtain Certificate of Suitability (CoS) from France in 2003 besides Germany and Scandinavian countries for Roxythromycin.
  - Obtain CoS from Europe for Sterile Cephalosporins.
  - Your Company is expecting to get CoS for Ceftriaxone for Europe in 2004.
5. Expand bulk drug business in the domestic market by entering into a long-term contract with major formulation manufacturers. Long term contract for Panomer, initially 12 MT will come into effect in first half of 2003-04.
6. Pursue the commercialization process of the following international patents through collaborative arrangements:
  - KNC 6 and KNC 1206
  - The Platform Technology to Discover NCEs
  - Non-infringing patent of single coating process for pellets
  - Non-infringing process patent for Lansoprazole, Amlodipine Besylate and Refocoxib

#### **B. Cost Optimization**

- Cut down non-revenue generating expenses by 15%-20%
- Cut down non-field staff number by 30% leveraging IT and through Business Process Re-engineering
- Save at least 6% on material/Inventory cost through a modern Supply Chain Management System and more efficient procurement strategy from 2003-04
- Utilize full capacity of both formulations and Bulk drug Plants, as and when needed, through well-planned domestic and international contract manufacturing.

#### **C. Debt restructuring**

- Complete Corporate Debt restructuring to bring down the interest cost by around average 9%

#### **D. Productivity Improvement**

- Intensive in-house and on the job training
- Productivity linked remuneration package through a modern performance appraisal system
- Structured non-monetary 'Reward and Recognition Systems' for top performers
- Replacement of continuous non-performers

#### **Internal Control Systems**

The Company has an adequate internal control system including suitable monitoring procedures commensurate with its size and the nature of the business. The internal control systems provide for all documented policies, guidelines, authorisation and approval procedures. The Company has an internal audit department, which carries out audits through out the year. The statutory auditors while conducting the statutory audit, review and evaluate the internal controls and their observations are discussed with the Audit Committee of the Board.

#### **Cautionary Note**

Statement in this report describing the Company's objectives, projections, estimates, expectations & predictions may be "forward looking statements". Actual results could differ materially from those expressed or implied due to variations in prices of raw materials, cyclical demands & pricing in the Company's principal markets, changes in government regulations, tax regimes, economic developments within India & other incidental factors.

**ANNEXURE–II TO THE DIRECTORS' REPORT****CORPORATE GOVERNANCE REPORT:****INTRODUCTION:**

Company's Philosophy On Code Of Governance

The Company's philosophy of Corporate Governance is aimed at assisting the management of the Company in the efficient conduct of its business and to continuously strive to attain high levels of accountability, transparency, responsibility and fairness in all aspects of its operations. Your Company, with a view to achieve these objectives, adopted corporate strategies, prudent business plans and monitoring of performance.

Clause 49 of the Listing Agreement with Stock Exchange sets up norms and disclosures that are to be met by the Company on Corporate Governance front. We confirm our compliance with Corporate Governance criteria, as required under the said clause, vide this report.

Certificate of the Auditors of your Company regarding compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with stock exchanges, is enclosed.

**1. BOARD OF DIRECTORS**

The Board of Directors of the Company comprises of a fair number of independent professionally competent and acclaimed non-executive directors. Out of the eleven directors, the Company has 5 independent directors.

**Attendance of each director at the Board Meeting and last AGM.**

In total six Board Meetings were held during the Financial Year 2002-2003. The last AGM of the Company was held on 21<sup>st</sup> September, 2002.

Name of the Directors	Category	No. of Board Meetings attended	Attendance at last AGM
Shri Susheel G. Somani	Non-Executive	6	Yes
Shri S.J. Parekh	Non-Executive	5	No
Shri Rajendra Somani	Non-Executive	6	Yes
Shri Sunil S. Parekh	Non-Executive	5	No
Dr. Suresh K. Parikh	Non-Executive/Independent	5	No
Shri Mukund M. Chitale	Non-Executive/Independent	5	Yes
Shri H. P. Vyas	Non-Executive/Independent	6	Yes
Shri Surendra Somani	Executive Promoter Director	6	Yes
Dr. A. C. Shah	Non-Executive/Independent	5	Yes
Shri Tapan Ray	Executive	2	Yes
Shri Narasimha Sahu *	Non Executive/Independent	1	NA
(UTI Nominee - Lender)			

\* Shri Narasimha Sahu was appointed as Nominee Director – Unit Trust of India w.e.f. 31-01-2003

**Number of other Companies/ Committees the Director (being a Director as on the date of Directors' Report) is a Director/ Chairman (other than Kopran).**

Name of the Directors	No. of other Public Limited Companies in which he is a Director*	No. of Committees in which Membership held	No. of Committees in which Chairmanship held
Shri Susheel G. Somani	13	2	Nil
Shri S.J. Parekh	11	2	2
Shri Rajendra Somani	11	2	Nil
Shri Sunil S. Parekh	4	2	2
Dr. Suresh K. Parikh	1	Nil	Nil
Shri Mukund M. Chitale	7	12	6
Shri H. P. Vyas	4	1	1
Shri Surendra Somani	12	5	1
Dr. A. C. Shah	8	4	1
Shri Tapan Ray	Nil	Nil	Nil
Shri Narasimha Sahu	1	1	1

\* This includes Directorship held in Public Ltd. Companies and Subsidiaries of Public Ltd. Companies and excludes Directorship held in Private Ltd. Companies and Overseas Companies.