

Annual Report 2003 - 2004

LLOYDS METALS

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Lloyds Metals & Engineers Limited

BOARD OF DIRECTORS

CHAIRMAN **MUKESH R. GUPTA**

MANAGING DIRECTOR **B. L. AGARWAL**

DIRECTORS

RAJESH R. GUPTA

D. K. KAMBALE (IDBI NOMINEE)

SAMEER PHUTANE (ICICI BANK NOMINEE)

SHANTANU MOHAPATRA

BANKERS

STATE BANK OF INDIA

INDUSIND BANK LIMITED

CENTURION BANK LIMITED

REGISTERED OFFICE

Plot No. A-9 & 10, MIDC Phase II, Dombivli (East),

Dist. Thane 421 201, Maharashtra

WORKS

PIPES & TUBES DIVISION

Plot No. M-1, Additional MIDC Area, Murbad,

Dist. Thane 421 401, Maharashtra

SPONGE IRON DIVISION

Plot No. A 1-2, MIDC Area, Ghugus,

Dist. Chandrapur, 442 505, Maharashtra

REGISTRAR & SHARE TRANSFER AGENTS

Bigshare Services Private Limited

E-2/3, Ansa Industrial Estate,

Sakivihar Road, Saki Naka,

Andheri (E), Mumbai - 400 072.

Phone: 2847 3474 / 3747 / 2847 0652 / 53

Fax : 2847 5207

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NOTICE

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the Members of the **Lloyds Metals & Engineers Limited** will be held at Dombivli Gymkhana, P-9, MIDC, Phase-I, Dombivli (East)- 421 201, Dist. Thane on Thursday, the 23rd September, 2004 at 11.30 a.m. to transact the following business:

ORDINARY BUSINESS

- To receive and adopt the Audited Profit & Loss Account of the Company for the year ended 31st March, 2004 and the Balance Sheet as at that date together with Auditors' and Directors' Report thereon.
- To appoint a Director in place of Shri R R Gupta, who retires by rotation and being eligible offers himself for reappointment.
- To appoint Auditors and fix their remuneration

SPECIAL BUSINESS:

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

"RESOLVED THAT Subject to the approval of the Central Government pursuant to the provisions of Section 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions, if any of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the members be and is hereby accorded for reappointment of Mr. B L Agarwal as the Managing Director of the Company for a further period of five years w.e.f. 1st January, 2005 on the following terms and remuneration and perquisites and that the Board of Directors is authorised to alter and vary the terms and conditions of appointment including remuneration payable to the Managing Director within the overall limits specified in schedule XIII to the said Act:-

Details of remuneration:-

- | | |
|---|----------------------|
| a) Basic Salary | 1,00,000 per month |
| b) House Rent Allowance | 60% of Basic |
| c) Medical Allowance, | () |
| d) Leave Travel Allowance & | () 40,000 per month |
| e) Other Perquisites | () |
| f) Leave :- One Month's leave with full salary for every 11 months. | |

In addition to this Shri B. L. Agarwal is also eligible for:

- 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.
- Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- Encashment of leave at the end of the tenure.

RESOLVED FURTHER THAT if during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate in any financial year, the Managing Director shall be entitled to aforesaid remuneration as minimum remuneration subject to the limit specified in Part II of the said Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board,

Place : Mumbai
Dated : 10th June, 2004

Rajiv Garodia
Company Secretary

NOTES

- A MEMBER ENTITLED TO ATTEND AND VOTE AT MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND, AND ON A POLL TO VOTE INSTEAD OF HIMSELF/HERSELF/ITSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- Proxy Form and attendance slip is enclosed. Proxies, in order to be valid, must reach the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.
- The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, 10th September, 2004 to Thursday, 23rd September, 2004 (both days inclusive).
- Members are requested to intimate to the Registrar and Share Transfer Agent M/s Bigshare Services Private Limited, change of address, if any, in their registered address at an early date. Members are requested to mention their Folio No. in their correspondence.

- Members desiring any information as regard to the Annual Accounts are requested to write to the Company so as to reach at least 7 days before the date of the Meeting to enable the Management to keep the required information ready.
- Pursuant to Section 205A of the Companies Act, 1956 all unclaimed dividend upto financial year ended 31st March 1995 have been transferred to the General Revenue Account of the Central Government. Members who have not encashed their dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, Maharashtra, CGO Complex, 2nd floor, CBD Belapur, Navi Mumbai.
- Consequent upon amendment in Section 205A of the Companies Act, 1956 and introduction of Section 205C, by the Companies (Amendment) Act, 1999, the amount of the dividend remaining unclaimed for a period of seven years pertaining to financial year ended 31st March, 1996 has been transferred to the Investors Education and Protection Fund.

By Order of the Board

Place: Mumbai
Dated : 10th June, 2004

Rajiv Garodia
Company Secretary

INFORMATION REQUIRED TO BE FURNISHED AS PER THE LISTING AGREEMENT

As required under the Listing Agreement, the particulars of Director who is proposed to be re-appointed is given below.

Name	: Mr. R R Gupta
Age	: 40 years
Qualification	: B.Com.
Expertise	: He has rich experience in Management and Steel Trading & Industry. He is a Managing Director of Lloyds Steel Industries Limited.

Other Directorship	: M/s. Lloyds Steel Industries Limited	- Director
	: M/s Aristo Realty Developers Ltd	- Director
	: M/s Vidarbha Power Ltd	- Director

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

Item No. 4

The Directors of the Company passed resolution on 10th June, 2004 and reappointed Shri B L Agarwal as Managing Director of the Company on the terms and conditions and remuneration subject to the Consent of Shareholders of the Company in their General Meeting and subject to the approval of Central Government under the provisions of Section 268, 269, 309, 310 read with Schedule XIII of the Companies Act, 1956 w.e.f 1st January, 2005 when his current appointment tenure is due to expire.

Information as required under the Revised Schedule XIII to the Companies Act, 1956.

The Company is engaged in the Steel Industry and the manufacturing of the Company's products are already in process. The details of the Company's financial, export performance and foreign exchange are given in the Company's Annual Accounts for the financial year ended 31st March, 2004.

Shri B L Agarwal has a degree in Commerce and Law from University of Mumbai. Shri B L Agarwal has more than 30 years of experience in steel industry. The Company has under his leadership implemented several projects. Shri B L Agarwal has been holding position of Managing Director and managing day to day business affairs of the Company subject to the superintendence, control and directions of the Board of Directors of the Company since last 10 years.

The Proposed remuneration to Shri B L Agarwal is comparable with the other companies in the steel industry and considering operational and financial size of the Company. Shri B L Agarwal drew total remuneration of Rs.24,00,000/- per annum up to now.

The Board of Directors considering that passing of the proposed special resolution is considered to be in the best and overall interest of the Company considering the fact Shri B L Agarwal has contributed immense efforts in reviving the business and restructuring the financial structure of the Company in the most challenging times faced by it in recent years.

Shri B. L. Agarwal is also the Joint Managing Director of M/s. Aristo Realty Developers Limited (ARDL). He does not draw any remuneration from ARDL.

The Board of Directors commends passing of Resolution.

None of the Director except Shri B. L. Agarwal is concerned or interested in the said resolution.

This along with Resolution No. 4 may be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

By Order of the Board,

Place: Mumbai
Dated : 10th June, 2004

Rajiv Garodia
Company Secretary

DIRECTORS' REPORT

Your Directors present the 27th Annual Report of the Company together with the Audited Statement of Accounts for the Financial Year ended 31st March, 2004.

FINANCIAL HIGHLIGHTS

	Current Year 2003-04 (Rs.in Lacs)	Previous Year 2002-03 (Rs.in Lacs)
Sales :	19883.92	16973.35
Other Income	52.57	85.51
Total Income :	19936.49	17058.86
Profit before Interest, Depreciation, Exceptional Item & Tax	709.37	794.03
Less : Finance Charges	601.86	2445.30
Depreciation	1599.65	1590.14
Loss before exceptional items & taxes	1488.14	3241.41
Exceptional items: Loans/ Interest write back	1330.97	-
Profit/Loss (-) before tax	-157.17	-3241.41
Add : Tax Provision	0.00	0.00
Loss After Tax	157.17	3241.41
Add/Less: Prior Period Expenses/ Income (-)	-80.87	27.38
Add:- Income tax of earlier year	-	3.70
Net Loss	76.30	3272.49
Add: (Profit)/Loss b/f from previous year	-28109.80	-24837.31
	28186.10	28109.80
Less:- Set off against General Reserve	3943.51	3943.51
Balance Carried Forward	-24242.59	-24166.29

DIVIDEND

In view of the Loss, the Directors have not recommended any dividend for the year ended 31st March, 2004.

OPERATIONS AND OVERALL PERFORMANCE

The Company has posted better financial results for the year 2003-04. Operations of the Company recorded improved performance on the back of positive market conditions.

The Total Income of the Company was Rs.19936.49 lakhs against Rs. 17058.86 Lakhs in the previous year, showing a rise of about 17%. The net loss of Rs.1488.14 lakhs was substantially down from the previous figure of Rs. 3241.41 lakhs, partly attributable to the lower interest provision during the year.

The Company has submitted a fresh restructuring/settlement proposals to the Financial Institutions and Banks. Recognising the fact of improved prospects of Rehabilitation, the lenders are inclined towards restructuring. The ICICI Bank and Centurion Bank Ltd has agreed for the restructuring of debt. Proposals are under various stages of discussion with other lenders.

PIPE DIVISION

During the year under review the Sales of Pipe Division at Murbad was Rs.7810.79 Lakhs as compared to Rs.8826.65 in the previous year. During

the first half of the year, Company had focused on exports and in realigning production facilities to cater to export specific requirements. This affected production on sales revenue. The production has stabilized in the last quarter of the year which is evidenced by increased production during that period. However, the division has shown some improvement in the sales realisation. The Exports during the year was Rs.4173.52 lakhs as compared to Rs.5025.47 lakhs during the previous year. Reflecting the export thrust, the share of exports constitute 47% of turnover of the Division as compared to 48% in the preceding year.

SPONGE IRON DIVISION

The total income of the Sponge Iron Division was at Rs.12073.13 Lakhs against Rs. 8146.69 Lakhs in the previous year showing an impressive rise of 48%.

ENVIRONMENT & SOCIAL OBLIGATION

The company maintains the pollution free environment in and around its plants. The Company's plants comply with all norms set up for clean & better environment by Competent Authorities.

REFERENCE TO BIFR

Based on the Audited Balance Sheet for the year ended 31st March, 2002 the Company has become a Sick Company as defined under Section 3 (1)(o) of the Sick Industrial Companies (Special Provisions) Act 1985 and reference has been registered during the year with Hon'ble Board for Industrial and Financial Reconstruction (BIFR) to seek determination of measures which would be adopted as required under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985.

The matter is pending for hearing before the BIFR for consideration of the sickness and further direction.

In the meanwhile, the Company has filed reference based on Results of Financial Results of Financial Year ended 31.03.2002 and the same came to be registered as Case No.122/2004 as per letter dtd 26.02.2004.

FUTURE OUTLOOK

THE Prospective global steel scenario at current stage appears to be promising with demand and prices showing firm trend. During the difficult period of last three years, the Company has been making constant efforts to cut costs at all levels & improve operational efficiency wherever possible. The success of Debt Restructuring by the Financial Institutions & Banks having due regard to prevailing low level of Interest Rates, will further improve the results for the Current Year.

INDUSTRIAL RELATIONS

The Industrial Relations with Labour remained very cordial throughout the year.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The year 2003-2004 brought further improvement on the operational side with production and realisation showing improvement.

Sales Turnover

The Sales Turnover of the Company during the year under review was Rs.19883.92 lakhs as against Rs. 16973.35 Lakhs for the previous year.

Adequacy of Internal Control

The Company has a very effective internal control system covering both accounting and administrative controls.

Balance Sheet

(Rs. in Lacs)

Particulars	As at March 31, 2004	As at March 31, 2003
Liabilities		
Share Capital	3943.05	3943.05
Reserve & Surplus	9421.21	9425.21
Loan Fund	48573.98	50697.07
Total Liabilities	61938.24	64065.33
Assets		
Net Fixed Assets	30386.68	32010.04
Investments	0.10	0.10
Net Working Capital	7255.91	7775.48
Misc. Expenditure	52.96	113.42
Profit & Loss A/c	24242.59	24166.29
Total Assets	61938.24	64065.33

Share Capital

The Company's share capital remained at Rs. 3943.05 Lakhs during the year.

Loan Funds

The Company's Loan funds have been at Rs. 48573.98 Lakhs during the year.

Investments

Investment during the year reduced to Rs.0.10 Lakhs.

Human Resources / Industrial Relations

The Management was able to ensure high morale of the employees during the year under review at all the locations.

No. of employees as on 31.03.2004 was 461.

Out Look for the 2003-2004

The outlook for the year 2003-2004 currently appears to be better. The Company can function better if Debt Restructuring exercise, put forth by it before the lenders, is approved in right earnest.

DIRECTORS

Mr. Sameer Phutane has been appointed as Nominee Director by ICICI Bank Ltd. w.e.f 24.10.2003.

The Directors take pleasure in welcoming Mr. Sameer Phutane who is possessing rich and varied experience, on the Board and are sure that your Company will be benefited immensely.

The current tenure of appointment of Shri B. L. Agarwal, Managing Director is due to expire on 31st December, 2004 and the Board subject to Members and Central Governments approvals has re-appointed him as Managing Director for a further term of 5 years w.e.f. 1st January, 2005.

Mr. R R Gupta, Director of the Company will retire by rotation and being eligible, offer himself for reappointment.

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:

1. That in the preparation of annual accounts for the financial year ended 31st March, 2004, the applicable accounting standards have been followed along with proper explanation relating to material departures.

2. 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 profit or loss of the Company for the year under review.
3. 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;
4. Final Accounts have been prepared on going concern basis.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement your Company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance as prescribed under the Listing Agreement of the Stock Exchanges with which the Company is listed are complied with.

A separate report on Corporate Governance and the Auditor's Certificate on its compliance are annexed hereto and form part of this Annual Report.

AUDITORS & AUDITORS' REPORT

The members are requested to appoint Auditors and fix their remuneration.

As regards qualification at Sr. No 4 (e) in the Auditors' Report, Directors wish to state that in view of the ongoing discussion for restructuring of the debt and interest liability, the Company has not provided for interest on some loans. Auditors' observations in Clause No.10 & 11 in the Annexure Audit Report (CARO Report) are self explanatory and do not require further explanation.

PARTICULARS OF EMPLOYEES

As required by the provisions of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in the annexure to the Directors Report. However, as per the provisions of Section 219 (1)(b)(iv) of the Companies Act, 1956, the report and the accounts are being sent to all the shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company

TRANSFER TO THE INVESTORS' EDUCATION AND PROTECTION FUND

In terms of Section 205C of the Companies Act, 1956 an amount of Rs. 1.73 lacs being unclaimed dividend due for the year 1995-96 was transferred during the year to the Investors Education and Protection Fund established by the Central Government.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 are set out in Annexure "A" forming part of this report.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation of the assistance and support extended by all Government Authorities, Financial Institutions, Banks, Consultants, Solicitors, Shareholders of the Company. Your Directors express their appreciation for the dedicated and sincere services rendered by employees of the company.

For and on behalf of Board of Directors,

Place : Mumbai
Date : 10th June, 2004

MUKESH R GUPTA
Chairman

ANNEXURE - A

STATEMENT PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH 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 31ST MARCH, 2004.

A) CONSERVATION OF ENERGY

Energy Conservation measures taken

Pipe Division

Automatic power shutdown devices have been installed along with all major power consuming machines and equipments, which cuts off the power supply to the machines or equipments, and its accessories, when not in use, avoiding wastage of energy.

Sponge Iron Division

In continuation to the steps taken for energy conservation from 2002-2003, this year also following measures were initiated.

- 1) In After Burning Chamber (ABC) higher capacity fan was replaced with energy efficient fan with lower capacity after consulting with M/s ABB Ltd. thus 42% energy consumption is reduced.
- 2) We have installed one higher capacity bag filter and removed one bag filter system. We are operating with only two bag filter systems thereby saving power by around 17%.

(B) RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

Research & Development, Technology Absorption, Adoption and Innovation

Pipe Division

The Division has successfully produced Large Square section in high tensile Steel Pipe and A. P. I. Pipes conforming to American Standards for petroleum pipes.

The division has a separate wing for Project and Development and uses in house technology for improvement in the quality of the product.

Sponge Iron Division

- 1) In OSIL process the air distribution is through 288 port grids as compared to 9 Nos. of air input points for similar capacity Lurgi

based plant. In OSIL process kiln discharge end area is short of air resulting less capacity production of the plant. After in-depth study of the total process we have introduced secondary air input system through Central Burner (C.B.) from kiln discharge end which has resulted good control of temperature profiles and average production levels increased by about 10%.

Last Financial Year 2003-04 production achieved is 1,20,356 MT which is highest ever produced in LMEI Ghugus plant.

- 2) Presently the coal slinger system is placed 20 mtrs. away from the kiln by technology supplier OSIL. We have reduced the distance to less than half i.e. about 7-8 mtrs. from kiln discharge end for achieving better coal throw pattern particularly during monsoon season when coal is wet which used to jam. By this reduction of distance coal throw pattern is achieved better and jamming problem is sorted out resulting better productivity.

B) FOREIGN EXCHANGE EARNING & OUTGO

(Rs. In Lakhs)

	2003-2004	2002-2003
1. Foreign Exchange Earning [on FOB basis]		
Export of Steel Tubes/Pipes	4173.52	5025.47
	4173.52	5025.47
2. Foreign Exchange Outgo:		
Interest	111.75	NIL
Commission	5.52	9.82
Legal & Professional Charges	NIL	1.60
Bank Charges	NIL	NIL
Travelling	27.22	1.52
Other finance charges	3.17	0.02
	147.66	12.96

For and on behalf of Board of Directors

Place : Mumbai
Date : 10th June, 2004

MUKESH R GUPTA
Chairman

FORM - A

Forms of disclosure of particulars with respect to conservation of energy:

	UNIT	2003-2004	2002-2003
A) POWER & FUEL CONSUMPTION			
1. Electricity			
a) Purchased			
Units	Kwh	15449000	14373740
Total Amount	Rs.	53751742	53956443
Rate/Unit	Rs./Kwh	3.48	3.76
b) (I) Own Generation Through Diesel Generator			
Units	Kwh	30920	58780
Unit/Ltr of Fuel Oil	Kwh/Ltr	2.62	3.04
Cost/ Unit	Rs./Kwh	9.33	7.33
b) (II) Through Steam Turbine/Generator			
Units	Kwh	NIL	NIL
Unit/Ltr. Of Fuel Oil	Kwh/Ltr	NIL	NIL
Cost/Unit	Rs./Kwh	NIL	NIL
2. Coal			
Quantity	Tonne	238990	231647
Total Cost	Rs.	333704506	312624005
Average Rate	Rs./Tonne	1396.31	1349.57

	UNIT	2003-2004	2002-2003
3. Furnace Oil			
Quantity	Ltr.	511160	612468
Total Cost	Rs.	4981099	6193328
Average Rate	Rs./Ltr.	9.74	10.11
4. LDO/HSD			
Quantity	Ltr.	4649	5339
Total Cost	Rs.	129077	115065
Average Rate	Rs./Ltr	27.76	21.55
B) CONSUMPTION PER UNIT OF PRODUCTION			
i) Product : Pipe/Tubes			
Unit	Mt.		
Electricity	Kwh	105.92	92.17
Furnace Oil / LDO	Ltr	17.68	17.51
Coal	Tonne	NIL	NIL
ii) Product : Sponge Iron			
Unit	Mt.		
Electricity	Kwh	102.92	103.66
Furnace Oil	Ltr.	NIL	NIL
Coal	Tonne	1.99	2.15
LDO	Ltr.	NIL	NIL

For and on behalf of Board of Directors,

Place : Mumbai
Date : 10th June, 2004

MUKESH R GUPTA
Chairman

CORPORATE GOVERNANCE

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Board of Directors of Lloyds Metals & Engineers Limited

We have reviewed implementation of Corporate Governance procedure set by Lloyds Metals & Engineers Limited ("The Company") for the year ended 31st March, 2004 with the relevant records and documents maintained by the Company and furnished to us for our review.

Based on over verification and information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges.

For **Todarwal & Todarwal.**
Chartered Accountants

Sunil Todarwal
Partner

Place : Mumbai
Dated : 10th June, 2004

NOTE ON CORPORATE GOVERNANCE:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company is committed to maintain highest level of Corporate Governance with transparency & Corporate Accountability in its actions & operations and to become a good Corporate Citizen.

2. BOARD OF DIRECTORS

The Board of Directors of the Company is comprised of:-

Promoter Directors	3
Non-executive - Nominee Directors	
Representing IDBI & ICICI Bank Ltd	2
Non-executive independent director	1

Attendance of each Director at the Board of Directors meetings and the last AGM is as follows.

Director	No. of meeting held	Atte-nded	Last AGM Attended	No. of Directorship in other Cos.	Remark
Mukesh R. Gupta	4	4	Yes	3	-
Rajesh R. Gupta	4	4	Yes	3	-
B. L. Agarwal	4	4	Yes	3	-
D. K. Kamble	4	3	No	-	-
Shantanu Mohapatra	4	4	No	-	-
Sameer Phutane	4	2	N.A.	-	Appointed by ICICI Bank w.e.f. 24.10.2003

Number of Board of Directors meeting held and the dates on which held.

4 (Four) Board Meetings were held during the year, as per the statutory requirement. The dates on which the meetings were held were as follows:

30th May 2003, 29th July 2003, 24th October 2003 and 29th January 2004.

3. AUDIT COMMITTEE

The Company had already constituted an Audit Sub-Committee comprising of 4 directors out of which 2 are independent non-executive directors. 2 independent directors include one nominee director of IDBI and 1 independent non executive director which are as follows:

Mr. Shantanu Mohapatra	Independent Director
Chairman	
Mr. Mukesh R Gupta	Group Chairman
Director	
Mr. Rajesh R Gupta	Promoter Director
Director	
Mr. Sameer Phutane	ICICI Bank Nominee Director
Director	

During the year Mr. Sameer Phutane has been appointed as Nominee Director of ICICI Bank Ltd.

The broad terms of reference of Audit Committee are as follows :-

- Review of internal control and audit system.
- Review of the Company's financial progress and report.
- Review of the Company's working capital and loan position
- Review of the Company Division wise activities and the operation performed at the divisional level.
- Review of the Company's sales policies and the debt recovery
- Review of the Company purchase, consumption of raw material and other stores.
- Review of Risk Management policies and practices.

The Committee has met 4 times during the financial year ended March 31st, 2004 i.e. 30th May, 2003, 29th July, 2003, 24th October, 2003 and 29th January, 2004. The attendances of the members are as under:-

Name of Director	No. of Meetings held	No. of Meetings Attended	Remark
Mukesh R Gupta	4	4	-
Rajesh R Gupta	4	4	-
D K Kamble	4	3	-
Shantanu Mohapatra	4	4	-
Sameer Phutane	4	2	Appointed w.e.f. 24.10.2003

4. REMUNERATION COMMITTEE

The remuneration of director in all the cases is decided by the Board subject to necessary approval of shareholder and other applicable approvals, if any save and except Mr. B. L. Agarwal, Managing Director, no other director is drawing remuneration.

The Company has constituted a Remuneration Committee of the Board comprising of three (3) Non-executive independent Directors. The Committee shall have powers to determine remuneration packages of Working Directors and the Company's policy on remuneration and any other compensation related matters.

During the year Mr. B. L. Agarwal, Managing Director has been paid as per Schedule XIII of the Companies Act, 1956 minimum remuneration of Rs.25.44 Lacs by way of Salary, Remuneration & contribution to Provident Fund.

All the Directors except Managing Director, are in receipt of sitting fees of Rs.1000/- per meeting attended by them. This is as per the Articles of Association of the Company.

5. SHAREHOLDERS' COMMITTEE

The Company has constituted the Share Transfer & Investor Grievance Redressal Committee comprising of 3 promoter directors, Mr. Mukesh R. Gupta, Mr. B.L. Agarwal and Mr. Rajesh R Gupta are the members of this committee.

The Committee oversees the performance of the Registrar and Transfer Agents' recommend measures to improve the level of investor services and matters pertaining to shareholders' complaints and grievances.

The Board has designated Mr. Hemant K Borade, Company Secretary, as the Compliance Officer. Mr. Hemant K Borade, Company Secretary has resigned w.e.f. 4th February, 2004. Afterwards, the Board has designated Mr. Rajiv Garodia, Company Secretary, as the Compliance Officer.

The Committee meets fortnightly for the approval of the share transfer/issue of duplicate shares/replacements etc.

The total number of complaints received and replied to the satisfaction of the shareholders during the year is as follows :

Description	Received	Replied
Consumer Forum	0	0
Bombay Stock Exchange	1	1
SEBI Complaints	3	3
Legal Notice	0	0
Misc.	39	39