

ONIDA SAVAK **LIMITED**



ANNUAL REPORT
(2002-03)

ONIDA SAVAK LIMITED

BOARD OF DIRECTORS

SONU L. MIRCHANDANI
Managing Director

S. K. SACHDEV

S. A. CHARI

MANMOHAN AGARWAL

MANAGEMENT TEAM

R. K. NAYYAR
SUDHIR PASRICHA
S. R. PEREIRA

Vice President (Operations)
Gen. Manager (Sales & Marketing)
Gen. Manager (F & A)

COMPANY SECRETARY

AVNEESH CHOPRA

AUDITORS

M/s Goel Garg & Co.
Chartered Accountants
102, E-588, Greater Kailash Part-2
New Delhi-110048

REGISTERED OFFICE

B-205 Phase-II
Noida
District Gautam Budh Nagar
Uttar Pradesh - 201305

CORPORATE OFFICE

A-19, B-1
Mohan Co-operative Industrial Estate
Mathura Road, Badarpur
New Delhi-110044

BANKERS

State Bank of India
Dena Bank
State Bank of Hyderabad

MANUFACTURING FACILITIES AT :-

B-204, 205 Phase-II
Noida District Gautam Budh Nagar
Uttar Pradesh-201305

REGISTRAR & SHARE TRANSFER AGENT

Beetal Financial & Computer Services (P) Ltd.
321-S Chirag Delhi
New Delhi - 110 017

ONIDA SAVAK LIMITED**NOTICE**

Notice is hereby given that the Sixteenth Annual General Meeting of the members of the Onida Savak Limited will be held on Friday the 26th September, 2003 at 9.00 A.M. at Plot no. B-205, Phase-II, Noida, Gautam Budh Nagar, Uttar Pradesh.

AS ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2003 and Profit and Loss Account for the year ended on that date along with the reports of Auditors' and Directors' thereon.
- 2) To consider and, if thought fit, to pass with or without modification (s) the following resolution as an **ORDINARY RESOLUTION**

"RESOLVED THAT pursuant to the provisions of section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s Goel Garg & Co. Chartered Accountants, the retiring auditors be and are hereby re-appointed as the Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, and to fix their remuneration, and in addition to the reimbursement of travelling and other out of pocket expenses incurred incidental to their functions, to be agreed to between the Board of Directors and the Auditors."

AS SPECIAL BUSINESS

- 3) To appoint a Director in place of Mr. S K Sachdev who retires by rotation in the ensuing Annual General Meeting and does not seek re-election and to pass with or without modification (s), the following resolution as an Ordinary resolution.

"RESOLVED THAT, due notice in writing having been received from a member pursuant to section 257 of the Companies Act 1956 proposing the candidature of Mr Deepak Sharma to the office of Director, Mr. Deepak Sharma be and is hereby appointed as Director of the company in place of Mr. S K Sachdev who retires by rotation at this meeting and does not seek re-appointment."

4) Appointment of Mr. Manmohan Agarwal

To appoint Mr. Manmohan Agarwal (who was appointed as an Additional Director w.e.f. 27th June, 2003 pursuant to Article 117 of the Articles of Association of the company and who as per the provision of section 260 of the Companies Act, 1956 shall hold office only upto the date of this meeting and in respect of whom, the company has received a notice in writing from the member signifying his intention to propose him as a candidate for the office of director) as a Director of the company and to consider and, if thought fit, to pass the following resolution as an Ordinary resolution.

"RESOLVED THAT pursuant to the provision of section 257 and other applicable provisions, if any of the Companies Act, 1956 Mr. Manmohan Agarwal be and is hereby elected and appointed as a Director, liable to retire by rotation."

By order of the Board

(Avneesh Chopra)
Company Secretary

Noida: 31st July, 2003

NOTES :

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 SHOULD BE DULY STAMPED, COMPLETED AND SIGNED MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

Members/Proxies should fill the enclosed Attendance Slip duly signed, in accordance with the specimen signatures registered with the Company for attending the meeting.

Members who hold shares in Dematerialisation form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting.

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Members holding shares in identical names under different folios are requested to apply for consolidation of such folios and send relevant share certificates to the Company/Share Transfer Agent.

During the current financial year 2003-04, the company will be required to transfer to the Investor Education and Protection Fund the final dividend for the year ended 31st March, 1996. Those shareholders who have not encashed their warrants are requested to immediately get the same encashed after getting revalidation from the company.

Members seeking any information with regard to accounts are requested to write to the company at least 10 days in advance of the meeting to enable the management to keep the information ready.

The Register of Members and the Share Transfer books of the company will remain closed from 23rd day of September 2003 to 26th day of September 2003 (both days inclusive).

EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956 IN RESPECT OF THE SPECIAL BUSINESS.

Item no 3

It is submitted that Mr S.K. Sachdev is retiring by rotation in the ensuing Annual General meeting and is not offering himself for re-appointment. A notice has been received from a member pursuant to section 257 of the Companies Act 1956 proposing the candidature of Mr. Deepak Sharma to the office of Director in place of Mr. S.K. Sachdev.

Mr Deepak Sharma is a Chartered Accountant and alumnus from IIM (Ahmedabad). He is currently working in the service industry and has rich experience in the field of marketing and finance.

The Board recommends the appointment of Mr Deepak Sharma in place of Mr S.K. Sachdev. None of the other directors are interested in this resolution.

Item no 4

The Board of Directors of the company had appointed Mr. Manmohan Agarwal as an Additional Director w.e.f 27th June, 2003, pursuant to section 260 of the Companies Act to hold office upto the date of this Annual General Meeting of the company. The Company has received a notice in writing from the member together with requisite deposit, proposing Mr. Manmohan Agarwal for the office of Director under the provision of section 257 of the companies Act, 1956.

Mr. Manmohan Agarwal is a B.Com and Chartered Accountant. He has vast experience in the field of accounts and audit matters. He has worked with various manufacturing and service companies.

The Board recommends his appointment as a Director of the company. Mr. Agarwal is interested in the resolution as it related to his appointment. None of the other directors of the company are interested in this resolution.

By order of the Board

(Avneesh Chopra)
Company Secretary

Noida : 31st July, 2003

ONIDA SAVAK LIMITED**REPORT OF BOARD OF DIRECTORS**

TO THE MEMBERS OF THE ONIDA SAVAK LIMITED

The Directors hereby present the 16th Annual report together with the audited accounts for the year ended 31st March, 2003.

1) FINANCIAL HIGHLIGHTS

(Rs in crores)

	For the year ended March 31, 2003	For the year ended March 31, 2002
Sales	59.02	53.27
Profit before Tax	(2.58)	10.73
Add : Deferred Tax Assets Reserve	0.42	0.57
Profit after Tax	(2.15)	11.31

2) REVIEW OF OPERATIONS AND FUTURE OUTLOOK

During the year under review the turnover and sales of the company grew by 10% to Rs. 59.20 crores. The company has taken full advantage of the boom in the Television Industry by maximising the production of Television tuners to meet the growing demand of Television manufactures. This year's tuner sales of 7.9 lacs is an all time high in the history of the company. In addition to OEM sales, the company has also been supplying tuners in the secondary market.

This year also the growth of washing machine market was sluggish and prices were depressed. The strategic decisions taken by the company in the previous year have helped the company in improving the over all production of washing machines this year and also an increase in the range of washing machines. In order to cater to the needs of the lower segment market, the company launched a single tub washer under the brand name "LILIPUT". The market has responded favorably to this product. During the year the company has also made some new models for Samsung in the fully automatic segment. The company, in line with the expectations of the market for increasing penetration level in the growing middle class and high disposable income, expect at least 7-8% growth in the washing machine market.

The division wise operation performances are as under: -

WASHING MACHINE:-

	2002-03	2001-02	Growth %
Total Sales (Qty)	85327	73883	15.49

TUNER:-

	2002-03	2001-02	Growth %
Total Sales (Qty)	791996	382047	107.30

TOTAL:-

	2002-03	2001-02	Growth %
Sales Value (Rs. Crores)	59.02	53.27	10.79

Your company is still under BIFR. As a part of restructuring proposal submitted to Operating Agency, the company had offered settlements to banks & FIs dues. Your company had proposed settlement of dues under long-term rehabilitation as per RBI guidelines and also an alternative offer of one time settlement given to the respective banks and FIs. Your company is pleased to inform you that the proposal given by the company was accepted by some banks & FIs and the company has settled dues with ANZ Grindlays Bank & Sanwa Bank. As on date the company has also settled with ICICI Bank Ltd. The company is hopeful that the other banks and FIs would also be agreeable either for the rehabilitation scheme on long-term basis or under the OTS.

You will also appreciate that the Indian capital market conditions are not very favorable for raising funds on a long term basis especially for a company, which is under BIFR for a long time. Therefore, the company is seriously considering long-term joint ventures with some large international brands from China and Turkey. The officials of the company have

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made presentations and had discussions with these companies, however, the matter is progressing very slowly mainly due to the external conditions.

DIVIDEND

In view of continuous losses being incurred by the company, your directors express their inability to recommend dividend for year 2002-2003.

AUDITORS REPORT

Auditors' observations are self-explanatory and/or explained suitably in the notes on accounts.

SHARE TRANSFER AGENT

The Board of Directors of the company have decided to change the Share Transfer Agent for both (Physical and electronic form) to M/s Beetal Financial and Computer Services Pvt Limited 321-S Chirag Delhi, New Delhi-17.

LISTING OF SECURITIES AND DEMATERIALISATION OF SHARES

The Company's shares are traded in the Compulsory demat form with effect from October 30,2000. In this regard the company had entered into Triplicate agreement with National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL) to enable shareholders to hold shares in the dematerialised form. Accordingly the equity shares of the company can be held in Electronic Form with any Depository participant (DP) with whom the member/investors have their Depository account. The ISIN no allotted to the equity shares of the company is INE303C01016.

In case of any difficulty members may contact to Company's new Share transfer agent at the following address M/s Beetal Financial and Computer Services Pvt Limited 321-S Chirag Delhi, New Delhi-17.

DIRECTORS

Mr. Manmohan Agarwal (w.e.f 27th June, 2003) has been appointed as additional director of the company and shall hold office upto the ensuing annual general meeting. The Company has received notice from members pursuant to section 257 of the companies Act, 1956 signifying their intention to propose the candidature of Mr. Agarwal for the office of director. Mr. Agarwal is B.Com and Chartered Accountant. He has vast experience in the field of accounts and audit matters. He has worked with various manufacturing and service companies.

Also Mr. S K Sachdev who is retiring by rotation is not offering himself for re-appointment. In his place name of Mr. Deepak Sharma has been proposed by the member of the company. Your directors recommend the appointment of Mr. Deepak Sharma. He is a Chartered Accountant and alumnus from IIM (Ahmedabad). He is currently working in the service industry and has rich experience in the field of marketing and finance..

Also during the year Mr. Akhil Swami w.e.f 16th November, 2002 and Mr. Sanjeev Chopra w.e.f 4th January, 2003 had resigned from the office of director of the company. The Board wish to place on record their appreciation for the services rendered by them during their tenure.

AUDITORS

M/s Goel Garg & Co., Chartered Accountants, New Delhi, auditors of the company hold office till the conclusion of the ensuing annual general meeting and are recommended for re-appointment.

INDUSTRIAL RELATIONS

The Directors wish to place on record their appreciation for the services rendered by all the employees of the Company. It is gratifying to note that cordial and harmonious relations prevailed between the employees and the management.

PARTICULARS OF CONSERVATION OF ENERGY ETC AND EMPLOYEES

Information under Section 217(1)(e) read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure 'A' and forms part of this Report.

Information under section 217 (2A) read with companies (Particulars of Employees) Rules, 1975 is given in Annexure 'B' and forms part of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR 2002-03

As required under Clause 49 of the Listing agreement with stock exchanges, Management Discussions and Analysis for the year 2002-03 forms part of this report and is annexed herewith.

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2002-03

Corporate Governance Report for the year 2002-03 as required by clause 49 of the Listing Agreement together with Report of Auditors of the company in this regard is annexed herewith.

AUDIT COMMITTEE

The Audit Committee of the company held 5 meetings during the year. Presently the constitution of the Audit committee comprises of Mr. S A Chari (Chairman), Mr. S K Sachdev and Mr. Manmohan Agarwal.

DIRECTORS RESPONSIBILITY STATEMENT

1. That in the preparation of the accounts for the financial year ended 31st March 2003, 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 judgments 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 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. That the Directors have prepared the annual accounts for the financial year ended 31st March 2003 on a going concern basis.

ACKNOWLEDGMENT

Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and co-operation received from the Central Government, the State Governments and that consortium of Commercial Banks and Financial Institutions. Your Directors also thank all the shareholders for their continued support and all the employees of the company for their valuable services during the year.

for and on behalf of the
Board of Directors

Place : Noida
Date : 31st July, 2003

Sonu L Mirchandani
Managing Director

ANNEXURE 'A' TO DIRECTORS' REPORT

1. CONSERVATION OF ENERGY

a) Energy Conservation measures taken:

- Energy meters have been installed on major consumption equipment to monitor and regulate power consumption.
- Strict monitoring of HSD consumption in devices like thermopac and paint shop burners has resulted in saving of HSD by 0.15 liters per washing machine.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy.

Usage of Reliance super LDO in place of HSD, which will result in saving of Rs 1.65/ltr.

c) Impact of measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production.

- Rs 3/- per washing machine saving due to reduce consumption of HSD per machine.
- Rs 1.50/- per washing machine saving due to use of LDO instead of HSD.

2. RESEARCH & DEVELOPMENT(R&D)

a) Specific area in which R&D carried out by the company:

The company has been continuously carrying on Research & Development for improving the quality, production process, indigenisation of products and development of new products.

b) Benefits derived as a result of above R&D:

- Up-gradation and improved quality of the products.
- New models with improved and innovative features are well accepted by customers.
- Product up-gradation, improvements and optimization of processes for increasing productivity.

c) Future plan of action:

- Developments of new models to cover whole range from standard model to premium model.
- Focus on new range of television tuners and washing machines with modern electronics.

d) Expenditure on R&D:

Expenditure has been charged under respective primary heads of accounts.

3. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:

a) Efforts in brief made towards technology absorption, adaptation & Innovation:

Development and introduction of new aesthetic and consumer friendly value added features in the products.

- b) **Benefits derived as a result of the above efforts**
- Process and quality improvement resulting in product up-gradation.
 - Cost optimization through process improvement design changes and improved substitution.
 - Reduction in foreign exchange outflow by suitable import substitution.
- c) **In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished:-**

Technology Imported	Year of Import
Technology imported for CTV Tuners.	1998-99
Technical Assistance agreement with Samsung Electronics Co Ltd Korea.	2000-01
Technology imported of Controller PCB.	2001-02

- d) **Has the technology been fully absorbed**
 The technology imported have been fully absorbed

4. FOREIGN EXCHANGE EARNINGS AND OUTGO :

a) Earning.....	Nil (Nil)
b) Outgo by way of import of raw material, capital equipment and others.....	Rs 16,17,08,458/- (Rs 17,50,90,439/-)

ANNEXURE 'B' TO DIRECTORS' REPORT

Statement of Particulars of Employees pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended from time to time and forming part of the Directors' Report for the year ended 31st March 2003.

None of the employee of the company is covered under the above said rules.

MANAGEMENT DISCUSSION AND REVIEW

• INDUSTRY STRUCTURE

Washing machine: - The washing machine industry has been almost flat in year 2002-03. The industry continues to be dominated by low and semi automatic segment. The penetration levels, however, continue to be low when compared to China and that gives the management confidence that a small turnaround in the economy and growth in infrastructure sector coupled with rising income levels can boost the demand in the industry.

Tuner: - The tuner market is linked on the growth of the Television market. The year 2002-03 was the year of Television. Widely viewed sporting events like Football, Cricket have spurred the demand of Television. The widening of cable network also further contributed the growth of Television Industry. The company has taken full advantage of the substantial growth in the TV market.

• SEGMENTWISE / PRODUCT WISE PERFORMANCE

Despite the sluggish demand of washing machine segment in the market the company has manufactured 83872 washing machines as compared to 73630 washing machines in the previous year. Thus company washing machine division has grown over 12.55 % in quantitative terms during the last year. In the tuner division the company has made an hefty growth of 118% in quantitative terms. The Company has manufactured 822592 tuners compared to 376176 tuners in the previous year.

OPPORTUNITIES, THREATS & FUTURE OUTLOOK

Washing machine segment

Currently washing machine continues to be an urban phenomenon. Easy availability of domestic help has hampered growth in this category, especially in the semi-urban and rural markets. In terms of consumer's priority list washing machines have not yet moved into the 'urgent purchase' item. It is expected that with the increase in the number of working women the demand for washing machines will increase. The company's Low penetration level in the washing machine industry, growing middle class with high disposable income and the introduction of new quality products at low prices the company is expected to effectively meet the competition and to increase the share in the Indian Market.

Tuner segment

The tuner market is largely dependent on the growth of the Television market. The Television Industry is likely to achieve growth of 30% in the financial year 2003-04. The company is gearing up to tap the future market in this segment.

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- **RISK AND CONCERNS**

- i) The continuous low growth of washing machine industry.
- ii) Financial constraints of the company hamper the advertisement and publicity of its products.

- **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The company has an ERP based accounting system and appropriate software application in functional areas to aid operational transactions. The Company has an effective control system in place and Internal Auditors M/s J C Bhalla & Co conducts routine and special operational reviews on a periodic and consistent basis throughout the year covering all major business process and controls. The Audit committee of the company reviews the findings of the Internal Audit report periodically and the key findings are discussed for implementation and /or correction, as the case may be. This, subject to the inherent limitations in any system and procedure and coverage thereof, provides management with reasonable assurance that the established policies and the procedures of the company have been followed, its assets safeguard and any form of fraud and other irregularities prevented from occurring.

- **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The operational and financial performance of the company has been explained in the Director's report.

- **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED.**

During the year the company has organised various training and motivational programmes to upgrade the skills of our workers and other members of the staff of the company. With a view to recognise and appreciate the outstanding contribution of employees, the company confers meritorious performance award to the deserving members of the staff. The relations with staff continued to remain cordial and harmonious.

- **CAUTIONARY STATEMENT**

Statements in the Management Discussion and review describing the company's objectives, expectations or predications may be forwarded looking within the meaning of applicable securities, law and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the company's operations include cost of fuel, determination of tariff by the regulatory authorities, changes in the Government regulations tax law, economic developments within the country and such other factors.

CORPORATE GOVERNANCE

1. ONIDA'S PHILOSOPHY ON CODE OF GOVERNANCE

- to ensure that adequate control systems exist to enabling the Board to discharge its responsibilities to all stakeholders of the company effectively.
- to ensure that the decision making process is fair and transparent.
- to ensure the fullest commitment of the Management and the Board to the maximisation of shareholder value.

Your company recognizes its responsibility towards minority shareholder, various stakeholders including creditors, employee, customers and society at large. The interests of all these communities can be aligned by incorporating high standards of governance.

2. BOARD OF DIRECTORS

i) Composition

The Board of Directors of the company consists of Managing director and three non executive independent directors. The Board meeting are chaired by Managing Director.

The composition and category of Directors in the Board of the Company are: -

Managing Director

Mr. Sonu L Mirchandani

Non-Executive Director

Mr. Akhil Swami*

Mr. Sanjeev Chopra#

Mr. S A Chari

Mr. S K Sachdev

Mr. Manmohan Aggarwal**

* Resigned w.e.f. 16th November, 2002

Resigned w.e.f. 4th January, 2003

** Appointed w.e.f. 27th June, 2003

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During the year 6 board meetings were held on 18th May 2002, 28th June 2002, 30th July, 2002, 24th October, 2002, 30th January, 2003 and 10th March, 2003. The maximum gap between any two meetings is not more than 4 months.

Agenda papers for the Board Meeting were circulated to the members well in advance of each meeting. The company has a policy to place before the Board the status of various matters pursuant to the Corporate Governance Code recommended by SEBI and as implemented through clause 49 of the Listing Agreement with Stock Exchanges.

ii) Attendance of Directors.

During the financial year 2002-03 the attendance of directors at the Board meeting and the last Annual General Meeting

Directors	Meeting held during the tenure of the Director	Meeting Attended	Attendance at the Last AGM (27th September, 2002)
Mr. Sonu L Mirchandani	6	6	Present
Mr. Akhil Swami#	4	3	Present
Mr. S K Sachdev	6	6	Present
Mr. Sanjeev Chopra#	4	3	Present
Mr. S A Chari	6	6	Present
Mr. Manmohan Aggarwal*	0	0	N/a

*Appointed since the last Annual General Meeting.

#Mr. Akhil Swami and Mr. Sanjeev Chopra have resigned as director of the company w.e.f 16th November, 2002 and 4th January, 2003.

Notes :-

- None of the directors is related to any other director.
- None of the directors has any business relationship with the company.

iii) Other directorship /Membership of Board Committees

Directors	Number of outside directorship in public limited Companies	No of Membership in committee of Directors	Chairmanship held in Committee of Directors
Mr. Sonu L Mirchandani	2	2	1
Mr. Akhil Swami#	6	2	0
Mr. S K Sachdev	Nil	3	1
Mr. Sanjeev Chopra#	Nil	1	1
Mr. S A Chari*	Nil	1	1
Mr. Manmohan Agarwal**	Nil	1	0

*Appointed as Chairman of Audit Committee on its re-constitution on 11th January, 2003.

**Appointed since the last Annual General Meeting.

Mr. Akhil Swami and Mr. Sanjeev Chopra have resigned as director of the company w.e.f 16th November, 2002 and 4th January, 2003 respectively.

3. AUDIT COMMITTEE

The Audit committee of the company has been reconstituted after the resignation of Mr. Akhil Swami and Mr. Sanjeev Chopra as directors of the company w.e.f 16th November, 2002 and 4th January, 2003. In the present composition there are three independent & non-executive directors. The Audit Committee is currently chaired by Mr. S A Chari, the other members of the committee are Mr. S K Sachdev and Mr. Manmohan Agarwal. The constitution of the audit committee also meets the requirement of Sec 292 A of the Companies Act, 1956. Terms of reference of the Audit committee are as per the guidelines given in Code of Corporate Governance, which inter-alia include the overview of Company's Financial reporting process, review of quarterly, half yearly and Annual Financial Statements, adequacy of Internal Control etc. During the year, the committee has met five times on 18th May 2002, 28th June 2002, 30th July 2002, 24th October, 2002 and 30th January, 2003. The minutes of the Audit committee are placed before the Board also.