



DIRECTORS' REPORT & ANNUAL ACCOUNTS 2002-2003

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THE STATE TRADING CORPORATION OF INDIA LTD.
Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-110001



THE STATE TRADING CORPORATION OF INDIA LIMITED
BOARD OF DIRECTORS

CHAIRMAN -CUM- MANAGING DIRECTOR

Dr. Arvind Pandalai (From 5.10.2002)

Dr. S.M. Dewan (Upto 5.10.2002)

DIRECTORS

Dr. T.S. Sagar

Shri Vijay Krishan

EX-OFFICIO DIRECTORS

Shri S.D. Kapoor

Shri Vinay Bansal

Shri A.N. Tiwari

COMPANY SECRETARY

Shri A.K. Gupta



THE STATE TRADING CORPORATION OF INDIA LTD.

JAWAHAR VYAPAR BHAWAN, TOLSTOY MARG, NEW DELHI-110001

NOTICE

Notice is hereby given that the 47th Annual General Meeting of the State Trading Corporation of India Ltd., will be held at 4.30 P.M. on Friday, the 19th September, 2003 at the registered office of the Corporation at "Jawahar Vyapar Bhawan", Tolstoy Marg, New Delhi- 110001 to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt Directors' Report and audited Balance Sheet and Profit and Loss Account of the Corporation for the year ended 31st March, 2003.
2. To declare dividend on equity shares for the year.
3. To re-appoint Shri Vinay Bansal, Director, who retires by rotation at the AGM, as a part-time Director of the Company on the terms & conditions approved by the President of India from time to time. Being eligible, he has offered himself for re-appointment.
4. To re-appoint Dr. T.S. Sagar, who retires by rotation at the AGM, as a whole-time Director of the Company on the terms & conditions approved by the President of India from time to time. Being eligible, he has offered himself for re-appointment.
5. To approve remuneration of Auditors to be appointed by CAG of India under Section 610 of the Companies Act, 1956 for the financial year 2003-2004.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modifications, the following resolution:

AS AN ORDINARY RESOLUTION

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of section 293 (1) (a) and (1) (d) and other applicable provisions, if any, of the Companies Act, 1956, to mortgaging and/or charging by the Board of the Company of all the immovable and movable properties of the Company wheresover situate, present and future, and the whole of the undertakings of the Company and/or conferring powers to enter upon and take possession of the assets of the Company in certain events to or in favour of various Bankers and to secure loans not exceeding Rs. 2,500 crores (Rupees Two Thousand Five Hundred Crores) sanctioned/to be sanctioned by various Banks together with interest or any other charges, expenses and other moneys payable to Banks in respect of the said loans in terms of the Loan Agreements/Hypothecation Agreements/Letter of Sanctions/Memorandum of Terms and Condition as amended from time to time entered into/to be entered into by the Company, in respect of the said loans."

"FURTHER RESOLVED that the security to be created in the manner aforesaid in favour of Bankers to secure the above said Loans shall be by way of first charge, ranking pari passu in all respects with similar charges, if any, already created/to be created on the said properties to secure the existing borrowings."

"FURTHER RESOLVED that the mortgage/charge created/to be created and/or all the Agreements/Documents executed/to be executed and all acts done in terms of the above by and with the authorities of the Board of the Company be and are hereby approved and confirmed."

NOTES

1. A member entitled to attend and vote, is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 04.10.2003 to 07.10.2003 (both days inclusive).
3. Members are requested to bring with them copy of Annual Report and Attendance Slip at the Annual General Meeting.
4. Non Resident Indian Shareholders are requested to inform the Company immediately:
 - a) The particulars of NRE Bank Account maintained in India with complete name and address of the Bank.

- b) The Change in the Residential Status on return to India for permanent settlement.
5. As per SEBI Guidelines, it has been made mandatory for all Companies to use the bank account details furnished by the depositories for distributing dividends and other cash benefits, etc. through Electronic Clearing Service to the investors wherever ECS and bank details are available. Accordingly the shareholders holding shares in Demat form should furnish the bank account details to their depository Participants to avail the above facility.
6. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
7. Proxy form and Attendance Slip are attached at the end of Annual Report.

EXPLANATORY STATEMENT

Pursuant to section 173 (2) of the Companies Act, 1956.

ITEM NO. 6

Section 293 (1) (a) of the Companies Act, 1956, provides, inter-alia that the Board of Directors of a Public Company shall not without the consent in general meeting, sell, lease or otherwise disposed of the whole, or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of such undertakings. Since the charging by the Company of its immovable and movable properties as aforesaid in favour of various Banks may be regarded as disposal of the Company's Properties/Undertakings, it is necessary for the Members to pass a Resolution under Section 293 (1) (a) of the Companies Act, 1956.

Section 293 (1) (d) of the Companies Act, 1956 provides inter-alia, that the Board of Directors of a Public Company shall not without the consent in general meeting, borrow moneys after the commencement of this Act, where the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loan obtained from the Company's Bankers in the ordinary course of business), will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose. Since the loan limits exceeds the aggregate of paid up capital and free reserves of the Company, it is necessary for the Members to pass a Resolution under Section 293 (1) (d) of the Companies Act, 1956.

None of Directors are concerned or interested in the said Resolution.

By Order of the Board of Directors

Sd/-

(A.K.GUPTA)

COMPANY SECRETARY

DATED : 27th August, 2003

NEW DELHI

To : - Members
- Auditors

DIRECTORS' REPORT

(Also incorporating Management Discussion and Analysis Report)

The Board of Directors has pleasure in presenting the 47th Annual Report on the working of the Corporation together with the audited statements of accounts for the year ended 31st March, 2003.

ECONOMIC ENVIRONMENT

After the lull in global economy due to September 11, 2001 attack on the twin World Trade Towers in USA, everybody expected the economy to revive in 2002-03. However, the US - Iraq war added another setback to the already fragile world economy. It had significant fiscal implications not only for the USA and its allies but also for the other nations. The Indian economy also got affected, though indirectly, due to higher oil prices, freight rates, shipping costs, insurance risks and consequent higher premiums and drop in tourism.

Severe Acute Respiratory Syndrome, commonly called SARS, was another bolt from the blue that hit the world economy towards the end of 2002-03. It affected countries right from South East Asia to North America. The ripple effects of disruptions in manufacturing, travel bans and transportation delays affected the entire supply chain of the global industry to some extent.

On the home front, poor monsoon caused severe drought conditions in many states. This led to a decline in the GDP growth rate from 5.6 % in 2001-02 to 4.3% in 2002-03. However, the industrial sector grew by 6.0% as compared to 3.3% in the previous year. Despite many adverse developments, country's exports grew by a robust 19% (in dollar terms) during the year after registering a negative growth during 2001-02. Country's foreign exchange reserves continued to swell and reached US\$ 72 billion as on 31.03.2003. The current level (end August, 2003) is stated to be US\$ 85 billion approximately. Another positive development in the Indian economy was the consistent strengthening of rupee. The rupee improved vis-à-vis dollar from 48.80 in March 2002 to 47.50 in March 2003 and is around 45.90 at present.

PERFORMANCE HIGHLIGHTS

The Corporation's performance during the year 2002-03 is summarised in the table below:

		(Rs. Crores)
	2001-02	2002-03
Turnover		
Exports	696	691
Imports	780	1753
Domestic	106	89
Grand Total	1582	2533
Financial		
Profit After Tax	-41	-84
Dividend	44	6
Net Worth	322	259

DIVIDEND

The Board of Directors are pleased to recommend payment of dividend at the rate of 20% on the paid-up equity of the Corporation subject to the approval of Government of India (Department of Company Affairs) under section 205 A (3) of the Indian Companies Act, 1956.

REVIEW OF PERFORMANCE

During the year 2002-03, the Corporation recorded a turnover of Rs.2533 crore, which was the highest ever achieved by the Corporation on its own account i.e. excluding the trade handled on behalf of the Government in the earlier years. The turnover was higher by an impressive 60% when compared to Rs.1582 crore achieved in 2001-02. This could become possible as a result of continued thrust on identified items of exports and imports and a number of new initiatives undertaken by the Corporation during the year under review.

Exports

The Corporation effected exports worth Rs.691 crore during the year 2002-03. The Corporation continued to lay greater thrust on its core strength of business, namely, agricultural commodities, and undertook substantial exports of foodgrains. While exports of wheat amounted to Rs.366 crore, the

Corporation exported highest ever quantities of rice valuing Rs.285 crore during 2002-03. The higher volumes of wheat and rice were exported despite acute shortage of rakes delaying shipments in the last quarter of the year.

Castor oil was another major item of export during the year with exports worth Rs.16 crore. For the last few years, exports of castor oil have been suffering due to disparity of prices in the international markets. The Corporation was able to effect exports amounting to another Rs. 16 crore under counter trade arrangements.

Imports

The import turnover of Rs.1753 crore achieved during 2002-03 was more than double the turnover of Rs.780 crore achieved in 2001-02. Making best use of the market opportunities, the Corporation effected import sales of bullion worth Rs.1473 crore as against Rs.667 crore in the previous year. Import sales of edible oils on the Corporation's own commercial account also increased to about two and a half times, from Rs.71 crore in 2001-02 to Rs.171 crore during 2002-03. Pulses, with sales worth Rs.30 crore, was another major item of import.

Domestic Trade

The Corporation achieved domestic trade turnover of Rs.89 crore during the year 2002-03 contributed mainly by sales of pulses worth Rs.33 crore and sales under various aid programmes amounting to Rs. 41 crore.

Profit

During the year 2002-03, the Corporation earned a trading margin of Rs.11 crore. However, overall the Corporation registered a loss of Rs. 84 crore. A large part of the loss was due to reasons not directly related to the performance of the Corporation during the year. In an attempt to present a more transparent Balance Sheet, the Corporation has charged to Profit & Loss A/c a sum of Rs. 43.86 crore i.e. Rs. 19.31 crore towards diminution in the value of old investments in US 64 units and Rs. 24.55 crore towards VRS expenses of earlier years. An amount of Rs. 19.36 crore had to be written off on account of shortfall in the recovery of old dues from the Government based on a settlement reached through the Committee of Disputes of the Cabinet Secretariat. Some of these dues were carried forward in the balance sheet year after year for last two decades.

On the positive side, the Corporation was able to bring down its overhead expenses from Rs.59 crore in 2001-02 to Rs.52 crore in 2002-03.

Foreign Exchange Earnings/Outgo

The total foreign exchange earnings of the Corporation by way of exports, service charges, etc. during the year amounted to Rs.209.08 crore while the foreign exchange outgo by way of

imports and other expenses amounted to Rs.1116.37 crore.

New Initiatives

In an effort to improve its turnover and profitability, the Corporation undertook a number of new initiatives during the year and made best use of the available market opportunities. For the first time, the Corporation imported raw sugar on pre-sold basis thereby utilising the surplus refining capacity. The Corporation made a beginning in metal trading by arranging import of aluminium ingots. A beginning was also made in the import of Superior Kerosene Oil.

Branch Offices Rationalisation

With a view to exercise better control mechanism and facilitate smooth execution of business operations, the Corporation restructured its branch offices during the year. The Dubai office of the Corporation has been closed w.e.f. March 2003. Thus, the Corporation is left with no office abroad. Closure of the foreign offices became inevitable in view of rising cost of their operation. The Corporation has also closed its office at Coimbatore while Vizag office is planned to be closed soon. The Gandhidham and Cochin branches have been designated as sub-branches. The Corporation has opened a new branch at Jaipur to facilitate bullion operations. A small office is also being set up at Pondicherry.

FUTURE PLAN

As in the previous years, the Corporation has signed a Memorandum of Understanding (MoU) for the year 2003-04 with the Department of Commerce, Ministry of Commerce & Industry. As per the MoU, the total turnover of the Corporation for 2003-04 has been projected at Rs.2500 crore. While export turnover is projected at Rs.675 crore, the import turnover has been projected at Rs.1725 crore.

However, the Corporation has already achieved a turnover of about Rs.1250 crore during the first quarter of the year and is poised to achieve an all time high turnover during 2003-04. Your directors are confident that the Corporation should be ending the current year with a profit.

Several new initiatives such as supply against World Bank tenders, sale of gold coins and branded silverware and brand marketing of agricultural items, particularly edible oils, in the domestic market are in the pipeline for implementation soon.

With a view to improving the profitability position, a number of steps are being taken up by the Corporation. The Branch offices of the Corporation are being re-modelled as profit centres. The trading groups are being restructured. Economy is being enforced in all heads of administrative expenditures. The utilisation of the available space in STC's Corporate Office Building is being optimised. Steps are being initiated to get expedited all pending legal cases thereby reducing the cost of

litigation and effecting recoveries.

DISINVESTMENT

The process of disinvestment of Govt. of India shares to the extent of 65% in STC's equity is continuing. It is understood that the Government of India is presently in the process of finalising Share Purchase Agreement (SPA) and Share Holders' Agreement (SHA).

SUBSIDIARIES

Spices Trading Corporation Limited (STCL)

STCL, with its Head Office in Bangalore, undertakes export, import and domestic trading - mainly in spices. During 2002-03, the total turnover of STCL amounted to Rs.223 crore, reflecting an increase of 9% over the previous year's turnover of Rs.205 crore. Exports grew by 100% over the previous year.

STCL achieved a PBT of Rs.2.64 crore and has paid a dividend of 20% to STC.

Tea Trading Corporation of India Limited (TTCI)

Pursuant to the Govt. decision, the entire shareholding of STC in TTCI has been transferred to Projects & Equipment Corporation (PEC), another public sector undertaking under the Ministry of Commerce, at a notional price of Re.1/- w.e.f. 28.04.2003.

The accounts of the Corporation have been finalised upto the year 2001-02 and the accounts for the year 2002-03 are under compilation.

PERSONNEL

To restructure the manpower base of the Corporation, Voluntary Retirement Scheme was launched twice during the year. The Scheme was opted for by a total of 223 employees. As on 31.3.2003, the Corporation had 964 employees on its rolls.

Industrial Relations

The industrial relations remained cordial despite an atmosphere of uncertainty due to ongoing process of disinvestment of STC. The Management continued its endeavour to motivate the employees for better results.

Human Resources Development

In the changed scenario, it has been the endeavour of the Management to widen the outlook of the employees and sharpen their skills by providing them on-the-job training and also by nominating employees for training programmes conducted by reputed institutes. During the year, a total of 22 employees were nominated for various training programmes such as information technology, leadership, finance and marketing.

Recruitment of SC/ST and OBC Candidates

The Corporation has been implementing the policies and guidelines issued by the Government of India from time to time with regard to recruitment of SC/ST and OBC candidates. During the year under review, one SC candidate was appointed on compassionate grounds.

OFFICIAL LANGUAGE

The Corporation continues to make committed efforts to implement Official Language Policy of Government of India, in all spheres of its work. Time and again, the Corporation's dedication to the cause of Official Language has received laurels from various quarters such as the Parliamentary Committee on Official Language, Ministry of Commerce, Hindi Advisory Committee and Town Official Language Implementation Committee.

During the year 2002-03, Draft & Evidence Sub-committee held consultation with the Corporation's Mumbai Branch and the Parliamentary Committee on Official Language inspected Jalandhar Branch. STC benefited from the valuable guidance provided by these committees.

The Corporation organises Hindi Divas and Hindi Workshops regularly. Awards are given to outstanding contributions besides cash incentives to the deserving employees. The Departmental Official Language Committee monitors the implementation of Official Language Policy in the Corporation regularly.

VIGILANCE ACTIVITIES

The Vigilance Division of the Corporation has performed the following vigilance functions during the year:

- Organised Vigilance Awareness Week (31st October to 6th November 2002) during which seminars and discussions were held with a view to create greater vigilance awareness among the employees.
- Investigated complaints received from various agencies/sources.
- Handled the departmental inquiries having a vigilance angle.
- Maintained constant liaison with various agencies for ensuring preventive vigilance and providing detailed inputs to regulatory agencies as per statutory requirements.

INTERNAL CONTROL PROCEDURES

The day-to-day affairs of the company are managed at different managerial levels in accordance with a well documented Delegation of Powers. Major decisions are taken by the Committee of Management comprising of Chairman-cum-Managing Director and all full time Directors on the Board. An

Internal Audit system is in place. Reports of the Internal Audit are considered by the Audit Committee from time to time.

LISTING

For the convenience of share holders, the company has been got listed on National Stock Exchange in addition to Delhi and Mumbai Stock Exchanges. The annual listing fees for the financial year 2003-2004 have been paid.

PARTICULARS OF EMPLOYEES

A statement of employees in terms of section 217 (2A) of the Companies Act, 1956 read with the relevant rules is at Annexure – 'A'. None of the employees mentioned therein is related to any of the Directors of the Corporation.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, a report on Corporate Governance and a Certificate from the Auditors of the company is given in Annexure 'B', which forms part of this report.

AUDITORS' REPORT

The report of the Statutory Auditors along with comments of the Management, wherever necessary, are annexed.

COMMENTS OF C&AG

The Comments of C&AG under section 619 (4) of the Companies Act, 1956 on the accounts of the Corporation for 2002-03 along with C&AG's Review of the Accounts are also submitted herewith.

DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated under section 217 (2 AA) of the Companies Act, 1956, your Directors state:

- That in preparation of annual accounts for the year ended March 31, 2003, the applicable accounting standards have been followed alongwith proper explanations 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 or 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 provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That the Directors had prepared the annual accounts on a going concern basis.

BOARD OF DIRECTORS

In terms of provisions of article 79 (2) of the Articles of Association regarding retirement of Directors by rotation, Shri Vinay Bansal, part - time Director and Dr. T.S. Sagar, Director (Marketing) shall retire at the AGM and being eligible for re-appointment, have offered themselves for re-appointment.

ACKNOWLEDGEMENT

The Directors of your company are pleased to placed on record their appreciation for the dedicated and sincere services rendered by the officers and staff at all levels.

For and on behalf of Board of Directors

Sd/-

(DR. ARVIND PANDALAI)

Chairman -cum- Managing Director

Place : New Delhi

Date : 27th August, 2003

Annexure 'A' to Directors' Report**INFORMATION REQUIRED UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 & AS AMENDED & FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2003****(A) Employed throughout the financial year and in receipt of remuneration not less than Rs. 24,00,000/- in the aggregate for the year 2002-2003**

Sl. No.	Name of Employee	Designation	Age As on 31.3.2003	Remuneration (Rs.)	Nature of employment whether contract or regular	Qualification	Date of Commencement of service in STC	Total experience (years)	Last Employment held in
1	2	3	4	5	6	7	8	9	10

NIL

(B) Employed for part of the financial year 2002-03 and in receipt of remuneration not less than Rs. 2,00,000/- per month

Sl. No.	Name of Employee	Designation	Age As on 31.3.2003	Remuneration (Rs.)	Nature of employment whether contract or regular	Qualification	Date of Commencement of service in STC	Total experience (years)	Last Employment held in
1	2	3	4	5	6	7	8	9	10
1.	S.S. Malik	CMM	60	5,66,189	Regular	B.Com	14.07.66	35	First Appointment
2.	D.R. Gandhi	FM	55	2,09,656	Regular	BA	24.04.74	28	Govt. of India
3.	O.P. Srivastava	MM	57	4,27,137	Regular	Inter	15.10.66	35	NSIC
4.	J.P. Singh	MM	57	2,00,181	Regular	BA.	18.06.74	27	First Appointment
5.	A. Ranganath	MM	54	2,69,352	Regular	BA	12.02.75	27	First Appointment
6.	M.S. Shiva	MM	49	2,02,091	Regular	B.Com.	11.12.75	26	First Appointment
7.	N.L. Madhani	FM	51	3,16,781	Regular	BA	01.09.76	25	Railway Board
8.	D.K. Chakrabarti	MM	56	4,27,117	Regular	B.Com	16.08.78	23	Private Job
9.	K.L. Dhanak	MM	52	2,29,683	Regular	MA(Eco.)	24.04.81	21	Trade Dev. Authority
10.	S.K. Dhameja	DMM	57	4,07,477	Regular	BA	04.01.69	33	First Appointment
11.	R.K. Sharma	DMM	57	2,22,300	Regular	BA	14.02.66	36	First Appointment
12.	M.S. Arora	DMM	55	2,44,385	Regular	BA	04.04.68	34	First Appointment
13.	V.P. Gaur	DMM	54	2,39,798	Regular	BA	17.07.68	33	First Appointment
14.	A.S. Bhagat	DFM	54	4,12,595	Regular	BA, LLB	01.03.74	20	Govt. of India
15.	J.L. Gupta	DMM	54	4,06,877	Regular	HR.Sec.	02.04.68	34	NSIC
16.	R.K. Arora	DMM	57	3,48,190	Regular	BA	22.04.74	28	Govt. Service
17.	Prem Prakash	DMM	56	2,89,346	Regular	BA	01.03.74	28	Govt. of India
18.	V.K. Sethi	DFM	56	4,61,694	Regular	B.Com	26.06.74	27	AGCW&M
19.	B.L. Dhingra	DMM	57	4,03,359	Regular	BA	06.04.74	28	ICAR
20.	Ravinder Kaur	DMM	50	2,59,083	Regular	BA	04.09.74	27	FCI
21.	Subhash Chander	DMM	55	2,72,308	Regular	BA	01.03.74	28	Govt. of Punjab
22.	Jasbir Singh	DMM	50	2,68,764	Regular	BA	16.01.75	27	First Appointment
23.	S.C. Arora	DMM	58	2,67,339	Regular	MA	21.01.75	27	Govt. of India
24.	Kartar Kaur	AM	60	4,55,613	Regular	BA	14.02.66	36	PEC. of India
25.	O.P. Luthra	DMM	54	3,43,850	Regular	HR. Sec.	09.12.68	33	First Appointment
26.	Mary Antony	DMM	55	2,99,564	Regular	BA	12.08.76	25	First Appointment
27.	J.K. Sachdeva	DFM	56	3,01,544	Regular	BA	07.04.77	25	Deptt. of Supply
28.	A.K. Nathani	DMM	57	2,27,095	Regular	B.Sc.	26.10.66	35	First Appointment
29.	G.S. Negi	AM	55	2,30,635	Regular	High School	17.07.68	33	First Appointment
30.	Ramila Kaul	AM	45	2,08,260	Regular	HR.Sec.	31.07.76	25	First Appointment

AMOUNT SHOWN IN COLUMN NO. 5 DOES NOT INCLUDE V.R.S. EX-GRATIA.

Annexure 'B' to Directors' Report**REPORT ON CORPORATE GOVERNANCE****CORPORATE GOVERNANCE PHILOSOPHY**

Corporate Governance is essential to the very existence of a company as it builds confidence and trust, which eventually leads to a more stable and sustained resource flows and long term partnership with its investors and others stakeholders. The importance of corporate governance lies in the contribution it makes to the overall growth and direction of the business, management accountability and transparency and above all, equitable treatment for its stakeholders and business associates.

Actual management of the company vests with a team of senior executives, led by Chairman-cum-Managing Director. They are vested with operational and financial powers through a well structured process of delegation.

1. BOARD OF DIRECTORS**Composition of the Board**

— Chairman-cum-Managing Director	1
— Whole Time Directors	2
— Ex-Officio Directors	3
Total :	<u>6</u>

2. DETAILS OF MEETINGS**(A) DIRECTORS**

During the Year ended 31st March, 2003, the Board of Directors met seven times. These meetings were held on the following dates:

(1) 27-05-2002	(2) 25-07-2002	(3) 20-08-2002
(4) 27-09-2002	(5) 29-10-2002	(6) 28-11-2002
(7) 29-01-2003		

(B) SHAREHOLDERS

The last Annual General Meeting for the Financial Year ending 31st March, 2002 was held on 27th September, 2002.

An Extra Ordinary General Meeting of the Shareholders was held on 25th January, 2002.

All the above meetings were held at the Registered Office of the Company i.e. Tolstoy Marg, Jawahar Vyapar Bhawan, New Delhi. 110001.

Attendance of Directors at Board Meetings and General Meetings

Name of Director	Number of Meeting held during his tenure	Number of Meeting Attended	Attended AGM
Dr. Arvind Pandalai	7	6	No
Dr. T.S. Sagar	7	7	Yes
Mr. Vijay Krishan	5	5	Yes
Mr. Vinay Bansal	7	5	No
Mr. A. N. Tiwari	5	5	Yes
Mr. Atul Sinha	1	1	—
Mr. S.D. Kapoor	7	6	Yes
Mr. L. Mansingh	1	1	—
Dr. S.M. Dewani	4	4	Yes
Mr. P.K. Gupta	2	2	—