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*McDowell & Company Limited*

*McDowell & Company Limited*

(Formerly known as McDowell Spirits Limited)

**DIRECTORS**

VIJAY MALLYA,  
Chairman

S.R.GUPTA,  
Vice Chairman

V.K.REKHI,  
Managing Director

M.R. DORAISWAMY IYENGAR

P.K. KAKODKAR

B.M. LABROO

S. RAMANUJAM

**GROUP CHIEF FINANCIAL OFFICER**  
RAVI NEDUNGADI

**COMPANY SECRETARY**  
V.S. VENKATARAMAN

**AUDITORS**  
DELOITTE HASKINS & SELLS, CHARTERED ACCOUNTANTS, BANGALORE

**REGISTERED & CORPORATE OFFICE**  
51, RICHMOND ROAD, BANGALORE 560 025



# *McDowell & Company Limited*

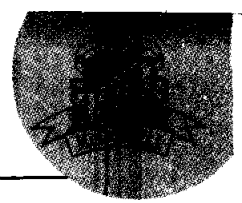
(Formerly known as McDowell Spirits Limited)

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# McDowell & Company Limited

(Formerly known as McDowell Spirits Limited)



## REPORT OF THE DIRECTORS

Your Directors have pleasure in presenting the Annual Report of your Company and the audited accounts for the year ended 31<sup>st</sup> March 2001.

At the outset your Directors are happy to report that the consolidation of the spirit business has been achieved with the amalgamation of six companies with the Company which included the erstwhile McDowell & Company Limited, a listed Company, with effect from April 1, 2000, being the Appointed date. Accordingly the financial results for the year ended March 31, 2001 include those relating to the aforesaid amalgamating companies.

### FINANCIAL RESULTS

#### Rupees in Millions 2000 - 01

The working of your Company for the year under review resulted in

|                          |                  |
|--------------------------|------------------|
| • Profit from operations | <b>483.789</b>   |
| Less :                   |                  |
| • Depreciation           | <b>(126.045)</b> |
| • Taxation               | <b>(133.830)</b> |
| • Profit after tax       | <b>223.914</b>   |

Loss brought forward from previous year **(0.007)**

Transfer from Debenture Redemption Reserve **43.800**

Profit available for appropriation **267.707**

Your Directors have made the following appropriations:

|                                    |                 |
|------------------------------------|-----------------|
| To General Reserve                 | <b>(15.000)</b> |
| Proposed Dividend                  | <b>(77.580)</b> |
| Corporate Tax on Proposed Dividend | <b>(7.913)</b>  |

Balance carried to the Balance Sheet **167.214**

Your Directors propose a Dividend on equity shares @ 15%

### CAPITAL

During the year under review the authorised share capital of the Company was increased from Rs.2,500,000 to Rs.600,000,000. The issued, subscribed and paid up capital was Rs.600/- as of March 31,2001. However, upon issue and allotment of shares on July 09, 2001 to the shareholders of the erstwhile McDowell & Company Limited in terms of the Scheme of Amalgamation, the issued, subscribed and paid up capital stands increased to Rs. 517,200,280 .

In terms of the Scheme of Amalgamation, 52,519 partly paid shares of the erstwhile McDowell & Company Limited, on

which allotment money were due stood forfeited and cancelled on account of non receipt of allotment money due together with interest thereon as demanded by the Company on or before the due date.

### PERFORMANCE OF THE COMPANY

During the year under review, your Company contested the issue of comparison of prices across states with the Andhra Pradesh Beverage Corporation Ltd. in the A.P. High Court. The Company's point of view was that the circumstances prevailing in each state were different with reference to cost of inputs, production levies, operating costs, market conditions, etc. and therefore it was not possible to have a uniform price for a brand across states. While this issue was being argued in the High Court, the Company decided to stay out of the AP market for those brands where such price comparisons were an issue. Once the issue was favourably settled by the High Court, supplies recommenced.

As a result, the volumes of the Company stood at 19.02 million cases.

Your Company's National Market Share was at 26% in a market that has shown degrowth in the current year.

### MARKETING & SALES

The year has been one of turbulence in the industry with the formation of three new states (which disrupted supplies), amendment of the taxation policy in Maharashtra, the creation of a new excise slab in AP, takeover of the wholesale trade by the Government in Orissa, etc.

The sustained focus on brand building has paid rich dividends for the Company – a recent study by a leading National Business Daily has rated "McDowell's" as the leading brand in the Alcoholic Beverages sector. This ranking was done in the course of a study on India's most trusted brands.

The Company's leading rum brand, McDowell's Celebration Rum is the fastest growing regional brand in the world with 34% growth in volumes during the calendar year 2000.

### FRANCHISEE BUSINESS

With a view to actively develop this area, your Company has franchised the bottling and sale of McDowell's purified drinking water and Soda which are now available in over 75 cities in the country. This business seeks to extend the brand equity of the Company's leading brand in related areas.



# McDowell & Company Limited

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## DIRECTORS' REPORT (Contd.)

### MANUFACTURING

total production in the Company owned distilleries stood at 10.6 million cases.

### AMALGAMATION

During the current year McDowell & Company Limited, a listed company which had its registered office at "McDowell House", 3 Second Line Beach, Chennai - 600 001 was amalgamated with the Company on April 19, 2001 (Effective date) with the amalgamation taking effect from April 01, 2000, being the Appointed Date. Consequent upon the amalgamation, the shareholders of erstwhile McDowell & Company Limited were issued and allotted on July 9, 2001, 51,719,968 Equity shares of the Company in the ratio of 1:1 as per the Scheme of Amalgamation. Ten Equity shares held by the erstwhile McDowell & Company Limited in the Company stood cancelled on amalgamation.

During the current year the following unlisted companies were also amalgamated with the Company, with the amalgamation taking effect from April 01, 2000, being the Appointed date :

Serampore Distillery & Chemical Company Limited  
on April 19, 2001 (Effective date)

Udaipur Distillery Company Limited  
on April 19, 2001 (Effective date)

McDowell Properties Limited  
on June 07, 2001 (Effective date)

Mysore Wine Products Limited  
on June 07, 2001 (Effective date) and

Vitari Distilleries Limited  
on June 14, 2001 (Effective date)

In terms of the Schemes of Amalgamation, the shares of the above mentioned five companies stood cancelled on amalgamation without any exchange of shares of the Company as the entire paid up share capital of these transferor companies were held either by the erstwhile McDowell & Company Limited, Chennai which itself has been amalgamated with the Company, or by the Company.

### SUBSIDIARIES

During the year under review the following companies became your subsidiaries.

1) McDowell International Brands Limited

2) Mysore Wine Products Limited

3) Serampore Distillery & Chemical Company Limited

Mysore Wine Products Limited and Serampore Distillery & Chemical Company Limited have since been amalgamated with the Company.

Your Directors are pleased to report that your Company has acquired 602,160 Equity shares of Nepali Rs.10/- each of Nepal Liquors Limited, Nepal held by United Breweries Limited, a Promoter Group Company for which permission has been received from Reserve Bank of India in June 2001. Your Company already holds 37,500 Equity shares of Nepali Rs.10/- each of Nepal Liquors Limited. Upon transfer of shares in the name of the Company, Nepal Liquors Limited will become a Subsidiary of the Company.

The Accounts and Directors' Report of McDowell International Brands Limited along with the statement pursuant to Section 212 of the Companies Act, 1956 are appended.

### CHANGE OF NAME OF COMPANY

As a part of the Schemes of Amalgamation, the name of your Company has been changed from McDowell Spirits Limited to McDowell & Company Limited.

### DEPOSITORY SYSTEM

The shares of the erstwhile McDowell & Company Limited have been compulsorily traded in dematerialised form as mandated by The Securities and Exchange Board of India. The shareholders of the erstwhile McDowell & Company Limited holding shares either in physical form or in electronic form were issued and allotted shares of the Company in the same form in which they were holding the shares and with an option to the shareholders holding physical certificates to receive the shares of the Company in electronic form or vice versa. As of date, shares representing 81% of the share capital are in dematerialised form.

M/s. Alpha Systems Pvt Ltd., who were the Registrars and Share Transfer Agents of the erstwhile McDowell & Company Limited for shares and fixed deposits continue to be the Registrars and Share Transfer Agents for the shares and fixed deposits of the Company.

### DIRECTORS

At the Annual General Meeting held on April 27, 2000, Dr. Vijay Mallya was appointed as a Director of your Company, liable for retirement by rotation.

Mr S R Gupte was appointed as an additional Director on April 03, 2001 and Mr M R Doraiswamy Iyengar,

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**DIRECTORS' REPORT (Contd.)**

Mr P K Kakodkar and Mr B M Labroo were appointed as additional Directors on April 19, 2001 and will hold office in terms of Section 260 of the Companies Act, 1956 up to the date of the Annual General Meeting.

Notices in writing have been received by your Company from members signifying their intention to propose the appointments of the above Directors at the Annual General Meeting.

Mr V K Rekhi was appointed as Managing Director of the Company for a period of five years with effect from April 19, 2001. The appointment of Mr V K Rekhi as Managing Director is being placed for the approval of the members at the Annual General Meeting.

Mr A K Ravi Nedungadi and Mr A Harish Bhat have resigned from the Board and ceased to be Directors from April 03, 2001. Mr P A Murali who was appointed as an additional Director on April 03, 2001 resigned from the Board and ceased to be a Director from August 9, 2001. Your Directors place on record their appreciation of the valuable services rendered by Mr A K Ravi Nedungadi, Mr A Harish Bhat and Mr P A Murali during their tenure as Directors of the Company.

Mr S Ramanujam retires by rotation, and is not offering himself for re-election.

Your Company has invited prominent business personalities to join your Board of Directors and their acceptances are awaited.

**AUDITORS**

At the Extraordinary General Meeting of the Company held on March 31, 2001, M/s. Deloitte Haskins & Sells, Chartered Accountants, were appointed as Auditors of the Company in the casual vacancy caused by the resignation of M/s. Vishnu Ram & Co., Chartered Accountants, to hold office as Auditors up to the conclusion of this Annual General Meeting. M/s. Deloitte Haskins & Sells are eligible for re-appointment at the Annual General Meeting and it is necessary to fix their remuneration.

**AUDIT COMMITTEE**

Your Company has constituted an Audit Committee to meet the requirements both under the provisions of Section 292A of the Companies Act, 1956 and the listing agreement with Stock Exchanges. The Committee is chaired by Mr M.R. Doraiswamy Iyengar, a fellow of the Institute of Chartered Accountants of India with over 30 years of experience in the finance and accounting profession.

**LISTING OF SHARES OF THE COMPANY**

Your Company, being a mirror image of the erstwhile McDowell & Company Limited and as per the Scheme of Amalgamation, has applied for listing of the equity shares with the Stock Exchanges at Ahmedabad, Bangalore, Chennai, Delhi, Kolkata, Mumbai and National Stock Exchange of India Limited, Mumbai where the shares of the erstwhile McDowell & Company Limited were listed.

The approval for listing and trading of the shares of the Company by the Stock Exchanges are awaited.

**CORPORATE GOVERNANCE**

Measures of Corporate Governance initiated by the erstwhile McDowell & Company Limited have been implemented by your Company with increased emphasis.

A report on Corporate Governance is annexed separately as part of the report.

**CASH FLOW STATEMENT**

A cash flow statement for the year's operation is appended.

**FIXED DEPOSITS**

Fixed deposits from the public and shareholders held by the erstwhile McDowell & Company Limited stood transferred to and vested in the Company consequent upon amalgamation of the erstwhile McDowell & Company Limited with the Company. From July 2000, the erstwhile McDowell & Company Limited had stopped accepting fresh deposits or renewing existing deposits.

Fixed Deposits from the public and shareholders stood at Rs.527.98 million as at March 31, 2001. The amount included Rs 10.03 million representing matured deposits for which disposal instructions had not been received from concerned depositors. Of this a sum of Rs. 3.63 million has been since paid as per instructions received after the year end.

**HUMAN RESOURCES**

Employee relations remained cordial at all your Company's locations. Your Directors take this opportunity to record their appreciation for the outstanding contribution of all employees of your Company.

During the year under review key employees of your Company were offered Stock options under the Employee Stock Purchase Scheme.

Particulars of employees drawing an aggregate remuneration of Rs.1,200,000 or above per annum or Rs. 100,000 or above per month, as required under Section 217 (2A) of the Companies Act, 1956 are annexed.



# McDowell & Company Limited

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## DIRECTORS' REPORT (Contd.)

### CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION ETC.

In accordance with the provision of Section 217(1) (e) of the Companies Act, 1956, the required information relating to Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo is annexed.

### DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors further report that

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there were no material departures;
2. the accounting policies selected have been applied, on the basis of 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 as at 31<sup>st</sup> March 2001 and of the profit of the Company for the year ended 31.03.2001;

3. proper and sufficient care has been taken 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. The annual accounts have been prepared on a going concern basis.

### THANK YOU

Your Directors place on record their sincere appreciation for the continued support from shareholders, customers, suppliers, banks and financial institutions and other business associates. A particular note of thanks to all employees of your Company, without whose contribution, your Company could not have achieved the year's results.

By Authority of the Board

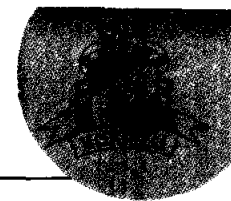
Mumbai  
August 9, 2001

DR. VIJAY MALLYA  
Chairman

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**DIRECTORS' REPORT (Contd.)****ANNEXURE TO DIRECTORS' REPORT**

(Additional Information given pursuant to requirement of Section 217(1)(e) of the Companies Act, 1956, issued by the Department of Company Affairs).

**CONSERVATION OF ENERGY**

Energy Consumption & Cost Reduction

Steps taken to reduce energy consumption & reduce cost of production :

- Utilisation of methane gas, generated in Anaerobic digester, in Boiler alongwith furnace oil.
- Installation of automatic blowdown system and oxymiser in Boiler.
- Installation of steam turbine to produce electricity.

**TECHNOLOGY ABSORPTION**

Technology imported during the last 5 years:

| Technology Imported | Year of Import | Status |
|---------------------|----------------|--------|
| None                | —              | —      |

**FOREIGN EXCHANGE EARNINGS/OUTGO**

|  | (Rupees. in '000) |
|--|-------------------|
|  | 2000-01           |
| 1. Exports & Foreign Exchange earnings     | 7                 |
| 2. Imports/expenditure in foreign currency | 77,936            |





# McDowell & Company Limited

(Formerly known as McDowell Spirits Limited)

## DIRECTORS' REPORT (Contd.)

### ANNEXURE TO DIRECTORS' REPORT

#### STATEMENT OF PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 217 (2-A) OF THE COMPANIES ACT, 1956 AND COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975

| SL. NO. | NAME                | AGE | DESIGNATION                     | REMUNERATION<br>Rs. | NATURE OF DUTIES          | QUALIFICATION            | EXPERIENCE IN YEARS | DATE OF COMMENCEMENT OF EMPLOYMENT | PARTICULARS OF PREVIOUS EMPLOYMENT   |
|---------|---------------------|-----|---------------------------------|---------------------|---------------------------|--------------------------|---------------------|------------------------------------|--|
| 1       | ACIDWALA Y D        | 58  | GM                              | 1529307             | MANUFACTURING             | B.COM                    | 15                  | 01-Oct-99                          | Tata Textiles  |
| 2       | ALOK GUPTA          | 35  | AVP - MARKETING                 | 1228103             | MARKETING                 | B.COM, PGDM              | 13                  | 21-Feb-95                          | Dy. General Manager - Marketing, Shaw Wallace & Co. Ltd.                         |
| 3       | ANANT IYER          | 41  | DVP - FRANCHISE & MKTG SERVICES | 1381912             | FRANCHISE & MARKETING SER | M.SC., M.M.S.            | 17                  | 15-Jun-92                          | Controller Marketing, Consolidated Distilleries Ltd                              |
| 4       | ASHWIN MAIK         | 43  | EVP - MARKETING                 | 1828156             | MARKETING                 | B.A. (ECO), MBA          | 21                  | 1-Nov-88                           | VP Sales & Mktg, Carew Phipson Ltd.  |
| 5       | BANERJEE J K        | 56  | DVP - MANUFACTURING (WEST)      | 1563729             | MANUFACTURING             | BE(MECH), PGDBM          | 34                  | 12-Feb-96                          | Chief Engineer-System, Trng. Tech., Sales Metal Box Ltd.                         |
| 6       | BINOD K MARTIN      | 52  | DVP - R & D                     | 1219868             | RESEARCH & DEVELOPMENT    | M.SC., PH.D.             | 29                  | 14-Dec-88                          | Sr Research Officer & Head Anal Rese, Shriram Institute for Industrial Research. |
| 7       | BISHWAL S K         | 54  | EVP - MANUFACTURING             | 2518618             | MANUFACTURING             | B.SC ENGG (HONS), M.TECH | 29                  | 1-Jan-90                           | Chief Industrial Engineer, Union Carbide India Ltd.                              |
| 8       | CHANDRASHEKAR C     | 46  | AVP - MATERIALS                 | 1335303             | MANUFACTURING             | MBA                      | 25                  | 25-Apr-83                          | Buyer, Hindustan Motors Ltd.   |
| 9       | DUTTA M L           | 55  | DVP - MANUFACTURING (NORTH)     | 1610309             | MANUFACTURING             | B.SC                     | 31                  | 2-Jan-84                           | General Manager - Distillery, Carew Phipson Limited.                             |
| 10      | GERALD G D'SOUZA    | 52  | DVP - PERS & ADMIN              | 1708862             | H R                       | MA, PERS                 | 27                  | 16-Aug-90                          | General Manager Personnel & Administration, Herbetsons Ltd..                     |
| 11      | HARISHA BHAT A      | 47  | DVP - FINANCE                   | 1690442             | FINANCE / ACCOUNTS        | CA                       | 23                  | 22-Nov-90                          | Manager - Treasury, Digital Equipment (I) Ltd.                                   |
| 12      | LUTHRA V K          | 58  | EVP - SALES                     | 2462136             | SALES                     | B.A.                     | 35                  | 17-Nov-94                          | Sr. V.P. Liquor Division, Shaw Wallace & Co Ltd..                                |
| 13      | MADHAVAN P B        | 60  | DVP - LEGAL                     | 1640735             | SECRETARIAL               | ACS, LLB.                | 40                  | 22-Apr-85                          | Co. Secretary, Automotive Axles Ltd..  |
| 14      | PODDAR P N          | 48  | AVP - TECHNICAL                 | 1219471             | MANUFACTURING             | M.TECH, DMS              | 24                  | 1-Jan-88                           | Production Manager, Union Carbide (I) Ltd.                                       |
| 15      | RAJAN K S W.G.CDR   | 57  | CHIEF PILOT                     | 1425913             | AVIATION                  | AMAESI                   | 35                  | 6-Apr-89                           | Indian Air Force.  |
| 16      | RAVI NEDUNGADI A.K. | 44  | GROUP CHIEF FINANCIAL OFFICER   | 6095060             | CORPORATE FINANCE         | B.COM (HONS), ICWA, CA   | 22                  | 1-Jan-90                           | UB International, Dubai.   |
| 17      | REDDY P R K         | 56  | GM - MASK                       | 1289773             | MANUFACTURING             | B.TECH.                  | 30                  | 8-Sep-73                           | Chemical Engineering Trainee, AP Papers Mills.                                   |
| 18      | REKHI V K           | 56  | MANAGING DIRECTOR               | 8023540             | GENERAL MANAGEMENT        | MBA                      | 29                  | 3-Jan-72                           | UB Group.  |
| 19      | SATSANGI R          | 44  | GM - MORGANI                    | 1304225             | MANUFACTURING             | B.TECH (MECH)            | 21                  | 19-Feb-96                          | Plant Manager, PepsiCo India Holdings Ltd.                                       |
| 20      | SEVARAJ K           | 54  | GM                              | 1217404             | MANUFACTURING             | AME                      | 32                  | 4-Jun-90                           | Maint Mgr - M/s Auro Food Ltd, Pondicherry.                                      |
| 21      | SHARMA L M          | 59  | DVP - MANUFACTURING             | 1507612             | MANUFACTURING             | PGDMS DEM, AMIE          | 39                  | 2-May-88                           | Works Manager, Hard Castle Wood Mfg. Ltd.  |
| 22      | SHIVENDRA SINGH     | 48  | GM - BUSINESS DEVELOPMENT       | 1419395             | CORPORATE                 | B. A.                    | 14                  | 2-Mar-87                           | GM - Business Development, Carew Phipson Ltd..                                   |
| 23      | SINGHAL S C         | 48  | GENERAL MANAGER                 | 1227798             | MANUFACTURING             | B.SC.,                   | 28                  | 1-Sep-89                           | Asst. Manager Works SriShadi Lal Enterprises Ltd.                                |
| 24      | SUBBA RAO P V       | 64  | PRESIDENT - RESEARCH            | 2014891             | RESEARCH & DEVELOPMENT    | M.SC, PHD                | 42                  | 1-Apr-96                           | Chairman, Dept of Biochemistry, Indian Institute of Science                      |
| 25      | SUBRAMANIAN T K     | 50  | AVP - SYSTEMS                   | 1209876             | INFORMATION TECH          | B.SC., DMS               | 29                  | 16-Mar-83                          | Controller - Systems, UBICS Ltd  |
| 26      | TANEJA V N          | 55  | AVP - SALES                     | 1318654             | SALES                     | HIGH SCHOOL              | 28                  | 3-Sep-73                           | GM - Sales, Carew Phipson Ltd.   |
| 27      | TOMY K P            | 59  | DVP - MANUFACTURING             | 1530050             | MANUFACTURING             | SSIC                     | 39                  | 7-Jan-69                           | GM - Sales, Herbetsons Ltd   |

#### PART OF THE YEAR

|   |                    |    |                              |         |           |    |    |          |  |
|---|--------------------|----|------------------------------|---------|-----------|----|----|----------|--|
| 1 | BAL KRISHAN PARDAL | 55 | CEO-MCDOWELL INTL BRANDS LTD | 1089190 | MARKETING | BA | 35 | 7-Jun-00 | Self Employment (Promotion of Wine, Spirits) |
|---|--------------------|----|------------------------------|---------|-----------|----|----|----------|--|

#### Notes:

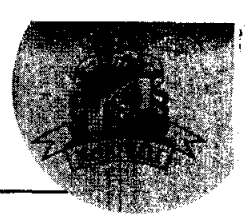
No employee is on contract employment. Other terms and conditions are as per service rules of the company from time to time.

None of the above mentioned employees is related to any Director of the Company.

Remuneration as shown above includes salary, house rent allowance, Company's contribution to PF & Super Annuation Fund, value of residential accomodation, medical, bonus and other facilities.

# McDowell & Company Limited

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## CORPORATE GOVERNANCE REPORT

The Company was incorporated on March 31, 1999 with a Paid up capital of Rs 700/- with seven subscribers to the Memorandum of Association. In order to consolidate the spirits business and to achieve synergies in production, bottling and distribution of spirits, obtain economies of scale, avoid and eliminate unnecessary costs, duplication of costs and administration, distribution etc., the erstwhile McDowell & Company Limited (MCL), a Company whose shares were listed with seven stock Exchanges and five other unlisted companies, were amalgamated with the Company during the current year.

In terms of the Scheme of amalgamation as approved by the Honourable High Courts of Madras and Karnataka, the Company has issued and allotted fully paid up Equity shares of Rs 10 each in exchange for the fully paid Equity shares held in MCL in the ratio of 1:1 on July 9, 2001. As per the Scheme of Amalgamation, the Company has applied for listing the shares of the Company with the Stock Exchanges at Ahmedabad, Bangalore, Chennai, Kolkata, Delhi, Mumbai and National Stock Exchange of India Limited where the shares of MCL were listed.

MCL which was amalgamated with the Company on April 19, 2001 (Effective Date), was listed with the Stock Exchange, Mumbai under Group 'A' and trading in the shares are under the Compulsory Demat mode. MCL to whom the Corporate governance code was applicable had implemented the Corporate Governance code and complied with applicable requirements.

The Company is a mirror image of MCL with all the shareholders of MCL becoming the Shareholders of the Company. Accordingly the Company, which believes in the need for upholding the highest standard of Corporate governance in all its operations, has started implementing the Corporate Governance Code with effect from April 19, 2001 in continuation of measures initiated by MCL. For the purposes of this report, particulars of the corporate governance measures of MCL are included as appropriate in this report and the Management Discussion and Analysis by way of additional information.

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The philosophy of the Company on Corporate governance envisages, inter alia, attainment of the highest levels of accountability and equity in all its actions and enhancement of

shareholder value keeping in view the needs and interests of other stake holders.

### 2. BOARD OF DIRECTORS

The Board of Directors of the Company is a combination of Executive and Non Executive Directors, comprising seven Directors of whom one is an Executive Director and the balance are Non Executive Directors.

| Names of Directors        | Category                      |
|---------------------------|-------------------------------|
| Dr Vijay Mallya           | Non Executive Chairman        |
| Mr S R Gupte              | Non Executive Vice Chairman   |
| Mr V K Rekhi              | Executive / Managing Director |
| Mr M R Doraiswamy Iyengar | Non Executive Director        |
| Mr P K Kakodkar           | Non Executive Director        |
| Mr B M Labroo             | Non Executive Director        |
| Mr S Ramanujam            | Non Executive Director        |

During the financial year under review nine Board Meetings were held on April 3, 2000, April 27, 2000, June 19, 2000, June 22, 2000, July 17, 2000, September 12, 2000, December 4, 2000, January 19, 2001 and February 28, 2001.

Attendance of each Director at the Board Meetings and last Annual General Meeting:

| Name of Director            | No. of Board Meetings attended/No. of Board meetings held during the period he was a Director | Attendance at the last AGM held on 27-4-2000 |
|-----------------------------|---|--|
| Dr Vijay Mallya #           | 4 out of 8  | No   |
| Mr S R Gupte*               | Nil   | No   |
| Mr V K Rekhi                | 3 out of 9  | Yes  |
| Mr M R Doraiswamy Iyengar * | Nil   | No   |
| Mr P K Kakodkar*            | Nil   | No   |
| Mr B M Labroo*              | Nil   | No   |
| Mr S Ramanujam              | 9 out of 9  | Yes  |
| Mr A.K.R.Nedungadi**        | 9 out of 9  | Yes  |
| Mr A. Harish Bhat**         | 9 out of 9  | Yes  |

# Appointed as a Director at the last Annual General Meeting

\* Appointed as Additional Director in the current financial year.

\*\* Since resigned in the current financial year