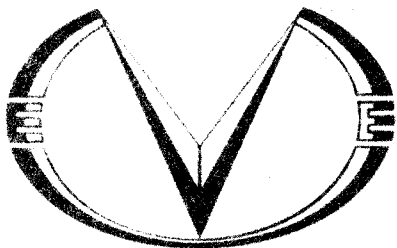


Videocon Appliances Limited

Ref

VIDEOCON



VIDEOCON

16th Annual Report 2002-2003

www.videocon.com

VIDEOCON APPLIANCES LIMITED**BOARD OF DIRECTORS**

Venugopal N. Dhoot
 Pradeepkumar N. Dhoot
 Naveen B. Mandhana
 Avinash Malpani
 S. Padmanabhan
 D. K. Jain

Nominee of IFCI Ltd.

AUDITORS

Khandelwal Jain & Co.
 Chartered Accountants
 12 - B Baldota Bhavan
 117, Maharshi Karve Road,
 Opp. Churchgate Railway Station,
 Mumbai - 400 020

Kadam & Co.
 Chartered Accountants
 Ahmednagar College Road, Kothi,
 Near Badve Petrol Pump, Ahmednagar - 414 001

SOLICITORS

M/s. Mulla & Mulla & Cragie & Blunt & Caroe
 M/s. Kamal & Co.

BANKERS

Indian Bank
 Allahabad Bank
 Bank of Baroda
 Bank of India
 Indusind Bank Ltd.
 Lord Krishna Bank Ltd.
 Punjab National Bank
 State Bank of Bikaner & Jaipur
 State Bank of Hyderabad
 State Bank of Indore
 The Dhanalakshmi Bank Ltd.
 The Federal Bank Ltd.
 UCO Bank
 UTI Bank Ltd.

REGISTERED OFFICE

14 Km. Stone,
 Aurangabad – Paithan Road,
 Village Chittegaon,
 Taluka Paithan,
 Dist.-Aurangabad, (Maharashtra)

FACTORY

14 Km. Stone,
 Aurangabad – Paithan Road,
 Village Chittegaon,
 Taluka Paithan,
 Dist.-Aurangabad, (Maharashtra)

ADMINISTRATIVE OFFICE

171, Mittal Court, 'C' Wing
 Nariman Point,
 Mumbai - 400 021.

Contents	Page No.
Notice	1
Directors' Report	3
Corporate Governance	4
Auditors' Report	9
Balancesheet	10
Profit and Loss Account	11
Schedules	12
Notes to Accounts	16
Balance Sheet Abstract & Company's General Business Profile	19
Cash Flow Statement	20

NOTICE

Notice is hereby given that the 16th Annual General Meeting of the members of Videocon Appliances Limited will be held on Wednesday, March 31, 2004 at the Registered Office of the Company at 14 K.M Stone, Aurangabad – Paithan Road, Village Chittegaon, Aurangabad – 431 105 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive consider and adopt the Audited Balance Sheet for the Financial Year ended on 30th September, 2003 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors' and Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Mr. Pradeepkumar N. Dhoot, who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of ensuing Annual General Meeting till the conclusion of the next Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit to pass with or without modification the following resolution as Special Resolution:

"RESOLVED THAT subject to such consents, permissions or sanctions as may be required from any authorities, statutory or otherwise, and pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 1956 and subject to other applicable legislative provisions, Orders, Guidelines, Rules framed by SEBI in this regard, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to seek Voluntary Delisting of Equity Shares of the Company, listed at The Stock Exchange Limited, Ahmedabad, The Bangalore Stock Exchange Limited, The Calcutta Stock Exchange Association Limited, The Delhi Stock Exchange Association Limited, The Madras Stock Exchange Limited and The Pune Stock Exchange Limited.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to prepare, sign and submit the necessary Forms/Returns/Applications/Documents/Papers as are required to be made/submitted/filed to the above mentioned Stock Exchange(s) and other authorities as are required for Voluntary Delisting of Equity Shares from above mentioned Stock Exchanges.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY- EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Explanatory Statement pursuant to Section 173(2) is enclosed and forms part of this notice.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, 20th March, 2004 to Wednesday, 31st March, 2004 (both days inclusive) for the purpose of Annual General Meeting.

4. Dividend, if declared at the Annual General Meeting, will be paid to those members whose names will appear in the Register of Members as on 31st March, 2004.
5. Mr. P N Dhoot is liable to retire by rotation at the ensuing Annual General Meeting, particulars whereof is given in the Corporate Governance Report.
6. Unpaid Dividend for the Financial Year 1995-96 has been transferred to Investor Education and Protection Fund. As per the provisions of section 205C of the Companies Act, 1956, the dividend remaining unclaimed for a period of Seven Years from the date(s) they may first become due for payment will be transferred to the Investors' Education and Protection Fund of the Central Government. Shareholders who have not encashed their Dividend Warrants so far, for the financial year 1996-97 onwards are requested to encash the same after due revalidation by Registrar & Transfer Agents of the Company viz. MCS Limited. The Shareholders are requested to note that no claims shall lie against the Company or Investor Education and Protection Fund upon transfer of amounts to the Investor Education and Protection Fund.
7. With a view to incorporate the details of Shareholders in the Dividend Warrants or any change in the same, the shareholders holding the shares of the Company in Physical form are requested to intimate to the Registrar & Transfer Agents of the Company viz. MCS Limited the following details:
 - i. Name of the Sole/first Joint Holder and the folio number
 - ii. Name of the Bank
 - iii. Name of the Branch
 - iv. Complete address of the Bank with Pin code number
 - v. Bank Account Number allotted by the Bank

The Shareholders holding the share in dematerialised form are requested to intimate the changes, if any, to their Depository participants, in their Bank Account details for the purpose of incorporating the same on the Dividend Warrants.
8. The Members are requested to:
 - (a) Intimate to the Company changes, if any, in their Registered Addresses, if any, at an early date.
 - (b) Quote Ledger Folio numbers in all the correspondence.
 - (c) Bring the copy of Annual Report and Attendance Slip with them to the Annual General Meeting.

Registered office:

14 KM Stone,
Aurangabad – Paithan Road,
Village Chittegaon,
Aurangabad – 431 105
Maharashtra.

Place: Ahmednagar
Date: February 27, 2004

For and on behalf of the Board of Directors of

VIDEOCON APPLIANCES LIMITED

V.N. DHOOT
DIRECTOR

VIDEOCON APPLIANCES LIMITED

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956:

ITEM NO. 7:

Presently the Shares of the Company are listed at the following Stock Exchanges in India:

- i) The Stock Exchange Limited, Mumbai, (BSE)
- ii) The National Stock Exchange of India Limited, (NSE)
- iii) The Stock Exchange Limited, Ahmedabad
- iv) The Calcutta Stock Exchange Association Limited
- v) The Delhi Stock Exchange Association Limited
- vi) The Madras Stock Exchange Limited
- vii) The Pune Stock Exchange Limited
- viii) The Bangalore Stock Exchange Limited

With the extensive network of The Stock Exchange Limited, Mumbai, (BSE) and The National Stock Exchange of India Limited, (NSE) and the extension terminals thereof in other cities as well, investors all over India have access to online dealings in the Company's shares. The trading of the Shares of the Company take place in bulk quantity in BSE and NSE as compared to negligible or no trading in the other Stock Exchanges where the shares of the Company are listed/Traded. Further it is observed, over a period of time that the listing fee paid to the other Stock Exchanges is disproportionately higher as compared to the volume of shares traded at these Stock Exchanges as compared to BSE and NSE.

The Securities and Exchange Board of India (SEBI), through a notification have made it compulsory that any delivery in Company's shares against Stock Exchange(s) trades shall be compulsory in dematerialized form.

As the BSE and NSE have extensive network all over the India and investors can deal in the shares of the Company all over India, the investors will not suffer any hardship as a result of delisting of shares from all the Stock Exchanges other than BSE and NSE.

The delisting of shares will take effect only after necessary permissions/approvals/sanctions as may be required from any authorities, statutory or otherwise. For delisting of shares consent of the members is required by passing a Special Resolution. Hence the Board proposes the Special Resolution for your consideration and approval.

None of the Directors of the Company is directly or indirectly concerned or interested in this resolution.

Registered office:

14 KM Stone,
Aurangabad – Paithan Road,
Village Chittegaon,
Aurangabad – 431 105
Maharashtra.

Place: Ahmednagar
Date: February 27, 2004

For and on behalf of the Board of Directors of

VIDEOCON APPLIANCES LIMITED

V.N. DHOOT
DIRECTOR

Report  junction.com

DIRECTORS' REPORT

The members of

VIDEOCON APPLIANCES LIMITED

The Board of Directors of Videocon Appliances Limited have pleasure in presenting their 16th Annual Report together with audited accounts for the Financial Year ended on 30th September, 2003.

FINANCIAL RESULTS

(Rs. in Million)

	For the year ended 30.09.2003	For the period ended 30.09.2002 (18 Months)
Net Sales	9,548	14,032
Other Income	26	21
Profit before Interest Tax and Depreciation	1,628	2,527
Interest	556	981
Depreciation	766	988
Profit before Tax	307	558
Provision for Taxation	112	119
Profit after Tax	194	440
Proposed Dividend:- Equity	17	17
Proposed Dividend:- Preference	8	4
Corporate Tax on Proposed Dividend	3	Nil
Transferred to General Reserve	200	500
Carried to Balance Sheet	153	186

PERFORMANCE HIGHLIGHTS

The Sales and other income for the financial year under review were Rs.9,574 Million as against Rs.14,053 Million for the previous financial period of 18 months. The Profit before tax (after interest and depreciation charges) was Rs.307 Million and Profit after tax of Rs.194 Million for the financial year under review as against Rs.558 Million and Rs.440 Million respectively for the previous financial period of 18 months.

DIVIDEND

Your directors are pleased to recommend a dividend of Re. 0.50/- (Paise fifty only) per equity share for the consideration of members. The equity dividend amounting to Rs.16.59 Million, if approved by the shareholders at the ensuing Annual General Meeting, would be paid out of the profits for the year. The dividend is free of tax in the hands of the shareholders and the company will be paying Rs. 2 Million towards Corporate Tax on this Dividend.

FIXED DEPOSITS:

Your company has not accepted or renewed any deposits from the Public.

PARTICULARS OF EMPLOYEES:

The Company does not have any employee whose particulars are required to be given under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

CONSERVATION OF ENERGY:

With a view to conserve the energy and resources, your company continues to take all the possible measures and has accordingly formed a team of experts to study requirements of power, fuel, energy and natural resources and consumption thereof and suggest methods by which the same can be saved. Based on the feedback and suggestions received from the team, the management has taken following steps, illustratively, as a part of continuous efforts to reduce and save energy:

1. Time and Motion study of production activity
2. Improved House-keeping

3. Training programs for employees engaged in the production for optimum use of power and energy
4. Awareness in the employees for conservation of energy
5. Optimum use of Natural Resources

RESEARCH AND DEVELOPMENT & TECHNOLOGY ABSORPTION:

Your Company is using the latest advance technology for the production. Taking into consideration the advancements in the technology the Company continues to upgrade the technical base to meet the needs of the consumers. The Company has its own Research and Development Center at its Production Plant at Aurangabad. The Research and Development activities are carried on for improving and developing the know-how obtained and for developing new methods of manufacturing and supporting the production team in designing, developing, manufacturing new ranges of products and advanced models of products to satisfy the perceived needs of consumers.

The main focus of the Research and Development activity is to:

1. Improving the quality of products
2. Technical support to the production activity in solving problems
3. Developing new and economic methods of production
4. Launching innovative products and models
5. Increasing productivity
6. Reduction in wastage and the cost of production
7. Consumer satisfaction
8. Increasing the market share

Benefits derived as a result of a Research and Development Activity

As a result of Research and Development activity the Company derived the following benefits:

1. Improvement in Quality and durability of products
2. Increase in the Market Shares
3. Increased productivity
4. Reduction in wastage

HUMAN RESOURCE MANAGEMENT:

Your Company believes the human resource as a wealth of the Organisation and gives utmost importance to the Human Resource Management. The Training and Development programs are conducted at regular intervals for all levels of employees in order to:

- a. reducing the wastage
- b. quality improvement
- c. update with the latest technology
- d. optimum use of available resources
- e. increasing productivity

The development programs are also conducted to:

- i. motivate the employees
- ii. maintaining cordial relations with all levels of employees
- iii. awareness about self development
- iv. personality development
- v. building confidence on the management

VIDEOCON APPLIANCES LIMITED

As a result of HRD activities the Company is getting the following benefits

- Increase in the Productivity
- Hi-Employee Morals
- Team Spirit and Team Work
- Employer Employee relations have been Cordial

INDUSTRIAL RELATIONS:

During the year the relations with all level of employees have been cordial. The Board takes this opportunity and places on record its sincere appreciation for the support and co-operation all the employees at all level during the year and expect the same in future.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year under consideration the foreign exchange earnings of the Company were Rs. 25 Million as against Rs. Nil in the previous financial period. However Foreign Exchange out go amounted to Rs. 242 Million towards import of raw materials, components, spares, capital goods and other expenditure as against Rs. 803 Million for the previous year.

DIRECTORS:

As per the provisions of Section 256 of the Companies Act, 1956, Mr. P N Dhoot is liable to retire by rotation at the ensuing Annual General Meeting and being eligible he offers himself for reappointment. The directors propose his reappointment as Director.

DELISTING:

With the extensive connectivity of the BSE and the NSE, investors have access to dealings in the equity shares of the company all over the country. The bulk of the trading in the equity shares of the company take place on the BSE and the NSE only. The trading on the other stock exchanges are negligible or no trading take place. Accordingly, the listing fees paid to the other stock exchanges is dis-proportionately higher with no trading volumes. As part of the cost reduction measures, the board has decided, subject to necessary approval, to voluntarily delist its equity shares from the Stock Exchanges of Chennai, Ahmedabad, Bangalore, Calcutta, Pune and Delhi. The proposed de-listing will not adversely affect the investor's, as the company's equity shares will continue to be listed on the NSE and BSE. As per the SEBI regulations, members approval by Special Resolution is required for the voluntarily de-listing from the stock exchanges. Accordingly, approval of members is being sought at the ensuing Annual General Meeting.

DIRECTORS RESPONSIBILITY STATEMENT:

In terms of Section 217(2AA) of the Companies Act, 1956, we, the Directors of VIDEOCON APPLIANCES LIMITED, state in respect of Financial Year 2002 - 03 that:

- in the preparation of annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- the directors have selected such accounting policies and applied them consistently and made judgments 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 of the Company for that period;

- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a going concern basis; based on the above and the Internal Audit System, the Board opines that the Company has internal control system commensurate with the size of the Company and the nature of its business.

AUDITORS' REPORT:

The observations made in the Auditors Report are self-explanatory and therefore do not call for further comments under Section 217 of the Companies Act, 1956.

AUDITORS:

M/s. Khandelwal Jain & Co. Chartered Accountants, Mumbai and M/s. Kadam & Co., Chartered Accountants, Ahmednagar, Auditors of the Company hold office till the conclusion of the ensuing Annual General Meeting. The Company has received a notice from these Auditors to the effect that their reappointment, if made, would be within prescribed limit under Section 224(1B) of the Companies Act, 1956.

CASH FLOW STATEMENT:

In terms of Clause 32 of the Listing Agreement with the Stock Exchanges the Cash Flow Statement as prepared in accordance with the Accounting Standard on Cash Flow Statement (AS-3) issued by the Institute of Chartered Accountants of India, is given along with Balance Sheet and Profit and Loss Account.

CORPORATE GOVERNANCE:

As per the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges Corporate Governance and Management Discussion and Analysis Report is enclosed and forms part of this Report.

COMPLIANCE CERTIFICATE:

A Compliance Certificate from the Statutory Auditors of the company regarding compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges is enclosed and forms part of this Report.

ACKNOWLEDGEMENT:

The Directors' take this opportunity and places on record its sincere appreciation for the valuable support and co-operation of Government Authorities, Banks, Financial Institutions and other Authorities Statutory or otherwise and the investors for their trust and confidence on the management of the Company. The Directors take this opportunity and place on record their gratitude to the employees at all levels for their commitment and dedicated efforts and expect the same in future.

For and on behalf of the Board of Directors of
VIDEOCON APPLIANCES LIMITED

Place: Ahmednagar
Date: 27th February, 2004

V. N. DHOOT
DIRECTOR

CORPORATE GOVERNANCE

(As required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

The principal on which the code of Corporate Governance is based are those of openness, integrity and accountability. The objective of code of Corporate Governance is to make the Company accountable to all the stake holders.

Corporate Governance deals with laws, procedures, practices and implicit rules that determine a Company's ability to take managerial decisions vis-a-vis its claimant-in-particular, its shareholders, creditors, the state and employees. Corporate Governance is a system by which companies are directed and controlled.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Your Board believes that the country's economy depends on the drive and efficiency of its companies. As a result of globalization, free economy and privatization of business the Corporate Governance has gained tremendous importance. Your Company continues to follow the basic fundamental principals enshrined in the concept of Corporate Governance i.e transparency, accountability, disclosures, integrity.

The management strives to drive the Company in a Direction where by the Company will achieve its predetermined objectives and goals as well as increasing the long term values of its shareholders and other stake holders at the same time ensuring that the

management is subject to their duties, obligations and responsibilities, to act in the best interest of the Company and to remain accountable to their shareholders and other beneficiaries for their actions.

BOARD OF DIRECTORS:

The Board of Directors of your Company comprises of eminent personal having versatile experiences in the field of Management, Marketing, Finance, Technical and Administration. The Management of your company is on the shoulder of eminent persons having multidisciplinary approach.

The Board have an optimum combination of executive and non executive Directors. The Board comprised of Six Directors including one Nominee Director of IFCI Ltd. in capacity of lender. The Board performs the policy-making role by way of Board Meetings. All the Directors are committed to the company and devote adequate time for Board Meeting preparations and attendance.

Board meets at regular intervals for directing and monitoring management, guiding corporate strategy and achieving adequate returns for shareholders and protecting the interest of all the stakeholders.

a) The composition of Board of Directors is as follows:

Sl. No.	Name of Director	Category	Whether attended AGM held on 27.03.2003	Attendance in Board Meetings Attended	Other Board		
					Directorship	Committee Chairmanship	Committee Membership
1	Mr.Venugopal N Dhoot	Promoter Executive	No	10	14	2	7
2	Mr.Pradeepkumar N Dhoot	PromoterNon-Executive	No	9	14	3	8
3	Mr. Naveen B. Mandhana	Independent Non-Executive	No	9	1	0	2
4	Mr. Avinash Malpani	Independent Non-Executive	Yes	7	1	1	1
5	Mr.S Padmanabhan	Independent Non-Executive	No	8	10	2	6
6	Mr.A. K. Ahuja* Nominee IFCI	Independent Non-Executive	No	0	3	NIL	NIL
7	Mr.D K Jain ** Nominee IFCI	Independent Non-Executive	No	0	3	NIL	NIL

* Mr. A K Ahuja was withdrawn from the Board by IFCI Ltd. and his resignation was considered on 25th July 2003.

** Mr. D K Jain was nominated by IFCI Limited in place of Mr. A K Ahuja. The Board Co-opted Mr. D K Jain on 25th July 2003 in place of Mr. A K Ahuja.

a) 11 Board Meetings were held during the year 2002 - 2003 on the following dates :
31/10/2002, 18/11/2002, 27/01/2003, 21/03/2003, 24/03/2003, 31/01/2003, 14/02/2003, 24/03/2003, 30/04/2003, 16/06/2003 & 25/07/2003

c) The Company did not have any pecuniary relationship or transaction with Non-Executive Directors during year 2002-2003.

NOTES ON DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT:

Mr. P N Dhoot, 43, industrialist is a commerce graduate having diversified experience of more than 2 decades to his credit. He is one of the promoters of Videocon group, a leading manufacturer of consumer electronics and home appliances in the country. He is director in 14 Public Limited Companies viz., Videocon Communications Limited, Videocon Power Limited, Petrocon India Limited, Videocon Industries Limited, Akai Consumer Electronics India Limited, Indian Refrigerator Company Limited, Applicomp (India) Limited, Videocon Industrial Finance Limited, Videocon Services Limited, Videocon VCR Securities Limited, Shree Dhoot Trading & Agencies Limited, Millennium Appliances India Limited, Videocon Energy Holdings Limited.

He is a committee member in Videocon Industries Limited, Videocon Communications Limited, Petrocon India Limited, Applicomp (India) Limited, Videocon Power Limited, Indian Refrigerator Company Limited, Videocon Industrial Finance Limited and Videocon Services Limited.

The Board is of the opinion that his vast knowledge and experience will prove beneficial in the growth and development of the Company.

The Board proposes his reappointment.

AUDIT COMMITTEE:

As per the provisions of Section 292A of the Companies Act, 1956 read with Part II of Clause 49 of the Listing Agreement the Company has formed an Audit Committee under the Chairmanship of Mr. Avinash Malpani, the other members of the Committee being Mr. P. N. Dhoot and Mr. Naveen B. Mandhana.

During the financial year under consideration, five meetings of the Audit Committee were held on 30th October, 2002, 30th January, 2003, 10th February, 2003 26th April, 2003 and 24th July, 2003 respectively. The meetings were attended by Mr. Avinash Malpani, Chairman of the Committee, Mr. P. N. Dhoot and Mr. Naveen B. Mandhana, members of the Committee and the Statutory Auditors and Cost Auditors of the Company.

The following areas are referred to the Audit Committee:

- Overall assessment of the company's financial reporting process.
- Disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the board.
- Reviewing with the management, external and internal auditors, adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings, if any, of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussions with external auditors before the audit commence nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.

j) Reviewing the company's financial and risk management policies.

k) To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

The Audit Committee shall exercise the following additional powers:

- to investigate any activity within its terms of reference;
- to seek information from any employee;
- to obtain outside legal or other professional advice; and
- to secure attendance of outsiders with relevant expertise, if it considers necessary.

REMUNERATION OF DIRECTORS:

Remunerations of the Executive Directors is approved by the Board of Directors and thereafter approved by the members at the Annual/Extra-Ordinary General Meeting. In fixing remuneration, practices followed by the companies of size and standing similar to the Company and that of the industry standards are taken into consideration. However, no remuneration was paid to any of the directors during the year.

SHAREHOLDERS' COMMITTEE:

A Sub-committee of the Board of directors of the Company is constituted under the Chairmanship of Mr. Avinash Malpani, the other members of the Committee being Mr. P. N. Dhoot and Mr. Naveen B. Mandhana. The Shareholders' Committee administer the following activities:

- Transfer of Shares
- Transmission of shares
- Issue of Duplicate Share Certificates
- Change of Status
- Change of Name
- Transposition of Shares
- Sub-division of Shares
- Consolidation of Folios
- Shareholders requests for Dematerialisation of shares
- Shareholders requests for Rematerialisation of shares
- Solve the problems, queries and grievances of shareholders
- Redressal of investor grievances
- Performance of Registrars & Share Transfer Agent.

To expedite the Share Transfer procedure and provide the timely services to the shareholders, the Board has delegated the power of Share Transfer to Registrar & Share Transfer Agents viz. MCS Limited, who process the transfers.

The Company has also prescribed code of conduct for prevention of Insider Trading and the same is being monitored by the aforesaid committee.

COMPLIANCE OFFICER:

MR. SUNIL KUMAR VAYA, Company Secretary is the Compliance Officer.

Share Transfer Details

The number of Shares transferred during the last Financial Year 2002-2003 are as follows:

	Equity
a Number of transfers	1731
b Average No of Transfer per month	144
c Number of Shares Transferred	188926

DEMATERIALISATION/REMATERIALISATION OF SHARES:

Details of Shares Dematerialised/Rematerialised during the last Financial Year 2002-2003 are as follows:

a. Number of Demat Transfers approved	—	7046
b. Number of Sub-committee Meetings held	—	46