

83rd Annual Report 2002-2003



WALCHAND CAPITAL LIMITED

BOARD OF DIRECTORS

Ms. PALLAVI JHA - CHAIRPERSON & MANAGING DIRECTOR

Mrs. KAMALINI BAHUBALI

Mr. SANJAY JHA

Mr. M. N. BHAGWAT

Dr. S. C. JHA

Mr. VIVEK SEKHAR (UPTO 30TH AUGUST 2002)

COMPANY SECRETARY

MR. R. K. JAIN

AUDITORS

MESSERS K. S. AIYAR & CO.,
CHARTERED ACCOUNTANTS

SOLICITORS AND ADVOCATES

MESSERS KANGA & CO.
MESSERS WADIA GHANDY & CO.

BANKERS

STANDARD CHARTERED BANK
BANK OF INDIA
UCO BANK
DENA BANK

REGISTERED OFFICE

1, CONSTRUCTION HOUSE,
WALCHAND HIRACHAND MARG,
BALLARD ESTATE,
MUMBAI - 400 001.

REGISTRAR & TRANSFER AGENT

M/s. COMPUTECH SHARECAP LIMITED
147, MAHATMA GANDHI ROAD,
FORT, MUMBAI - 400 023

INFORMATION FOR SHAREHOLDERS

83RD ANNUAL GENERAL MEETING

DATE : 23-9-2003 (TUESDAY)

TIME : 11.00 A. M.

VENUE : WALCHAND HIRACHAND HALL,
INDIAN MERCHANT CHAMBERS,
IMC MARG, CHURCHGATE,
MUMBAI - 400 020.

DATE OF BOOK : SEPTEMBER 16, 2003 TO
CLOSURE : SEPTEMBER 23, 2003
(BOTH DAYS INCLUSIVE)

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NOTICE

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eighty-Third Annual General Meeting of WALCHAND CAPITAL LIMITED will be held at Walchand Hirachand Hall, Indian Merchant Chambers, IMC Marg, Churchgate, Mumbai – 400 020 on Tuesday, the 23rd day of September 2003 at 11.00 a.m. to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2003, Profit and Loss Account for the year ended on that date and the Reports of the Auditors' and the Directors' thereon.
2. To appoint a Director in place of Ms. Pallavi Jha, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr. Sanjay Jha who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold the office from the conclusion of this meeting until conclusion of the next Annual General Meeting and to authorise Board to fix their remuneration.

Special Business

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

“RESOLVED THAT pursuant to sub-section (1) of Section 163 of the Companies Act, 1956, the Register and Index of Members and Debenture-holders (if any) and copies of all Annual Returns prepared under section 159 of the Companies Act, 1956 together with copies of certificates and documents required to be annexed thereto under Section 161 of the Companies Act, 1956 shall be kept at the Office of the Company's Registrar and Share Transfer Agents M/s. Computech Sharecap Limited, at “Computech” 3rd Floor, 147, Mahatma Gandhi Road, Fort, Mumbai – 400 023 instead of at the Registered Office of the Company.

RESOLVED FURTHER THAT the Registers, Indexes, Returns, etc., as aforesaid be kept open for inspection at the Office of the Registrar and Transfer Agents between 11.00 a. m. and 1.00 p.m. on all working days of the Company except when the registers of members and the share transfer books are kept closed under the provisions of the Companies Act, 1956, listing agreement with the stock exchanges or other applicable provisions”.

6. To consider, and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED that, in accordance with the applicable provisions of the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956, the Listing Agreement with Stock Exchanges and the provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003, or any amendment or modification thereof and subject to such other approvals, permissions and sanctions as may as be necessary, and such conditions and modifications as may be prescribed or imposed by any Authority while granting such approvals, permissions or sanctions which may be agreed to by the Board of Directors of the Company (‘the Board’) or any Committee/ person(s) authorised by the Board, consent be and is hereby accorded to delist the Equity shares of the Company from the Pune Stock Exchange.

RESOLVED FURTHER THAT the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in regard to the aforesaid voluntary delisting of shares as it may in its absolute discretion deem fit without being required to seek any further approval of the members or otherwise to the end and intent, that the members shall be deemed to have given their approval expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all necessary steps in this regard in order to comply with all legal and procedural formalities and further to authorise any of its Committee or any of its Directors or any of the Officers of the Company to do all such acts, deeds or things to give full effect to the aforesaid resolution”.

By Order of the Board,

R. K. Jain
Company Secretary

Registered Office

1, Construction House,
Walchand Hirachand Marg,
Ballard Estate,
Mumbai – 400 001.

Place : Mumbai
Date : July 25, 2003

Notes :

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the company. Proxies in order to be effective must be received by the company not less than 48 hours before the commencement of the meeting.**
2. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 16, 2003 to Tuesday, September 23, 2003 (both days inclusive) for the purpose of Annual General Meeting.
4. The Company has already transferred all unclaimed/unpaid dividend upto the financial year ended 31st March 1995 to the General Revenue Account of the Central Government as required by the Companies unpaid dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Shareholders who have so far not claimed or collected their dividend upto the aforesaid financial year are requested to claim their dividend from the Registrar of Companies, Maharashtra, Hakoba Mills Compound, 2nd Floor, Kalachowki, Mumbai-400 033.
5. Pursuant to the provisions of the section 205 A(5) of the Companies Act, 1956 dividend for the financial year ended 31st March 1996 and thereafter which remain unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account will be transferred by the Company to the **Investor Education and Protection Fund (IEPF)** established by the Central Government pursuant to section 205C of the Companies Act, 1956. Shareholders who have not yet encashed their dividend warrant(s) for the financial year ended 31st March 1996 and onwards are requested to claim the amount forthwith.
6. Members holding shares in physical form and desirous of making/changing nomination in respect of their shareholding in the Company, may send their request in the prescribed form 2B to the Registrar & Transfer Agents of the Company.
7. Corporate Members are requested to send to the Company, a duly certified copy of the Board Resolution authorising their representative to attend and vote at the Annual General Meeting.
8. Members desirous of obtaining any information on the Accounts and Operations of the Company, are requested to write atleast one week before the meeting so that the same could be compiled in advance.

9. Members are requested to notify changes, if any, in their registered addresses to the Company's Registrars.
10. Members are requested to bring their copy of Annual Report to the Meeting.
11. All documents referred to in the notice and explanatory statement are open for inspection at the registered office of the Company between 10.30 a.m. and 1.00 p.m. on all working days upto the date of the meeting.

EXPLANATORY STATEMENT

AS REQUIRED BY SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Item No. 5

In accordance with the proviso to Section 163 (1) of the Companies Act, 1956, which entitles the companies to keep, instead of at the registered office, the Register and Index of Members and Debenture-holders and copies of all annual returns prepared under Section 159 of the Companies Act, 1956 together with annexure thereto at any other place within the city, town or village, provided a special resolution is passed in this regard by the shareholders of the Company at the general meeting.

Your Company proposes to keep such registers etc. at the office of its Registrar and Transfer Agents M/s. Computech Sharecap Limited, at "Computech" 3rd Floor, 147, Mahatma Gandhi Road, Fort, Mumbai - 400 023, instead of at the Registered Office of the Company. This will facilitate the Company to service its shareholders in a better way.

Your Directors commend the resolution at Item no. 5 for your approval.

None of the Directors is deemed to be interested or concerned in this resolution.

Item no. 6

The equity shares of your Company are presently listed on the Stock Exchanges at Mumbai (BSE) and Pune (PSE) respectively. With the extensive networking of The Stock Exchange, Mumbai (BSE) and the extension of BSE terminus to the other cities as well, investors have access to online dealings in the Company's share across the Country. In fact the entire trading in the Company's equity shares has been taking place only on BSE. As per the information received, there had been no trading at all in the Company's shares at Pune Stock Exchange during the last five years. Continued listing at the Pune Stock Exchange therefore neither serves the interest of the Members / Investors nor that of the Company.

The Board of Directors of the Company (the Board) at its Meeting held on July 25, 2003 accordingly recommended for the approval of the members, the proposal to voluntarily delist the company's shares from the Pune Stock Exchange. The Company's shares will however continue to be listed on the BSE. Delisting of the Company's shares from the Stock Exchange, Pune, will result in administrative convenience and saving in cost on account of listing fees etc.

In accordance with the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003, consent of the Members by way of a Special Resolution is required for voluntary delisting of the Company's shares from the aforesaid Stock Exchange.

None of the Directors of your Company is interested in this Special Resolution.

The Board recommends this Special Resolution for your approval.

By Order of the Board,

R. K. Jain
Company Secretary

Place : Mumbai
Date : July 25, 2003

Registered Office
1, Construction House,
Walchand Hirachand Marg,
Ballard Estate,
Mumbai - 400 001.

INFORMATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING RE-APPOINTMENT OF DIRECTORS

Ms. Pallavi Jha joined the Board on July 26, 1999 and was designated as Executive Director for a period of 5 years. On November 1999 she was re-designated as Managing Director. Prior to joining your Company's Board she was President & Chief Executive Officer of the Company since May 1, 1996 and was Manager as defined u/s. 2(24) of the Companies Act, 1956. Ms. Jha, aged 39 years, did her MBA from the University of Syracuse, New York. She has been overall in-charge of the organisation and looking after the entire business operations of the Company for the last about four years. She is Member of the Shareholders/Investors Grievance Committee of the Company. She is also a Director of Walchand & Company Pvt. Ltd, Vikhroli Metal Fabricators Ltd, Walchand Securities Pvt. Ltd. Walchand.com Pvt. Ltd. Walchand Cricketnext.com Pvt. Ltd. Capital Images Public Relations Pvt. Ltd and Walchand Entertainment Pvt. Ltd.

Mr. Sanjay Jha joined the Board as a Director of the Company on September 23, 1999. Mr. Jha aged 42 years, is an MBA from XLRI (Jamshedpur) and also holds post graduate degree in Economics from Gokhale Institute of Politics & Economics, University of Pune. In his prior assignment Mr. Jha was Senior Vice President with ITC - Threadneedle AMC Limited (a subsidiary of BAT, plc.) in charge of Marketing & Sales. Prior to that he was Vice President, Alliance Capital, New York (USA), Assistant Vice President, Bank of America and Senior Manager (Marketing) with ANZ Grindlays Bank Plc. He is a regular columnist in newspapers and a visiting professor at business schools. He is also active in various industry forums and is a speaker on various panels. He is Managing Director of Walchand Cricketnext.com Pvt. Ltd as also of Capital Images Public Relations Pvt. Ltd. He is also a Director of Walchand & Company Pvt. Ltd, Vikhroli Metal Fabricators Ltd, Walchand Securities Pvt. Ltd. Walchand.com Pvt. Ltd and Walchand Entertainment Pvt. Ltd.

DIRECTORS' REPORT

The Members of
WALCHAND CAPITAL LIMITED

Your Directors present herewith the 83rd Annual Report together with the Audited Statement of Accounts for the financial year ended March 31, 2003.

1. FINANCIAL RESULTS

	(Rs. In Lacs)	
	<u>2002-03</u>	<u>2001-02</u>
Profit/(loss) before interest, depreciation and taxation	(395.75)	46.57
Less : Interest	0.03	2.20
Depreciation	26.45	27.17
Provision for Taxation-current/earlier years	6.06	3.67
- Deferred	-	6.43
	<u>32.54</u>	<u>39.47</u>
Net Profit / (loss)	(428.29)	7.10
Add : Balance brought forward	1003.53	997.85
Less : Transferred to Reserve Fund	-	(1.42)
Total	<u>575.24</u>	<u>1003.53</u>
Appropriations		
Dividend	-	-
Dividend Tax	-	-
Balance carried forward	575.24	1003.53
Total	<u>575.24</u>	<u>1003.53</u>

2. DIVIDEND

The Board of Directors do not recommend any dividend for the year in view of the losses incurred.

3. MANAGEMENT DISCUSSION AND ANALYSIS

a) Industry Structure and Development

The year 2002-03 has been a mixed year for the Indian economy. It was adversely affected by the poor agriculture output due to monsoon failure, global economic slow down and geo-political tension on account of Iraq crisis. India's GDP growth for 2002-03 was down to 4.4%, well below the target of 6.7% and the 5.6% growth registered in 2001-02. This is mainly on account of the poor performance of the agricultural sector which showed negative growth of 3.1%. While the services sector continued its strong growth (7.1%), what was heartening was the performance of the Industrial sector that is estimated to have shown a growth of 6.1%. The main contribution to this has been the infrastructure segment. Although the Indian economy looks better poised to stage

good recovery with the continuous recording a current account surplus and foreign reserves at a record level, there is a lot to be achieved in terms of real growth. This has resulted in softening of interest rates. The soft interest rate policy is set to continue as per the present government policy. The Capital market continued to remain very depressed and subdued during the year. This weakness coupled with continuous downward trend in the interest rates significantly affected the performance of the Company.

b) Opportunities and Threats:

Your Company has been continuously evaluating its core business model and growth prospects under the changing financial and economic scenario. As part of this, your company has decided to phase out its NBFC operations and focus its activities in the growing and specialized sector of Training and Development dedicated to capacity building among corporates, institutions and professionals. In continuation of that process, the company has entered into an exclusive arrangement with Dale Carnegie & Associates, Inc., U.S.A. for providing their world-class training programmes in India. Dale Carnegie is recognized internationally as the leader in behavioral and soft skills training. The institution has a presence in more than 55 countries throughout the world and more than 2700 instructors present Dale Carnegie Training programs in more than 25 languages. Your company will work as a franchisee of Dale Carnegie in India through its newly formed division "Dale Carnegie Training - India" and offer these courses through its trained and certified faculty. We expect the commencement of the training operations during the final quarter of the current year.

Various estimates for The Training sector in India peg the market size between Rs. 1500 – 2500 crores. With the services sector growing exponentially in India and the globalisation of the manufacturing sector, the need for soft-skills and global behavior training is also growing manifold. Today, the Training market is dominated by many individual trainers and small training consultancies and there is big need gap for Training of global benchmark quality. With the launch of Dale Carnegie Training- India, we will for the first time in India, establish the Training services of an internationally acclaimed business leader. Your company therefore, has a good potential to achieve market leadership in a short period of time.

c) Outlook, Risks and Concerns

The growing training needs of the industry in coming years present a positive outlook for your company.

The growth of ITES, Insurance, Telecommunications and other service sectors will only fuel the need of the industry for globalised training.

The expanding business in the sector is likely to attract more corporate players in this sector and therefore, the competition is expected to grow in the coming years. The management is aware and does expect that other international players may enter the markets in India. The management therefore has planned an effective marketing strategy to leverage the first-mover advantage in the long run and use innovative marketing strategies and strategic alliances to achieve and then retain the market leadership.

The key challenge for your Company is to maintain delivery of benchmark training standards. For this your Company intends ensuring selective development of individual trainers who would undergo a rigorous process of training, approval and certification by the Company in order to be able to conduct Dale Carnegie Training programmes.

d) Segmentwise Performance

The Company's main business during the year related to investment and it did not carry out any other business activities. The investment related activities were adversely affected substantially due to the prolonged depressed capital market conditions resulting in diminution in valuation of its investments.

e) Internal Control Systems and their adequacy

The Company has adequate and effective control systems, commensurate its size and nature of business, to ensure that assets are efficiently used and the interest of the Company is safe guarded and the transactions are authorised, recorded and reported correctly. Checks and balances are in place to determine the accuracy and reliability of accounting data. The preventive control systems provide for well documented policy, guidelines, authorisation and approval procedures.

f) Financial Performance with respect to operational performance

Total income during the year under review was Rs. 109.98 lacs as against Rs. 240.27 lacs in the previous year. This was due to the fact in the previous year the Company earned income from the sale of investments to the extent of 125.68 lacs whereas during the year this income was only Rs. 1.08 lacs. Loss before taxation suffered by the Company during the year amounted to Rs. 422.23 lacs as against the profit of Rs. 17.21 lacs in the previous year. This was substantially affected mainly due to provision for diminution in value of investments to the extent of Rs. 292.52 lacs as against 1.75 lacs in the previous year. After providing for taxation of Rs. 6.06 lacs during the year (Rs.10.10 lacs in previous year), the net loss suffered by the Company arrived at Rs.

428.29 lacs as against net profit of Rs. 7.10 lacs as in the previous year. The financial performance of the Company reflects the generally weak market scenario in the financial sector during the year and a lower liquidity with the Company leading to reduced market exposure. The improving capital market conditions alongwith the Company's strategy to focus on new business sectors are expected to yield better performance in the coming year.

g) Human Resources

Your Company considers its manpower as most valuable asset. Personnel policies of your Company are designed to ensure fairness to and growth of all individuals in the organisation and continuously strives to provide a challenging work environment. The Company's total manpower strength stands presently at 14. With the launch of our Dale Carnegie Training operations, the team strength will expand during the current year.

4. INVESTMENTS

During the year under report the outstanding position in the investment of shares and debentures of various companies were to the tune of Rs.623.39 lacs as compared to the last year's investment of Rs. 946.67 lacs. This is due to current year provision for diminution amounting to Rs. 292.52 lacs.

The Book value of the quoted investments for the year under review was 774.05 lacs (previous year Rs. 800.82 lacs) and its market valuation was Rs.244.64 lacs (previous year Rs. 295.69 lacs).

5. SUBSIDIARIES

The annual accounts of Vikhroli Metal Fabricators Limited, Walchand.Com Pvt. Ltd and Walchand Securities Pvt. Limited for the year ended March 31, 2003 are annexed to this report as required under the Companies Act, 1956.

6. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Accounting Standard 21 - "Consolidated Financial Statements" Issued by the Institute of Chartered Accountants of India, the audited Consolidated Financial Statements of the Group are annexed. These Group accounts have been prepared on the basis of audited financial statements received from the Subsidiaries Companies, as approved by their respective Boards.

7. FIXED DEPOSITS

Your Company had stopped accepting / renewing fixed deposits since February 1998. The Company after obtaining necessary approval from the Reserve Bank of India had offered to repay the entire fixed deposits to all the deposit holders, who were holding the deposits as on August 31, 1999, including the interest thereon.

As at March 31, 2003, the outstanding liability from 9 fixed depositors were Rs.0.69 Lac. The entire outstanding liability is on account of matured fixed deposits

which remained unclaimed. ICRA Credit rating for this Scheme is "MA+", which indicates adequate safety for timely payment of interest and principal.

8. CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreement with the Stock Exchanges, a compliance report on Corporate Governance together with a Certificate from the Statutory Auditors is annexed as part of the Annual Report.

9. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956 :

- a) that in the preparation of the Annual Accounts for the year ended March 31, 2003, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any.
- b) that the Directors have 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 ended March 31, 2003 and of the profit of the Company for that year.
- c) 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.
- d) that the Directors have prepared the Annual Accounts for the year ended March 31, 2003, on a going concern basis.

10. DIRECTORS

Mr. Vivek Sekhar has resigned from the Directorship of the Company with effect from 30-8-02. The Board places on record its appreciation of valuable services rendered by him.

In accordance with the Articles & Association of the Company and provisions of the Companies Act, 1956 Ms. Pallavi Jha and Mr. Sanjay Jha retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-election. Your Directors recommend their re-appointment.

11. STATUTORY AUDITORS

You are requested to appoint Auditors for the current year and fix their remuneration. The Auditors of the Company, Messrs K. S. Aiyar & Co. Chartered Accountants retire at ensuing Annual General Meeting of the Company and have given their consent for re-appointment. The Company has also received a

certificate from them under Section 224 (1-B) of the Companies Act, 1956.

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

The provisions of Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable.

During the year under review, the Company utilised and earned foreign exchange amounting to Rs. 90891/- and Rs. Nil respectively.

13. DELISTING OF EQUITY SHARES FROM PUNE STOCK EXCHANGE

The equity shares of your Company are presently listed on the Stock Exchanges at Mumbai (BSE) and Pune (PSE) respectively. With the extensive networking of BSE and terminus to the other cities as well, investors have access to online dealings in the Company's share across the Country. As per the information received, there had been no trading at all in the Company's shares at Pune Stock Exchange during the last five years. Continued listing at the Pune Stock Exchange therefore neither serves the interest of the Members / Investors nor that of the Company. Accordingly it is proposed to voluntarily delist equity shares of the Company from the Pune Stock Exchange. For this purpose a Special Resolution seeking your approval is appearing in the Notice convening the 83rd Annual General Meeting. Your Directors recommend the Special Resolution for your approval.

14. SHARE REGISTRY ACTIVITIES

In compliance with the SEBI directive to have share registry work at single point, your Company has appointed M/s. Computech Sharecap Limited, Fort, Mumbai as its new Registrar & Transfer Agents for both physical & demat segments with effect from 1-4-2003.

15. PARTICULARS OF EMPLOYEES

The Company has no employee in the category specified under Section 217(2A) of the Companies Act, 1956.

For and on behalf of the Board of Directors

Date : July 25, 2003
Place : Mumbai.

PALLAVI JHA
CHAIRPERSON &
MANAGING DIRECTOR

Registered Office

1, Construction House,
Walchand Hirachand Marg,
Ballard Estate, Mumbai 400 001.

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2002-03

(as required under clause 49 of the Listing Agreements with the Stock Exchanges)

1. Company's philosophy on Code of Governance

The Company has always been committed to the principles of good corporate governance. It fundamentally believes that good corporate governance should be an internally driven need and is not to be looked upon as an issue of compliance dictated by statutory/regulatory requirements alone. The Company's philosophy on corporate governance envisages an attainment of the highest level of transparency, accountability and equity in all facets of its operations for meeting obligations towards the shareholders and other stakeholders.

2. Board of Directors

The composition and category of Directors as on March 31, 2003 are as under :-

Name of Directors	Category	No. of other Directorships Public	Private	No of Outside Committees Member	Chairman
Ms. Pallavi Jha	Chairperson and Managing Director	1	7	-	-
Ms. Kamalini Bahubali	Non-executive	-	1	-	-
Mr. Sanjay Jha	Non-executive	1	7	-	-
Mr. M.N. Bhagwat	Independent	5	-	-	3
Dr. S.C. Jha	Independent	3	-	1	-

Mr. Vivek Sekhar resigned from Directorship of the Company with effect from August 30, 2002.

During the accounting year 2002-03, four Board Meetings were held on April 25, 2002, July 25, 2002, October 30, 2002 and January 30, 2003

The Annual General Meeting of the Company was held on September 18, 2002.

Attendance at Board Meeting and last Annual General Meeting:-

Name of Directors	No. of Board Meetings attended	Attendance at last AGM
Ms. Pallavi Jha	4	Present
Ms. Kamalini Bahubali	4	Present
Mr. Sanjay Jha	4	Present
Mr. M.N. Bhagwat	3	Present
Dr. S.C. Jha	3	Present

3. Audit Committee

The Board constituted an Audit Committee of Directors on April 26, 2001 having Mr. Sanjay Jha, Non-executive Director and Dr. S. C. Jha, Independent Director as members and Mr. M.N. Bhagwat, Independent Director as Chairman of the Committee. The members of the Committee are well versed in finance & accounts / legal matters and general business practices.

The functions of the Audit Committee include the following:-

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other expenses.
- Reviewing with management the annual / half-yearly / quarterly financial statements before submission to the Board.
- Reviewing with management, external and internal auditors, the adequacy of the 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 of the department, reporting structure coverage and frequency of internal audit.
- Discussion with external auditors before the auditors, any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by 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.
- Discussion with external auditors before the audit commences, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- Reviewing the company's financial and risk management policies.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

During the accounting year ended March 31, 2003, four Audit Committee Meetings were held on April 25, 2002, July 23, 2002, October 30, 2002 and January 30, 2003. The attendance of the Members at the Audit Committee Meetings were as follows:

Name of Member	Status	No. of Meetings attended
Mr. M.N. Bhagwat	Independent Director	4
Dr. S.C. Jha	Independent Director	3
Mr. Sanjay Jha	Non – Executive Director	4

The Statutory Auditor, Vice President (Finance) and Managing Director are invitees to the Audit Committee Meetings. The Company Secretary is in attendance at these meetings.

4. Remuneration Committee

The Board has not set up Remuneration Committee. At present Non-Executive and Independent Directors are not paid any remuneration except sitting fees for attending Board Meetings.

Details of remuneration paid to Directors during the accounting year ended March 31, 2003 are as under:

Name Of Directors	Salary Rs.	Contribution To P.F. and Superannuation Fund (Rs.)	Perquisites Rs.	Sitting Fees Rs.
Ms. Pallavi Jha	12,00,000	3,24,000	3,74,443	Nil
Ms. Kamalini Bahubali	Nil	Nil	Nil	16,000
Mr. Sanjay Jha	Nil	Nil	Nil	16,000
Mr. M.N. Bhagwat	Nil	Nil	Nil	12,000
Dr. S.C. Jha	Nil	Nil	Nil	12,000

Note :- Except Ms. Pallavi Jha who is Chairperson and Managing Director all other directors are Non- Executive Directors.

5. Shareholders Grievance Committee

The Company reconstituted Shareholders Grievance Committee in July 2001 to specifically look into the redressal of the shareholders grievances and also the share transfers and other investor related matters. The Committee consists of Mr. Sanjay Jha - Chairman and Ms. Pallavi Jha - Member

The Company Secretary, has been designated as the Compliance Officer. During the accounting year ended March 31, 2003, 213 complaints were received from shareholders. All complaints were resolved within 30 days to the satisfaction of the complainants. All valid share transfers received during the accounting year ended March 31, 2003 have been acted upon. There were no share transfers pending as on March 31, 2003, for more than 30 days.

6. General Body Meetings

The particulars of last three Annual General Meetings are as under:-

Financial Year	Day and Date	Location	Time
1999-2000	Thursday, September 28, 2000	Walchand Hirachand Hall, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Bombay 400 020.	10.30 A.M.
2000-2001	Friday, September 28, 2001	Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce and Industry, 6 th Floor, Oricon House, 12, K. Dubhash Marg, Mumbai 400 001	10.30 A.M.
2001-2002	Wednesday, September 18, 2002	Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce and Industry, 6 th Floor, Oricon House, 12, K. Dubhash Marg Mumbai 400 001	10.30 A.M.

7. Postal Ballot

In order to render inter alia consultancy and operational services, educational and vocational training to individuals and Corporate entities on subjects relating to management, economic, commercial and financial and other allied services, the Company altered the object clause of its Memorandum of Association through Special Resolution passed by the shareholders by way of Postal Ballot on 26.12.2002 by complying with the prescribed procedures. Mr. Subhash Weling, Practising Company Secretary (C.P. No. 3545) was appointed as a Scrutinizer for Postal Ballot, who conducted, supervised and controlled the entire exercise of Postal Ballot in terms of Companies (Passing of the Resolution by Postal Ballot) rules, 2001. The Special Resolution was passed by overwhelming majority as under: