

Zuari Industries Limited



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**Annual Report 2004- 2005**

## ZUARI INDUSTRIES LIMITED TEN YEARS AT A GLANCE<sup>#</sup>

	(Rs. in Lacs)									
Particulars	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00	1998-99	1997-98	1996-97	1995-96
Sales Turnover	175,530	119,921	117,419	122,858	120,816	138,928	85,134	95,784	69,939	73,336
Capital Employed	51,580	48,968	49,073	53,594	53,759	91,376	90,868	87,491	50,345	40,244
Net Worth	37,698	35,620	34,161	36,550	35,421	33,538	36,236	35,619	27,401	24,220
Gross Profit	9,336	8,028	7,195	5,849	7,169	11,766	8,060	12,023	9,965	12,399
Interest	(4,930)	(4,725)	(3,957)	(2,602)	(4,072)	(10,356)	(5,169)	(4,438)	(3,483)	(2,868)
Depreciation	(1,610)	(1,262)	(1,282)	(1,525)	(1,272)	(3,817)	(1,457)	(1,416)	(1,234)	(1,102)
Profit Before Tax	2,796	2,041	1,956	1,722	1,825	(2,407)	1,434	6,169	5,248	8,429
Profit After Tax	2,682	1,957	2,084	1,265	2,370	(2,160)	1,597	5,379	4,048	5,929
Dividends	530	442	442	294	442	442	883	821	788	802
Earning per Equity Share (Rs)	9.11	6.65	7.08	4.30	8.05	(7.34)	5.43	*26.21	30.84	45.06
Net Worth per Equity Share (Rs)	128.05	120.99	116.03	124.15	120.31	113.92	123.09	120.99	208.75	184.51
No. of Shareholders	37,553	38,953	40,400	40,682	40,179	39,184	37,224	37,121	34,516	35,402
No. of Employees	750	788	928	1,167	1,162	1,676	1,606	1,611	1,471	1,458

\* On annualised basis after right issue & amalgamation

# Previous year figures have been regrouped wherever necessary.

## ZUARI INDUSTRIES LIMITED

**DIRECTORS**

: K. K. Birla, Chairman  
Saraj Kumar Poddar, Co-Chairman  
H. S. Bawa, Managing Director  
Shyam Bhartia  
Arun Duggal  
D. B. Engineer  
M.D. Locke  
(Alternate : K. H. Captain)  
S. V. Muzumdar  
Vishwavir Ahuja  
(Alternate : Manjit Singh Lakhmana)  
Marco Wadia

**GENERAL MANAGER**

**LEGAL AFFAIRS & COMPANY SECRETARY** : R. Y. Patil

**EXECUTIVE PRESIDENT**

: Raman Madhok

**VICE PRESIDENTS**

: L. M. Chandrasekaran  
Naveen Kapoor  
V. Vijay Shankar  
D. P. Sinha

**BANKERS**

: State Bank of India  
HDFC Bank Limited  
Punjab National Bank  
Corporation Bank  
Canara Bank  
ING Vysya Bank Limited  
The Jammu and Kashmir Bank Limited

**LEGAL ADVISERS**

: Crawford Bayley & Co., Mumbai  
Khaitan & Co., Kolkata

**AUDITORS**

: S. R. Batliboi & Co.  
Chartered Accountants, New Delhi

**REGISTERED OFFICE**

: Jai Kisaan Bhawan  
Zuarinagar, Goa 403 726.

**DIRECTORS' REPORT**

To the Members,

1. Your Directors place before you the Thirty-seventh Annual Report of the Company together with Statement of Accounts for the accounting year ended 31st March, 2005.

**2. Financial Results and Appropriation:**

	Rs.in lacs	Previous Year Rs.in lacs
Profit for the year before depreciation and taxation	4405.65	3303.20
Less : Depreciation for the year	1609.53	1262.34
Profit/(loss) before tax	2796.12	2040.86
Less : Provision for taxation - Current	160.00	100.00
Deferred	(45.78)	(16.50)
Profit/(loss) after tax	2681.90	1957.36
Add : 1. Balance of profit brought forward	7564.55	5930.38
2. Transferred from debenture redemption reserve	383.33	425.00
Less : Transfer to general reserve	500.00	250.00
Proposed Dividend : 18% (PY 15%)	529.93	441.61
Tax on dividend (Including Surcharge)	74.32	56.58
Balance of profit carried forward	9525.53	7564.55



## ZUARI INDUSTRIES LIMITED

**3. Dividend:**

The Directors recommend a dividend of Rs. 1.80 per equity share (Rs.1.50 per equity share in the previous year).

**4. Debt Servicing:**

Your Company has met all obligations towards repayment of principal and interest on all loans.

**5. Debentures:**

Your Company has redeemed all debentures.

**6. Public Deposits:**

Public Deposit Scheme of the Company was continued during the year and the public response has been good. Deposits matured during the year, have been repaid alongwith interest as on 31st March, 2005 in accordance with the terms of deposits. 380 deposits amounting to Rs.45.90 lakhs which had matured have not been claimed. The Company had written to these depositors for forwarding duly discharged receipts for repayment and/or renewal of the deposits. The Company has also sent reminders to the concerned depositors. During the year, the Company has transferred an amount of Rs.1.77 lakhs towards unclaimed / unpaid deposits and interest thereon to 'The Investors Education and Protection Fund', pursuant to Section 205 (C) of the Companies Act, 1956.

**7. Directors:**

Mr. S. K. Poddar, Mr. Marco Wadia and Mr. Vishwavi Ahuja retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment. The information such as brief resume, expertise and details of other directorships and committee memberships of these Directors are given in Annexure 'C' to this report.

**8. Auditors:**

The notes to the accounts bearing No.29 (Schedule 18) and Note 6 (iii) (Schedule 18) referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments under section 217(3) of the Companies Act, 1956.

The Auditors Messrs. S.R. Batliboi & Co., Chartered Accountants, New Delhi, retire at the forthcoming Annual General Meeting and are eligible for re-appointment.

**9. Foreign Exchange earnings and outgo:**

By producing fertilisers, of which the country is a net importer, there has been savings of valuable foreign exchange to the National exchequer. Expenditure incurred in foreign exchange is noted under Schedule 18 (Note 8) of the Annual Report and Accounts.

**10. Conservation of Energy:**

Information disclosing particulars of conservation of energy is given in Annexure 'A' to this report.

**11. Technology Absorption:**

No new technology was absorbed during the year 2004-05.

**12. Capital Projects:**

During the year vibropiller was installed at the Urea Prilling Tower, which has improved the urea quality significantly.

**13. Environment & Safety:**

The Company's Fertiliser Plant continues to be a 'Zero Effluent Plant' since 1990 and the man-made greenery around the Complex continues to flourish and attract a variety of wild life.

The Company had earlier changed over the process for CO<sub>2</sub> removal in the Ammonia Plant from Vetrocoke to Benfield in the year 1975. Following the visit and directions of the Sub-Committee of the Supreme Court Monitoring Committee on Hazardous Waste during the year, the Company has encapsulated the arsenic waste in a concrete tank lined with geotextile and geomembrane material within the company premises. This was done under the close supervision of Goa State Pollution Control Board and National Environment Engineering Research Institute, Nagpur. The Sub-Committee of the Supreme Court Monitoring Committee has expressed its satisfaction on the work done.

Your Company received Million Work Hours Award from the National Safety Council, U.S.A. for operating 3 million employees' hours without occupational injury or illness. As on 31<sup>st</sup> March 2005, the Company has achieved 3.73 million accident free man hours.

Regular safety awareness programmes for the employees and the contract workers were held during the year. As a part of the Offsite Management plan, community awareness programmes for school teachers, Goa State Police and Goa Fire Services personnel were organized.

**14. Personnel:**

Industrial relations remained cordial and peaceful throughout the year.

The Company continues to give priority to manpower rationalization and appropriate deployment in light of rapidly changing environment.

The training and development of employees at all levels continues to remain priority of your Company. The training is aimed at improving the overall skills of our employees leading to increasing operational efficiency and higher productivity. The training programmes includes finance for non-finance executives, managerial effectiveness and programmes focussing on growth with respect to self, organisation and the business.

Particulars of employees to be furnished under Section 212 (2A) of the Companies Act, 1956 and the rules framed thereunder, are annexed to this Report as Annexure 'B'.

**15. Subsidiary Companies:**

Pursuant to provisions of section 212 of the Companies Act, 1956 the audited Balance Sheet, Profit and Loss Account, Report of the Board of Directors and the Auditors of the Subsidiary Companies namely, Zuari Seeds Limited, Indian Furniture Products Limited, Simon India Limited

and Paradeep Phosphates Limited are attached to the audited Balance Sheet of the Company.

The consolidated Financial Statements presented by the Company includes the audited financial information of its subsidiaries, except Zuari Maroc Phosphates Limited whose unaudited financial information for the period ended 31<sup>st</sup> March, 2005 has been consolidated as per Accounting Standard 21 issued by the Council of the Institute of Chartered Accountants of India.

A brief review of subsidiaries and joint ventures of the Company is given herebelow:-

**a. Indian Furniture Products Limited (IFPL):**

Indian Furniture Products Limited, a wholly owned subsidiary of the company, is engaged in the manufacture and sale of Ready-To-Assemble Furniture.

During the year under review, the total sales grew from Rs. 62 crores to Rs. 76 crores registering 22.5% growth. The company's mass distribution channel under 'ZUARI' brand recorded a significant growth from Rs.16 crores to Rs. 22 crores.

Major growth was also witnessed in the Office System segment where the sales have grown from Rs. 7.5 crores to Rs. 15 crores. Reliance Industries Limited as in the past continued to be the single largest buyer of the company's modular office system. The company further strengthened its presence in the educational business segment after executing orders for G. D. Goenka World School, Dhirubhai Ambani International School, IIT Kanpur and BITS Pilani, Goa Center.

**b. Zuari Seeds Limited (ZSL) :**

Zuari Seeds Limited (ZSL), a subsidiary of Zuari Industries Limited, is engaged in Production & Trading of Hybrid Seeds. The R&D activity of the Company is focussed at providing superior quality hybrid seeds to the farming community. During the period under review the Company entered into a technology licensing arrangement for Bt gene in cotton. A year of work has been completed in greenhouses as per the standards prescribed by various Government regulatory agencies on genetic modification in plants. The Company hopes to commercialize the new product by 2007.

Greentech Seeds International Pvt. Limited erstwhile subsidiary of Zuari Industries Limited was amalgamated with ZSL resulting in a healthy portfolio of hybrid seeds and in the reduction of overhead expenses.

The operations of the Company suffered a set back due to substantial reduction in the areas under sorghum and bajra cultivation, resulting in lower sales. In addition, there was short supply of certain hybrids of maize and sunflower.

At present company's focus is on research and development coupled with the modernisation of the seeds processing plant and acquisition of latest technologies. The company is moving ahead aggressively by investing

in processing equipment, quality control facilities and human resources by induction of senior professionals in the areas of processing, production and quality assurance.

**c. Simon India Limited (SIL):**

During the year, SIL has won contracts from Hindustan Zinc Ltd. for various process units associated with their smelter expansion. It has also completed assignments for an Insoluble Sulphur facility and for a Chlor Alkali upgrade to clients full satisfaction.

SIL is now actively involved in a petrochemical complex with the MANSO group of Saudi Arabia, and has made a number of proposals for various LSTK & Service contracts.

**16. Joint Venture Companies:**

**a. Zuari Investments Limited:**

Zuari Investments, a joint venture with Chambal Fertilizers and Chemicals Limited (CFCL), is a depository participant with both National Securities Depository Limited and Central Depository Services (India) Limited. Zuari Investments is also acting as Share Transfer Agent. The company has set up a network of branches across north India, to aggressively pursue depository services. The depository operations have shown improvement over the previous year due to stock market buoyancy.

The company mobilized reasonable funds for Mutual Fund Segment as well as IPOs (Initial Public Offers). With a view to further expand its basket of services, the company has decided to commence Stock broking activity. The wholly owned subsidiary of the company, Zuari Chambal Insurance Solutions Limited, has applied to IRDA for insurance broking licence.

During the year, the company came out with a Right Issue of 162,69,230 equity shares of Rs. 10/- each for cash at par aggregating to Rs. 16,26,92,300. As a result of this, the paid-up capital of the company was increased from Rs.42, 30,00,000 to Rs.58, 56,91,610.

The Company also subscribed to the Rights Issue of Style Spa Furniture Limited (SSFL). The Company now holds 73% of equity of SSFL. This has resulted in SSFL becoming a subsidiary of the company.

The Company also approved a scheme of Arrangement and Demerger of the Shipping Investment Division which upon approval of the Hon'ble High Court will be demerged from the company and merged with CFCL.

**b. Zuari Cement Limited (ZCL) :**

Zuari Cement Limited a 50:50 joint venture between Zuari Industries Limited and Ciment Francais S.A., France, and its subsidiary, Shri Vishnu Cement Limited, is in the business of manufacture and marketing of cement from its plants located at Yerraguntala, and Sitapuram, A.P. During the year, total clinker production was 24,24,392 MT (previous year 21,42,264 MT) and the cement production was 25,29,280 MT (previous year 23,88,235 MT). The sales volume, including quantities sourced from others was 26,02,021 MT (previous year 24,04,182 MT).



## ZUARI INDUSTRIES LIMITED

During the year 2004 – 05, the market witnessed a reasonable improvement in cement demand with an overall growth of around 8%. The prices and realisation were under pressure in the Southern Market until the last quarter of the year on account of over supply position. However, with continued growth in demand, the gap between the supply and demand is expected to be narrowed down substantially resulting in better price realisation.

**c. Zuari Indian OilTanking Limited:**

Zuari Indian OilTanking Limited (ZIOL) is a 50:50 joint venture between Zuari Industries Limited and Indian OilTanking Limited (IOTL). IOTL is a Joint Venture between Indian Oil Corporation Limited and OilTanking GmbH of Germany.

ZIOL has state-of-the-art terminalling facility for oil & petroleum products. The Terminal at Goa with 64000KL tankage is situated 85 M above sea level with a 14 KM long piggyback pipeline from Mormugao Port Trust (MPT) jetty.

The terminal is equipped with the most modern automatic systems for efficient operations and environmental protection. ZIOL has handled four products (MS/HSD/SKO/Naphtha) during the first year of operation for its valued customers which includes Zuari Industries Limited, Bharat Petroleum Corporation Limited, Hindustan Petroleum Corporation Limited and Essar Oil Limited.

It is planned to increase the tankage capacity in view of projected increase in the throughput. During the long term, ZIOL expects to cater to entire petroleum products demand of Goa, Southern Maharashtra and Northern Karnataka.

**d. Zuari Maroc Phosphates Limited (ZMPL) :**

The Company is 51:49 Joint Venture between Zuari Industries Limited and Maroc Phosphore S.A. Morocco. It acquired majority stake in Paradeep Phosphates Limited (PPL) from the Government of India under the Scheme of Disinvestment. The present holding of ZMPL in PPL stands at 80.45%.

During the financial year ended 31<sup>st</sup> March, 2005, the overall performance of PPL has improved significantly. PPL's sales stood at Rs.1595 crores compared to Rs.969 crores in the previous year and the net loss was lower at Rs.15 crores compared to Rs.38 crores in the previous year.

The performance of PPL in the current year is expected to be better in view of the optimum utilization of plant capacity and improved market share.

**17. Corporate Governance:**

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement. The Report on Corporate Governance pursuant to Clause 49 of the Listing Agreement is enclosed as Annexure 'C'. The Auditor's Certificate on Compliance of conditions of Corporate Governance is enclosed as Annexure 'D' and the Management Discussion & Analysis as Annexure 'E'.

**18. Social Responsibility:**

The Company as a good corporate citizen provides financial support to meritorious students by way of scholarships besides providing text books & notebooks to needy students in the State of Goa.

The Company is fully committed to improve the living standards of the farming community through education, better infrastructure and water management, etc. in its marketing areas. To achieve this objective, various meets and seminars are held for farmers including farmer's visit to the research stations.

The Company is also pursuing various welfare and community services, such as maintenance of parks, beautification of roads, building bus shelters, in and around the city of Vasco-da-Gama.

**19. Directors' Responsibility Statement:**

Your Directors hereby report:

- i. that in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. that the directors have selected such accounting policies and applied them consistently and made judgement 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, 2005 and of the profit and loss account for the period ended 31<sup>st</sup> March, 2005;
- iii. 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;
- iv. that the directors have prepared the annual accounts on a going concern basis.

For and on behalf of the Board

New Delhi  
June 13, 2005

K. K. BIRLA  
Chairman

**Annexure 'A' to the Directors' Report**  
**FORM A (See Rule 2)**

**DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

PARTICULARS	Current Year	Previous Year
<b>A. POWER &amp; FUEL CONSUMPTION</b>		
1. Electricity		
(a) Purchased		
Unit (KWH)	4776354	4643779
Total Amount (Rs. in lacs)	258.84	252.77
Rate/Unit (Rs.)	5.42	5.44
(b) Own generation (KWH)		
(i) Through Diesel Generator		
Unit (KWH)	30141500	31119800
Units per kg. of Diesel/LSHS/Fuel Oil *	4.16	4.08
Cost/Unit (Rs.)	2.56	2.27
(ii) Through Steam Turbine/Generator		
Unit (KWH)	57142979	49448576
Units per kg. of Fuel Oil / LSHS	3.828	3.552
Cost/Unit (Rs.)	2.78	2.61
2. (a) Furnace Oil		
Quantity (MT)	108072	100538
Total cost (Rs. in lacs)	11517.37	9312.93
Average rate (Rs./MT)	10657.13	9263.09
3. Other/internal generation (please give details)		
Diesel :-		
Quantity (KL)	}	
Total cost (Rs. in lacs)		
Average rate (Rs./KL)		
	N. A.	N. A.
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>		
1. Electricity		
Product (with details) Unit		
(i) Purchased Power (KWH)		
Urea	2.14	4.64
19:19:19	4.92	3.69
18:46:0	7.03	7.15
10:26:26	7.77	3.52
14:35:14	0.00	4.09
12:32:16	9.67	7.98
Argon	0.003	0.002
(ii) Generated Power (KWH)		
Urea	121.82	118.31
19:19:19	43.47	59.93
18:46:0	63.18	61.45
10:26:26	60.85	61.05
14:35:14	0.00	65.16
12:32:16	57.18	57.36
Argon	0.15	0.14
2. Furnace Oil (MT)*		
Urea	0.21	0.22
19:19:19	0.02	0.02
18:46:0	0.02	0.02
10:26:26	0.02	0.02
14:35:14	0.00	0.02
12:32:16	0.02	0.02
Argon	0.001	0.001
3. Others	—	—

\* Figures expressed in unit per kg. as against earlier unit per lts.  
Since the unit of measurements of Furnace oil has been changed from KL to MT.





## ZUARI INDUSTRIES LIMITED

## ANNEXURE 'B' TO THE DIRECTORS REPORT

## Information Pursuant To Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Sr. No.	Name	Designation/Nature of Duties	Qualifications	Age (Years)	Date Of Commencement of Employment	Experience (No. of Years)	Remuneration Received	Name of Last Employer	Post Held	Period
<b>(A) Employed throughout the year</b>										
1	H. S. Bawa	Managing Director	M.S. (Chem. Engg.) (U.S.A.)	74	16/04/1979	49	1011863	Hindustan Petroleum Corp.	General Manager (Ret. Div.)	3 Years
2	R. Madhok	Executive President	B.E. (Hons.) Mech. Engg.	60	02/02/1998	40	3910548	Niro A/S of Denmark	Divisional Manager of Food Plants Division	19 Years
3	D. P. Sinha	Corporate Vice-President Human Resources	B.Sc., P.G. (Hons) Diploma (XLRI), B.L.	60	24/06/1996	35	2428624	Britannia Industries	Vice-President -HR	6 Months
4	D. Deshpande	Vice President - Operations	B. Tech. (Hons.) Mech. Engg.	62	01/11/1998	40	2964967	ICI India Limited	General Manager Engineering	33 Years
<b>(B) Employed for part of the year</b>										
1	D.N. Acharya	Chief Manager - Safety, Fire, Environment & Training	B.E. (MECH.), M.I.E., D.I.S., C.E.	60	01.07.1971	32	1043662	-	-	-
2	F. J. Menezes	Senior Manager - Finance & Accounts	M.COM	58	12.07.1971	37	1409900	Bendona & Co.	Accountant Clerk	4 Years
3	Y. Mohiddin	Chief Manager - Marketing	B.SC. (AGRI.)	58	21.09.1971	35	1224984	E.I.D. Pary Ltd.,	Sales Representative	3 Years
4	S. K. Ganotkar	Chief Manager - Marketing	M.SC. (AGRI.)	60	01.10.1971	33	1125744	ICAR, Regnl. Research Centre	Research Assistant	1 Year
5	R. G. Prabhuganekar	Chief Manager - Utilities	D.M.E.	58	21.06.1971	33	1125734	S.F.I. Pvt. Ltd.,	Section Head	1 Year
6	G. A. Bhat	Senior Manager - Planning	D.E.E.	58	22.01.1973	37	1112101	Chowgule & Co. Pvt. Ltd.	Assistant Foreman	6 Years
7	B. S. D'Lima	Manager - Purchase	D.M.E.	58	30.08.1978	30	1057452	Chowgule & Co. Pvt. Ltd.	Asst. Purchase Officer	1 1/2 Years
8	Harichand	Sr. Stenographer	H.S.S.C.	58	01.06.1979	26	364800	Indian Inst. of Mass Comm.	U.D.C.	1 1/2 Years
9	T. Fernandes	Master Technician	S.S.C., I.T.I. (Electrician)	44	18.02.1982	24	1054176	Keeta & Company	A.C. & Refrig. Mechanic	2 Years
10	A. X. E. Gomes	Dy. General Manager - Maintenance	B.E. (ELEC.)	58	21.06.1971	32	983820	-	-	-
11	K. K. Gupta	Managing Director - Paradeep Phosphates Ltd. (on deputation)	B.Sc. (Engg.), M.S. (Ind. Mgt.)	65	01.01.1997	33	6272972	Singer India Ltd.	Chairman and M.D.	13 Years
12	S.S. Nandurdikar	Managing Director - Paradeep Phosphates Ltd. (on deputation)	B.Tech. (Mech.) P.G. (Ind. Mgt.)	59	01.09.2004	34	1738780	Lurgi (India) Ltd.	Managing Director	4 Years

**NOTES :** 1 Remuneration has been calculated in accordance with clarification given by the Department of Company Affairs. Accordingly, perquisites have been valued in terms of actual expenditure incurred by the Company in providing benefits to the employees except in case of Company owned houses where the actual amount of expenditure cannot be ascertained, with reasonable accuracy, in which case a notional amount as per Income Tax Rules has been added.

2 Other terms and conditions - the employments are subject to rules and regulations of the Company in force from time to time.

3 None of the above employees is a relative of any Director of the Company.

## Annexure 'C' to the Directors' Report

**Report on Corporate Governance****1. Company's Philosophy on Code of Corporate Governance :**

The objective of Corporate Governance is to attain the highest levels of transparency, accountability and equity in all its dealings.

Corporate Philosophy of the Company is based on strengthening India's industrial and agricultural base, sound and ethical business practices, increasing shareholder value, providing quality products, healthy neighbourhood, preserving and protecting the environment.

Company has taken various steps including setting up of various sub-committees of the Board to oversee its performance at the corporate level. The sub-committees so formed have majority non-executive directors and meet regularly to the conduct of various functions of the Company. Company has also drafted code of conduct for all the Board members and senior management staff of the Company, which is on the website of the Company. A declaration of Managing Director as to the compliance with the code of conduct by all the Board members and senior management personnel is provided at the end of this report.

**2. Board of Directors:**

The Board of ten Directors of the Company includes eminent persons with vast professional experience in various fields. There are nine Non-Executive Directors on the Board constituting more than 50% of the Board. Besides, more than one third of the Board comprises of Independent Directors.

Eight Board meetings were held during the year. The dates on which the meetings were held are 15<sup>th</sup> May, 2004, 29<sup>th</sup> July, 2004, 6<sup>th</sup> August, 2004, 23<sup>rd</sup> September, 2004, 26<sup>th</sup> October, 2004, 8<sup>th</sup> December, 2004, 27<sup>th</sup> January, 2005 and 23<sup>rd</sup> March, 2005.

**Attendance of each Director at the Board of Directors meetings and the last AGM and number of companies and committees where he is a Director / Member:**

Director	Category of Directorship#	No of Directorships*	No. of Board Meetings Attended	Attendance at last AGM	No of Board Committees of all Co's* Chairman Member	
K. K. Birla	Promoter/Chairman	12	5	No	1	NIL
S.K.Poddar	Co-Chairman	13	6	No	2	2
H.S.Bawa	MD	14	7	No	4	4
Shyam Bhartia	NED	13	4	No	NIL	NIL
M.D.Locke	NED	3	1	No	NIL	NIL
Arun Duggal	NED / I	4	5	No	2	2
D.B.Engineer	NED / I	15	5	Yes	3	10
S.V.Muzumdar	NED / I	7	4	No	2	7
Vishwavir Ahuja	NED / I	1	1	No	NIL	NIL
Marco Wadia	NED / I	6	7	Yes	NIL	5
M.S.Lakhmana Alt. to V.Ahuja	NED/I	1	5	No	NIL	NIL
K.H.Captain Alt.to M.D.Locke	NED / I	2	5	Yes	NIL	NIL

# MD-Managing Director, I-Independent, NED-Non-Executive Director

\* Excludes Committees other than Audit Committee, Shareholders / Investor's Grievance Committee and Remuneration Committee and Companies other than Public Limited and foreign Companies.

**3. Retirement of Directors by rotation and re-appointment:**

Mr. S. K. Poddar, Mr. Marco Wadia and Mr. Vishwavir Ahuja, Directors, are liable for retirement and are eligible for re-appointment during the forthcoming Annual General Meeting.

As required under Clause 49 of the Listing Agreement, information such as brief resume, nature of expertise and other directorships are given herebelow :-