

Twenty Fifth Annual Report 2006-07

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ADDI INDUSTRIES LIMITED

BOARD OF DIRECTORS : Shri C. L. Jain - Chairman & Managing Director
 : Dr. B. K. Behera
 : Shri V. B. Agarwal
 : Shri Hari Bansal - Whole-time Director

**MANAGER FINANCE
& COMPLIANCE OFFICER** : Shri Atul Jain

BANKERS : Punjab National Bank

AUDITORS : M/s. S. R. Dinodia & Co.
 Chartered Accountants
 K-39 Connaught Circus
 New Delhi-110 001

**REGISTERED &
CORPORATE OFFICE** : A-106, Sector IV
 Noida - 201 301 (U.P.)

WORKS : A-105, 106, Sector IV
 Noida - 201 301 (U.P.)
 : B-1, 2, 3, Hosiery Complex
 Phase-II, Noida (U.P.)

Request to Members

1. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested kindly to bring their copies to the Meeting.
2. Members/Proxy holders are requested to bring the Attendance Slip duly filled in for attending the Meeting.



ADDI INDUSTRIES LIMITED

TO ALL MEMBERS:

NOTICE IS HEREBY GIVEN THAT the Twenty-fifth Annual General Meeting of the Members of Addi Industries Ltd. will be held on Monday, the 10th day of September, 2007, at 9.00 A.M. at the Maharaja Agrasen Bhawan, A-6, Sector-33, Noida - 201 301 (U.P.) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2007, Profit & Loss Account for the year ended on that date & the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Hari Bansal, who retires from office by rotation, and being eligible, offers himself for re-appointment.
3. To appoint Auditors for the current year 2007-2008 & to fix their remuneration.

M/s. S.R. Dinodia & Co., Chartered Accountants, New Delhi, who hold office till the conclusion of this Annual General Meeting, being eligible, have furnished their consent and the requisite Certificate u/s 224(1B) of the Companies Act, 1956.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass, with or without modification/s, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 314, Schedule-XIII & other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactments thereof, for the time being in force), and subject to the approval of the Central Govt., the consent & approval of the Company be and is hereby accorded to the re-appointment of Shri. Hari Bansal as Whole-time Director of the Company, for a period of 5 years w.e.f. 12th November, 2007 to 11th November, 2012 on the following remuneration:

- | | |
|---|--|
| i) Salary (incl. dearness :
Allowance/s) | Rs. 125000 (Rs. One Lac Twenty Five thousand) per month
in the scale of Rs. 125000-15000-155000-20000-195000. |
| ii) Accommodation | : Free furnished accommodation with gas, electricity & water |
| iii) Perquisites | : As applicable to other Key/Senior Executives of the Company, namely: |
| | a) medical re-imbursement for self and family (equal to one month salary) |
| | b) car for official use |
| | c) P.F., Bonus, Gratuity and/or other Superannuation benefits, as per Co. Rules |
| | d) Leave encashment as per Co. Rules |

Provided that the monetary value of the perquisites computed as per the Income-Tax Act, 1961 shall not exceed the annual salary in any year.

"RESOLVED FURTHER THAT the Board of Directors (including the Remuneration Committee) be and is hereby authorized to pay the aforesaid remuneration & perquisites to the Whole-time Director, as minimum remuneration, in the event of absence or inadequacy of profits in any financial year".

"RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) be and is hereby authorized to alter and vary the terms and conditions of the said appointment and/or remuneration, from time to time, subject to the approval of the Central Govt., and such that the same shall not exceed the limits specified in Schedule-XIII to the Companies Act, 1956 (including any statutory modification (s) or re-enactment thereof, for the time being in force or as may hereafter be made by the Central Govt. in that behalf from time to time, or any amendment thereto) as may be agreed to between the Board & Shri Hari Bansal."



ADDI INDUSTRIES LIMITED

"RESOLVED FURTHER THAT the Board of Directors or a Committee thereof be and is hereby authorised to do all such acts, deeds, matters and things and to take all such steps as may be necessary, proper and expedient, to give effect to this resolution".

Regd. & Corp. Office:

A-106, Sector-IV, Noida-201 301 (U.P.)

Dated: July 07, 2007.

For & on behalf of the Board

C.L. Jain

Chariman & Mg. Director

Notes:

- a) **A Member entitled to attend and vote is entitled to appoint a Proxy. The Proxy need not be a Member of the Company. Proxies in order to be effective must be lodged with the Company not less than 48 hours before the Meeting.**
- b) Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business is annexed hereto and forms part of this Notice.
- c) The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 4th day of September, 2007 to Monday, the 10th day of September, 2007 (both days inclusive).
- d) The Equity Shares of Rs. 10 each of the Company have been sub-divided/ splitted-up into 2 new Equity Shares of Rs. 5 each fully paid-up. All those Shareholders, who are still holding the Shares in physical form and have not yet got their Share Certificates of Rs. 10 each exchanged for new Share Certificates of Rs. 5 each, are requested to send the same to the Regd. & Corporate Office of the Company at A-106, Sector-IV, Noida - 201 301 (U.P.) for exchange thereof.
- e) Dividend @ 10% i.e. Re. 1 per Equity Share of Rs.10 was declared for the financial year 2002-03. Similarly, Dividend @ 10% i.e. Re. 0.50 per Equity Share of Rs.5 was declared for the financial years 2003-04 and 2004-05. Those Shareholders who have not yet got their Dividend warrant/s encashed are requested to send the same to the Regd. & Corporate Office of the Company for re-validation.
- f) The Company's Equity Shares continue to remain listed on the Bombay Stock Exchange Ltd., and the listing fee has been duly paid.
- g) The Equity Shares of the Company are dematerialised and the trading has to be compulsorily in demat mode. Those Shareholders who have not yet got their equity shares dematerialised may approach the Depository Participant with whom they are maintaining account, for getting their Shares dematerialised.
- h) **NOMINATION : Pursuant to the new Section 109A inserted in the Companies Act, 1956, individual Shareholders holding Shares of the Company singly or jointly may nominate an individual to whom all the rights in the Shares of the Company shall vest in the event of death of the sole/all joint Shareholders.**
- i) **REGISTRAR & TRANSFER AGENTS : The Company has appointed M/s. Beetal Financial & Computer Services (P) Ltd., Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukh Dass Mandir, New Delhi-110 062, as its Registrar & Transfer Agents. Shareholders may write to them also directly, or communicate with the Company at its Corporate Office, as they may like.**
- j) Pursuant to the recommendation of SEBI Committee on Corporate Governance for reappointment/ appointment of Directors, particulars of the concerned Directors retiring by rotation & seeking re-appointment, are annexed to the Report on Corporate Governance.
- k) The Memorandum & Articles of Association of the Company, and/or any other relevant document/s are available for inspection by the Members on any working day during office hours upto the date of the Annual General Meeting.



ADDI INDUSTRIES LIMITED

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Items No. 4:

Shri Hari Bansal, a Graduate in Chemical Engg., was appointed as Manager (Admn. & Production Planning) w.e.f. 1st September, 1998 with due approvals by the Members and the Central Govt. Keeping in view his academic background, expertise and achievement/s, during the period of more than four years in the Company, he was appointed as a Director, and also as Whole-time Director of the Company for a period of 5 years w.e.f. 12th November, 2002. His said appointment and payment of remuneration as Whole-time Director was also approved by the Members and the Central Govt.

The term of office of Shri Bansal as Whole-time Director is expiring on 12th November, 2007. The Board of Directors have, at their meeting held on 7th July, 2007, decided to re-appoint him as whole-time Director for a further period of five years w.e.f. 12th November, 2007, at the same remuneration as set out in the resolution and which was approved to be paid to him at the time of his first appointment w.e.f. 12th November, 2002, subject to the approval of the Members and the Central Govt. in this regard. The said remuneration is proposed to be paid to him as minimum remuneration in the event of absence or inadequacy of profits in any year.

Shri Hari Bansal is a technically qualified Executive having adequate expertise in the relative textile sphere. Shri Bansal has effectively co-ordinated the activities of the Company, which he has been looking after, over the years since his initial appointment in 1998. The Board of Directors feel that the availability of his expertise will be of immense help to the Company, and therefore, commend the resolution for his re-appointment and payment of remuneration as whole-time Director, for consideration and approval of the Members.

None of the Director/s, except Shri Hari Bansal himself, and Shri C.L. Jain, Chairman & Mg. Director, being related to him is, in any way, directly or indirectly, concerned or interested in the resolution. This may also be treated as an Abstract and Memorandum of Interest u/s 302 of the Companies Act, 1956.

For & on behalf of the Board of Directors

Regd. & Corporate Office:

A-106, Sector-IV, Noida – 201 301 (U.P.)

Dated : July 07, 2007.

C.L. Jain

Chairman & Mg. Director

Details of Director, Shri Hari Bansal, retiring by rotation and to be re-elected, and seeking re-appointment at the Annual General Meeting scheduled to be held on 10th September, 2007.

Name of Director	Shri Hari Bansal
Date of Birth	14th September, 1975
Date of Appointment	12th November, 2002
Expertise of specific functional areas	More than 9 years of rich and varied experience in & expertise of textile industry.
Qualification	B.Chem. Engineering
List of outside Directorship held	Director: Nilamber Holdings Pvt. Ltd.
Chairman/Member of the Committees of the Board of Directors of the Company	-
Chairman/Member of the Committees of Directors of other Companies in which he is a Director	-
a) Audit Committee	-
b) Remuneration Committee	-
c) Shareholders Committee	-



ADDI INDUSTRIES LIMITED

DIRECTORS' REPORT

Dear Members

The Directors of your Company present their Twenty-Fifth Annual Report & the Audited Statements of Account of the Company for the year ended on 31st March 2007.

Financial Results

The performance of your Company for the financial year ended on 31st March 2007 is summarized below:

(Rs. in Lacs)	2006-2007	2005-2006
Turnover & other Income (incl. Exports)	910.65 (429.66)	940.36 (456.18)
Gross Profit before Financial exp. & depreciation	(378.93)	(920.04)
Less : Financial Expenses	13.19	27.31
Depreciation	159.90	168.33
Net Profit/(Loss) before Tax	(552.02)	(1115.68)
Less : Provision for Taxation	-	-
Income Tax adj. for earlier years	63.45	226.30
Provision for Fringe Benefit Tax	2.25	2.98
Add : Adj. for deferred tax	67.45	3.52
Net Profit /(Loss) after tax	(550.27)	(1341.44)
Add: Recoup/Transfer to General Reserve	345.38	1.36
Add: Amount b/f from last year	-	1340.08
Balance transferred to Balance Sheet	(204.79)	-

Dividend

In view of the deficit in operations, the Directors are not in a position to recommend dividend for the financial year 2006-07.

Operations

The performance during the financial year under review continues to be dismal and depressed, due to a combination of factors. The operations in the Dyeing Plant were closed on account of high operational costs, and its non economical viability.

The Company suffered a loss of Rs. 224.24 Lacs on sale of old machinery & equipment including those of its worn-out and outdated plant & machinery of the closed and non-operational Dyeing Unit. All these cumulative factors have adversely affected the turnover and the profitability of the Company during the year under report.

Technology upgradation, modernisation-cum-diversification

The Company has incurred nominal capital expenditure of Rs. 3.41 Lacs on technology upgradation and modernization of its equipment wherever considered necessary, during the year under report, as against Rs. 35.20 Lacs incurred in the preceding year.

Future Prospects

During the first quarter ended on 30th June, 2007, the Company has achieved turnover of Rs. 195.46 Lacs only (incl. exports of Rs. 146.58 Lacs) as against Rs. 109.79 Lacs (incl. exports of Rs. 44.25 Lacs) in the corresponding first quarter of the previous year. Strict monitoring is being done to cut down costs and overheads wherever feasible to make the product more price competitive. Product diversification and addition of high value added products is being carried on. The Directors are making efforts and have taken effective steps to increase the turnover, exports and improve the profitability of the Company. The performance is poised for improvement in the current year.

The Company is also expanding its domestic market gradually by opening more retail outlets, including franchisees, & new and diversified product lines are continuously being added in the domestic retail marketing, keeping in view the market requirements.



ADDI INDUSTRIES LIMITED

Finances

Your Company continues to have the support of its Bankers, Punjab National Bank, for the working capital requirements commensurate with its business activities.

Deposits

The Company has neither invited nor accepted any deposits from the Public within the meaning of the Companies (Acceptance of Deposits), Rules, 1975, during the year under report.

Directors

Shri Hari Bansal, Director, retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

The Board of Directors have, at their meeting held on 7th July, 2007, again re-appointed Shri Hari Bansal as Whole-time Director of the Company for a further period of 5 years from 12th November, 2007 when his current term expires.

Attention of the Members is invited to the relevant items of the Notice of the Annual General Meeting and the Explanatory Statement thereto.

Auditors

M/s. S.R. Dinodia & Company, Chartered Accountants, New Delhi, retire and being eligible, offer themselves for re-appointment as Auditors of the Company for the current year 2007-08, to hold office till the conclusion of the next Annual General Meeting. The Company has received the consent and the requisite Certificate u/s 224(1B) of the Companies Act, 1956, from them.

Auditors Qualification

As regards the remarks of the Auditors in their Audit Report for non-amortisation of leasehold land, clarification has been sought from the lessor for the period and exact amount of amortisation required which is expected to be received shortly. As soon as the information is received, the amortisation of leasehold land will be effected in the current year ending 31st March, 2008.

Subsidiary Company

A Statement u/s 212 of the Companies Act, 1956, in respect of Company's wholly-owned Subsidiary, Aum Textfab Pvt. Ltd., is annexed as part of this Report.

Corporate Governance

The Management Discussion & Analysis Report and the Report on Corporate Governance, alongwith the Certificate from the Auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, is given in the Annexure, forming part of this Report.

Directors' Responsibility Statement

As required u/s 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, the Directors hereby confirm that as stated by the Auditors:

- i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the accounting policies have been selected and applied consistently and judgments and estimates have been reasonably and prudently made when required 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 and loss of the Company for that period;
- iii) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and preventing and detecting any fraud or other irregularities; and
- iv) the annual accounts for the financial year have been prepared on a going concern basis.

Particulars of Employees

There were no employees who were in receipt of remuneration for the financial year under report in the aggregate of not less than Rs. 24 Lacs per annum, within the meaning of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

Energy Conservation, Technology Absorption and Foreign Exchange earnings & outgo

The relevant information & data required to be disclosed u/s 217 (1)(e) read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in the Annexure and forms part of this Report.



ADDI INDUSTRIES LIMITED

Acknowledgements

The Directors express their gratitude and their appreciation to the Workers, Staff Members and Executives at all levels for their collective contribution to the Company's performance. Industrial relations continue to be cordial during the year under Report. The Directors would also like to thank the Shareholders, Bankers, Customers, Suppliers & Vendors for the continuous support given by them to the Company, and their confidence in its management.

For and on behalf of the Board of Directors

Place : New Delhi
Dated : July 07, 2007

C.L. Jain
Chairman & Mg. Director

ANNEXURE TO & FORMING PART OF DIRECTORS' REPORT

Energy Conservation, Technology Absorption and Foreign Exchange earnings & outgo

Conservation of Energy

The Company is continuously monitoring the process of energy conservation through improved operational and maintenance activities. To minimise losses, various measures namely maximum use of natural day light, arresting leakages of air and steam and proper insulation for preventing loss of heat etc. have been implemented. These measures have and are resulting in cost savings for the Company.

Total energy consumption & consumption per unit during the year ended 31st March, 2007, is as per Form 'A' below :
FORM 'A'

A. Power and Fuel Consumption:

		Current year 31.3.2007.	Previous Year 31.3.2006
1.	ELECTRICITY		
(a)	Purchased		
	Units	594892	707955
	Total amount (Rs./Lacs)	30.58	36.80
	Rate/unit (Rs.)	5.14	5.20
(b)	Own Generation		
i)	Through diesel generator		
	Units	238500	21600
	Unit per ltr. of diesel oil	3.50	3.50
	Cost/unit (Rs.)	8.86	7.94
ii)	Through steam turbine/generator	N.A.	N.A.
2.	COAL Qty. (Kgs.)	N.A.	N.A.
	Value (Rs./Lacs)	N.A.	N.A.
3.	FURNACE OIL/ LDO		
	Qty. (Ltrs.)	20750	54000
	Value (Rs./Lacs)	7.45	14.75
	Rate/Unit (Rs.)	35.90	27.32
4.	HUSK		
	Qty. (Kg.)	-	-
	Value (Rs./Lacs)	-	-
	Rate/Unit (Rs.)	-	-
	OTHERS : INTERNAL GENERATION	N.A.	N.A.

B. Consumption per unit of production:

Product	(Unit)	Electricity (Units)		Furnace Oil (KL)		Coal (KG.)		Husk (KG)	
		Curr.Yr.	Prev.Yr.	Curr.Yr.	Prev.Yr.	Curr.Yr.	Prev.Yr.	Curr.Yr.	Prev.Yr.
1. Readymade Garments	1000 Pcs.	2364	1726	-	-	-	-	-	-



ADDI INDUSTRIES LIMITED

Technology Absorption

The requisite particulars are given in Form B below:

FORM 'B'

Research and Development (R&D) : The Company continues to give due attention and stress on R&D activities to achieve maximum benefit for process and product by adapting to all round technological development. This is of utmost importance in today's customer-driven market, where both quality and lower cost are dominant factors. Beside development of new designs, high value added product and such like measures are imperative in the trade. The cumulative measures taken to update and use the latest technology for improvement in productivity are yielding positive results and are enabling the Company to concentrate upon high value added products. Expenditure on R&D is booked to respective heads, as it is not separately identified.

Technology Absorption, Adoption and Innovation: The company puts proper emphasis on absorption of design and manufacturing technology. Priority is given in using latest technology for improving productivity, product quality and reducing wastage in consumption of raw materials, consumables and fuels. No technology import is required, since the product manufacturing is specific and subjective operation.

Foreign Exchange Earnings and Outgo : Total Foreign exchange earned and used :

(Rs./Lacs)	<u>31.3.2007</u>	<u>31.3.2006</u>
Earnings	429.66	456.18
Outgoings	65.92	37.30

For and on behalf of the Board of Directors

Place : New Delhi
Dated : July 07, 2007

C.L. JAIN
Chairman & Mg. Director

Auditors' Certificate on Corporate Governance

**To The Members of
ADDI INDUSTRIES LIMITED**

We have examined the compliance of the conditions of Corporate Governance by Addi Industries Limited, for the year ended on 31st March 2007, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of the conditions of the Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedure and implementations thereof, adopted by the company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above-mentioned Listing Agreement.

We state in respect of the investor grievances received during the year ended 31st March 2007, that no complaints were pending as per the records maintained by the Company and presented to the Shareholders' Grievance Committee of the Company.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place: New Delhi
Dated: 7th July, 2007.

For S.R. DINODIA & CO.
CHARTERED ACCOUNTANTS
SANDEEP DINODIA
PARTNER
M.No. 83689



ADDI INDUSTRIES LIMITED

MANAGEMENT DISCUSSION & ANALYSIS REPORT

1. INDUSTRY STRUCTURE & DEVELOPMENTS

The knitwear sector in the textile industry plays an important role in the Indian Economy. This industry, however, is highly competitive and fragmented. During the year 2006-07 the exports of readymade garments showed some positive upward trend, after witnessing a declining trend in the aftermath of elimination of textile quota. Export growth was also severely affected due to several internal and external developments. Stiff global competition continued to have an adverse impact on business prospects and profitability.

2. OPPORTUNITIES & THREATS

Ample opportunities exist in the Textile Industry. The positive trend and the increasing growth in export of knitted garments augurs well for this segment of the textile industry. There is a perceptible change in the outlook and shift for diversified and high value-added products.

Textile Companies are always experiencing pricing pressures. The abolition of quota regime has opened trade to fierce competition. Prices are bound to be under pressure due to stiff international competition. Besides, lack of modern technology and archaic personnel laws are some of the other areas of significant threats.

Addi Industries is seized of all such factors having adverse effect on its exports. It is always eager and endeavouring to constantly update its plant & equipment for producing the best quality products.

Sales in Company's domestic retail outlets is gradually improving. Keeping in view the market requirements, new and diversified product lines are continuously being added in the domestic market.

3. SEGMENT-WISE PERFORMANCE

The Company operates in one segment only i.e. manufacturing of garments. Hence, no segment-wise performance reporting is available.

4. FINANCIAL AND OPERATIONAL PERFORMANCE

The performance during the year 2006-07 continued to be depressed due to a combination of factors. The Company achieved turnover of Rs. 727.43 Lacs (including exports of Rs. 429.66 Lacs) as against the turnover of Rs. 807.25 Lacs (including exports of Rs. 456.18 Lacs) in the previous year. However margins have been under pressure.

The company suffered an operational loss of Rs. 552.02 Lacs, which includes loss of Rs. 224.24 Lacs on sale of its old machinery & equipment. The operational loss in the year under report was however much lower compared to the operational loss of Rs. 1115.68 Lacs in the previous year.

5. OUTLOOK

Exports in the current year 2007-08 are looking up. The Company has achieved exports of Rs. 146.58 Lacs in the first quarter ended 30th June, 2007 as compared to the exports of Rs. 44.25 Lacs in the first quarter of the preceding year. The abolition of quota system, though largely viewed as a cost reduction measure, but it has surfaced as a tool for high pressure on selling prices of the export products. Exports also depend a lot on Govt. policies and developments in the international market.

6. RISKS & CONCERNS

The Company places its thrust on product excellence. Judicious risk management policies, strong systems, constant monitoring of various risk factors and a focus on greater market penetration continue to guide the business strategy of the Company. Strict monitoring is done to cut-down costs and overheads, wherever feasible, to make the product more price competitive.

7. INTERNAL CONTROL SYSTEMS

The Company has instituted a system of internal control and checks which are supplemented by an on-going programme of internal audits and Management Information System (MIS). An annual planning and budgeting system has been put into practice. The Audit Committee of the Board actively reviews internal control systems as well as financial disclosures normally on every quarterly periods.

8. MATERIAL DEVELOPMENTS IN HR

Personnel relations have been cordial. To conform to international standards, the Company conducts different training programmes in-house. The Company has also identified and included specific programme/s on Health, Safety & Environment in every employee/s performance targets. A self assessment system is in vogue amongst the staff which is reviewed by the top management from time to time.

CAUTIONARY STATEMENT

The Statements in the Report of the Board of Directors and the Management Discussion & Analysis Report describing the Company's projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied since the Company's operations are influenced by many external and internal factors beyond the control of the Company.

For and on behalf of the Board of Directors

Place : New Delhi
Dated : July 07, 2007

C.L. Jain
Chairman & Mg. Director