

# 14th Annual Report 2006 - 2007

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**HARYANA FIBRES LIMITED**

## **HARYANA FIBRES LIMITED**

<b>Contents</b>	<b>Page No.</b>
1. Company Information	2
2. Notice	3
3. Directors' Report	5
4. Corporate Governance and Shareholder Information	7
5. Management Discussion and Analysis Report	12
6. Certificate of Corporate Governance & Declaration of Compliance of code of conduct	13
7. Auditors' Report	14
8. Balance Sheet	16
9. Profit and Loss Account	17
10. Schedules forming part of Balance Sheet and Profit Loss Account	18
11. Cash Flow Statement	24
12. Balance Sheet Abstract	25
13. Statement Relating to Subsidiary Company	26
14. Kautilya Infotech Ltd. (Subsidiary Company)	27
15. Alchemist Metals Ltd. (Subsidiary Company) (Formerly known as TDT Copper Ltd.)	39
16. Consolidated Financial Statements	53

**HARYANA FIBRES LIMITED**

**HARYANA FIBRES LIMITED**

Regd. Office : A-203, New Ashok Nagar, Delhi - 110 096

**BOARD OF DIRECTORS**

Mr. Sudhish Kumar, *Managing Director*  
Ms. Pooja Rastogi, *Director*  
Mr. Neeraj Tiwari, *Director*  
Mr. Vir Bhushan Rastogi, *Director*

**COMPANY SECRETARY**

Mr. Gyan Sheel

**REGISTERED OFFICE**

A-203, New Ashok Nagar,  
Delhi - 110 096

**COMMITTEES OF BOARD**

**AUDIT COMMITTEE**

Ms. Pooja Rastogi  
Mr. Neeraj Tewari,  
Mr. Vir Bhushan Rastogi  
Mr. Sudhish Kumar  
Mr. Gyan Sheel, Member Secretary

**CORPORATE OFFICE**

B-31, Sector - 5  
Noida - 201 301

**SHAREHOLDER / INVESTOR'S**

**GRIEVANCES COMMITTEE**

Ms. Pooja Rastogi  
Mr. Neeraj Tiwari  
Mr. Gyan Sheel, Member Secretary

**SUBSIDIARIES**

- Kautilya Infotech Limited
- Alchemist Metals Ltd. (formerly known as TDT Copper Ltd.)

**BANKERS**

ICICI Bank  
Sector - 18,  
NOIDA (UP)

**SHARE TRANSFER COMMITTEE**

Ms. Pooja Rastogi  
Mr. Neeraj Tiwari  
Mr. Gyan Sheel, Member Secretary

**AUDITORS**

M/s Agrawal Atul & Associates  
C-64, 1<sup>st</sup> Floor, Sector-10, Noida (U.P)

**REMUNERATION COMMITTEE**

Ms. Pooja Rastogi  
Mr. Neeraj Tiwari  
Mr. Vir Bhushan Rastogi  
Mr. Gyan Sheel, Member Secretary

**REGISTRAR & SHARE TRANSFER AGENTS**

Skyline Financial Services Pvt. Ltd.  
123, Vinoba Puri, Lajpat Nagar – II  
New Delhi – 110 024

**HARYANA FIBRES LIMITED****NOTICE**

NOTICE is hereby given that the Fourteenth Annual General Meeting of the members of Haryana Fibres Limited will be held on Friday, the 28th day of September, 2007 at 12.30 P.M. at 64A, Adhyapak Nagar, Najafgarh Road, Nangloi, New Delhi – 110041 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2007 and the Profit & Loss Account for the year ended on that date and the report of Auditor's and Director's thereon.
2. To appoint a Director in place of Ms. Pooja Rastogi, who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint M/s Agrawal Atul & Associates, Chartered Accountants, as auditors of the Company & to fix their remuneration.

**SPECIAL BUSINESS:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 149(2A) of the Companies Act 1956, and any other applicable provisions, if any, consent of the Company be and is hereby accorded to the commencement by the Company of all or any of the business as contained in Sub-Clause (C) of Clause III of the Memorandum of association of the Company namely:-

Clause-III (C) 20: To carry on the business as manufacturers, importers, exporters of or dealers in ferrous or non-ferrous metal goods, iron and steel, aluminium, brass, tin, nickel, special steels and their products.

Clause-III (C) 32: To purchase, hold and acquire mines, mining leases, mining rights, mining claims and multifarious land and to explore, work, exercise, develop and turn to account all sorts of major and minor minerals, working of deposits of all kinds of minerals, and subsoil materials and to crush, win, set, quarry, smelt, calcine, refine, dress, amalgamate, manipulate and prepare for the market, metals and mineral substances of all kinds.

**"RESOLVED FURTHER THAT** Mr. Sudhish Kumar, Managing Director of the Company be and is hereby authorised to sign and file the necessary forms and other documents as may be required and to take such other steps as required to give effect to the aforesaid resolution."

By order of the Board  
For **HARYANA FIBRES LIMITED**  
Sd/-  
(Gyan Sheel)  
Company Secretary

Place : Delhi  
Date : 31/07/2007

**NOTES:**

1. A Member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend & vote instead of himself/herself. Such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company at its Registered Office not less than 48 hours before the meeting.
2. Member/ Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
3. The Register of members and Share Transfer books of the Company shall remain closed on Thursday, 20th September, 2007 to Friday, 21st September, 2007 (both days inclusive).
4. Members are requested to bring copies of Annual Reports at the meeting as a measure of economy.
5. Members desiring any information on the accounts of the Company and its operation may write to the Company at its Registered Office at least 15 days before the meeting so that the desired information may be conveniently provided at the meeting.
6. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID number for easy identification for purpose of attendance at the meeting.
7. Re-appointment of Directors -  
At the ensuing Annual General Meeting Ms. Pooja Rastogi retire by rotation and being eligible offer herself for re-appointment. The information/details pertaining to their Directorship are separately provided in terms of Clause 49 of the Listing Agreement.

By order of the Board  
For **HARYANA FIBRES LIMITED**  
Sd/-  
(Gyan Sheel)  
Company Secretary

Place : Delhi  
Date : 31/07/2007

**HARYANA FIBRES LIMITED****EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 4:**

The Company presently carries on the business of trading of different types of fabrics. The Board of Directors of the company has been considering proposals for diversifying the Company's activities. After taking into account the financial resources of the Company and other relevant factors, the Board considered it possible and desirable to undertake the diversified activities in addition to the existing activities of the Company. The Company is authorized to undertake the proposed business under Sub-clause C of clause III of Memorandum of Association of the Company. The Board is satisfied that the proposed business can be combined conveniently and advantageously with the existing business of the Company.

Section 149 (2A) of the Companies Act 1956, requires that the members of the Company should approve, by a Special Resolution, of the commencement of any new business by the Company which is not germane to the business of which it was carrying on as on that date. The business which members are being requested to approve is within the scope of the Objects Clause of the Memorandum of Association of the Company and is contained in Sub Clause C of Clause III of the Memorandum of Association.

The Board feels that the proposed activities of the Company will prove to be useful and in the interest of the company and, therefore, recommends the Special Resolution proposed for the member's acceptance.

None of the Directors of the company is concerned or interested in any way in the Special resolution proposed to be passed.

By order of the Board  
For **HARYANA FIBRES LIMITED**  
Sd/-  
(Gyan Sheel)  
Company Secretary

Place : Delhi  
Date : 31/07/2007

**DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT IN  
THE FORTHCOMING ANNUAL GENERAL MEETING**

(Pursuant to Clause 49 of the Listing Agreement)

Name of the Director	Ms. Pooja Rastogi
Date of Birth	03/07/1973
Date of Appointment	03/03/2003
Expertise in specific functional areas	Business Administration
Qualifications	B.Sc.
List of companies in which outside Directorship held (excludes directorships in private limited companies)	Rajendra Seclease Ltd. Kautilya Infotech Ltd. NDR Hospitals Ltd. Kasi Ram Softech (India) Ltd.
Chairman/ Member of the committees of the Boards of other companies on which he/she is a Director	Rajendra Seclease Ltd. Kasi Ram Softech (India) Ltd.

**HARYANA FIBRES LIMITED****DIRECTORS' REPORT**

Dear Shareholders

The Directors of your Company have pleasure in presenting 14<sup>th</sup> Annual Report together with Audited Accounts for the year ended 31<sup>st</sup> March, 2007.

**FINANCIAL RESULTS***°(Rs. in Lacs)*

<b>PARTICULARS</b>	<b>For the Year Ended 31.03.2007</b>	<b>Previous Year Ended 31.03.2006</b>
Income (Sales & Other Income)	<b>459.31</b>	18.71
Profit / (loss) before Depreciation	<b>12.47</b>	(78.43)
Less : Depreciation	<b>1.79</b>	—
Less: Provision for Income Tax/ FBT	<b>1.25</b>	—
Profit / (Loss) after tax	<b>9.43</b>	(78.43)

**OPERATIONS**

The income of the Company for the period under review was Rs 459.31 lacs as against Rs 18.71 lacs in the previous year and the net profit after tax for the period under review was Rs. 9.43 lacs as against net loss of Rs. 78.43 lacs in previous year. Your company started its operations during the period under review and mainly concentrated on the trading business of different types of fabrics.

Your Company has proposed to diversify its business activity in the field of metals and minerals.

**DIRECTORS**

Ms. Pooja Rastogi, Director of the Company retires by rotation and being eligible offers herself for re-appointment. Your directors recommends her re-appointment.

**DIVIDEND**

In view of accumulated losses, your Directors regret their inability to recommend payment of dividend for the year.

**PUBLIC DEPOSITS**

The company has not accepted / invited any public deposits during the period under review and hence provisions of Section 58A & 58AA of the Companies Act, 1956 are not applicable to your Company.

**AUDITORS & AUDITORS REPORT**

M/s Agrawal Atul & Associates, Auditors of the Company hold office until the conclusion of ensuing Annual General Meeting and have offered themselves for reappointment. The Company has received the requisite certificate from them to the effect that their appointment, if made will be within the limits stipulated u/s 224 (1B) of the Companies Act, 1956.

The Report of the Auditors dated 28th June, 2007 is self-explanatory and requires no comments.

**COMPLIANCE WITH THE ACCOUNTING STANDARDS**

The Company prepares its accounts and other financial statements in accordance with the relevant Accounting Principles and also complies with the Accounting Standards issued by the Institute of Chartered Accountants of India.

**SUBSIDIARY COMPANY**

During the year all the investments in Maple eSolutions Ltd. were sold by the company and hence Maple eSolutions Ltd. ceased to be a subsidiary of the company.

During the year shareholding in Kautilya Infotech Ltd. was reduced to 53.86% equity shares by sale of 2.30 lacs equity shares of the company. However, Kautilya Infotech Ltd. continues to be a subsidiary company even after reduction in shareholding by your Company. In compliance of Section 212 of the Companies Act, 1956, the audited statements of accounts along with the report of the Auditors and Board of Directors of Kautilya Infotech Limited & Alchemist Metals Limited (Formerly known as TDT Copper Limited) are annexed to the Report.

**CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements, your Directors have pleasure in attaching the consolidated financial statements, which form part of the Annual Report and accounts.

**COMPANY BECAME SUBSIDIARY OF RAJENDRA SECLEASE LTD.**

During the year under review, on account of inter-se transfer of equity shares among promoters, your company became subsidiary of Rajendra Seclease Ltd. a registered NBFC Company.

## **HARYANA FIBRES LIMITED**

### **DEMATERIALIZATION OF SHARES**

Your company has entered into a tripartite agreement with the National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and Skyline Financial Services Pvt. Ltd. for maintaining a common share transfer agency, i.e. both in physical and electronic Form. The ISIN number of the Company is INE057D01016.

### **STOCK EXCHANGE LISTING**

The Equity shares of your Company are listed at:

- i) The Delhi Stock Exchange Association Ltd., (DSE), New Delhi
- ii) The Stock Exchange, (BSE), Mumbai.
- iii) The Jaipur Stock Exchange, Jaipur.

### **CORPORATE GOVERNANCE**

Yours Company is committed to maintain the highest standards of Corporate Governance. Your Directors adhere to the requirements set out by the Securities and Exchange Board of India's Corporate Governance practices and have implemented all the stipulations prescribed.

A separate report each on Corporate Governance and Management discussions and Analysis is given elsewhere in the annual report are annexed hereto as part of Annual Report along with Auditors' Certificate on its due compliance.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

- a. Conservation of Energy & Technology Absorption: Since the Company is not carrying on any manufacturing activity during the year under review as well as in the previous year, issues relating to conservation of energy & technology absorption are not quite relevant to it's functioning.
- b. Export Activities: There was no export activity in the Company during the year under review as well as in the previous year.
- c. Foreign Exchange Earnings and Outgo: There was no Foreign Exchange Earnings and outgo during the year under review as well as in the previous year.

### **PERSONNEL**

Provisions of Section 217(2A) of the Companies Act 1956, read with Companies (Particulars of Employees) Rules 1975, are not applicable to your Company as no employee of the Company is drawing remuneration equal to or more than the limit specified under Companies (Particulars of Employees) Rules, 1975.

### **DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that: -

1. All applicable accounting standards have been followed in preparing the Annual Accounts and material departures, if any, have been properly explained.
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent in respect to the Industry so as to give a true and fair view of the state of affairs of the Company and profit and loss account as at the date of Balance sheet.
3. The Directors have taken proper and sufficient care for;
  - a. Maintenance of adequate accounting records in accordance with the Companies Act, 1956.
  - b. Safeguarding the assets of the Company and
  - c. Preventing and detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts on a going concern basis.

### **APPRECIATION & ACKNOWLEDGEMENT**

Your Directors appreciate the valuable co-operation extended by the Company's Bankers & other Central and State Government departments, for their continued support and also place on record their wholehearted appreciation for your Company's employees at all levels. Your Directors also acknowledge with gratitude the backing of its shareholders.

### **CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Corporate Governance and Management Discussion and Analysis Reports are set out separately.

For and on behalf of Board of Directors

Sd/-

(Sudhish Kumar)  
Managing Director

Sd/-

(Neeraj Tiwari)  
Director

Place : New Delhi  
Date : 31/07/2007



**HARYANA FIBRES LIMITED****REPORT ON CORPORATE GOVERNANCE****COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The philosophy of the Company on Corporate Governance envisages, inter-alia, attainment of the highest levels of transparency, fairness, accountability and equity in all its actions and enhancement of shareholder value keeping in view the needs and interests of the stakeholders.

Your company believes that the Corporate Governance Code will enhance the growth of benefits to all the stakeholders. The Board, on a continuous basis, monitors implementation of decisions taken and at the same time provides a stable commercial environment to plan and execute strategy.

Your company has complied with the requirements of the code of Corporate Governance as implemented by the regulatory authorities in the year 2001. The Broad disclosures as required by the Stock Exchanges and other Regulatory Authorities are given below:

**I. BOARD OF DIRECTORS**

The Board of Directors of the Company consist of 4 Directors, the details are given below:

Names of Director	Category	Status
Mr. Sudhish Kumar	Managing Director	Executive Director
Ms. Pooja Rastogi	Director	Non-Executive Director
Mr. Neeraj Tiwari	Director	Independent
Mr. Vir Bhushan Rastogi	Director	Independent

A. None of the Directors of the Company has any pecuniary relationship or transaction with the Company.

**B. Board Meetings**

The Board meets at least once in every quarter, besides the meetings required to comply the statutory provisions of the Companies Act, 1956 and the rules made there under and the Listing Agreement of the various Stock Exchanges with which the share of the company are listed. The meetings are generally held at the registered office / Corporate office of the Company. The Notice and the Agenda for all meetings are delivered in advance to the Board members as a corporate practice.

During the period under review, the Board met Eight times.

**C. Board Committees**

Currently, the Board has four Committees viz. the Audit Committee, the Shareholders / Investor's Grievances Committee, Share Transfer Committee and Remuneration Committee.

The Board from time to time decides the terms of reference. Normally the meetings are held once in every Quarter.

**D. Number of Board Meetings, attendance at Board Meetings and previous Annual General Meeting:**

During the year under review, the Board met 8 times. The Annual General Meeting of the Company is held regularly every year within the stipulated period. The Attendance of Directors in the Board Meeting/AGM is given below:

Name of the Director	Board Meetings held During the Year: 08 Attended	13 <sup>th</sup> AGM held on 30 <sup>th</sup> September, 2006 Attended
Mr. Sudhish Kumar	8 (Eight)	Yes
Ms. Pooja Rastogi	6 (Six)	No
Mr. Neeraj Tiwari	8 (Eight)	Yes
Mr. Vir Bhushan Rastogi	2 (Two)	No

Dates of the Board Meetings during the last Financial Year : 29/06/06, 29/07/06  
05/09/06, 31/10/06  
30/11/06, 22/12/06  
31/01/07, 28/03/07

**BOARD COMMITTEES:****I. AUDIT COMMITTEE**

The Audit Committee of the Company was constituted pursuant to provisions of Cl. 49 (II) (D) of the Listing Agreement and Section 292A of the Companies Act, 1956



## **HARYANA FIBRES LIMITED**

The Committee comprises of following 4 Directors and Member Secretary.

Names	Category	Designation
Ms. Pooja Rastogi	Non-Executive	Director
Mr. Sudhish Kumar	Executive	Director
Mr. Neeraj Tiwari	Independent	Director
Mr. Vir Bhushan Rastogi	Independent	Director
Mr. Gyan Sheel	Member Secretary	Company Secretary

The Committee has powers and perform functions as envisaged under Section 292A of the Companies Act, 1956 and the listing agreement.

The Audit Committee has been vested with the following powers:

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

### **II. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE**

The Company constituted a shareholders/investors Grievance Committee to operate in terms of the provisions related thereto in the Listing Agreement of the Stock Exchange and / or the provisions as prescribed or as may be prescribed in this regard by the Companies Act, 1956.

The Committee comprises the following Directors and Member Secretary:

Ms. Pooja Rastogi	Member
Mr. Neeraj Tiwari	Member
Mr. Gyan Sheel	Member Secretary

This Committee reviews and takes all necessary actions for redressal of investor's grievances and complaints as may be required in the interest of the investors.

During the year, the Company did not received any investor complaints.

### **III. SHARE TRANSFER COMMITTEE**

In accordance with Clause 49 para VI (D) of the Listing Agreement of the Stock Exchanges, the Board has delegated the powers of share transfers to the Share transfer Committee consisting of the following members

Ms. Pooja Rastogi	Member
Mr. Neeraj Tiwari	Member
Mr. Gyan Sheel	Member Secretary

This Committee approves requests for share transfers, transmissions, transpositions, rematerialisation, split and duplicate shares etc.

### **IV. REMUNERATION COMMITTEE.**

In accordance with the provisions of Schedule XIII of the Companies Act, 1956 the Board has delegated the powers of approving the remuneration payable to managerial personnel. The Remuneration Committee consist of following members

Mr. Pooja Rastogi	Member
Mr. Sudhish Kumar	Member
Mr. Neeraj Tiwari	Member
Mr. Gyan Sheel	Member Secretary

### **DISCLOSURES**

Your Company does not have any materially significant transactions with any of the related parties i.e. Promoters, Collaborators, Directors.

### **CODE OF CONDUCT**

The Company's Board has laid down code of conduct for all Board Members and Senior Management of Company as required under Clause 49 of the Listing Agreement. All Board members and Senior Management Personnel have affirmed compliance with code of conduct. A declaration signed by the Managing Director to this effect is annexed to this Report.

The Company is in the process of developing its website.

## **HARYANA FIBRES LIMITED**

### **MEANS OF COMMUNICATION**

The Un-Audited Quarterly & Half yearly results are sent to all the Stock Exchanges, where the shares of the Company are listed. The results of the Company are published in one English daily Newspaper circulating substantially in India and one Regional Newspaper, i.e. Financial Express in English and Jansatta in Hindi.

### **REPORT ON CORPORATE GOVERNANCE**

Running report is on Corporate Governance.

### **COMPLIANCE**

A certificate dated 31/07/2007 obtained from the Statutory Auditor is annexed with the Annual Report and forms part of this report on Corporate Governance.

### **GENERAL SHAREHOLDERS INFORMATION**

#### **a. GENERAL MEETINGS (AGMs, EGMs & Class Meetings )**

Details of meetings held during the last three years are given below :-

Date	Time	Venue	Nature of Meeting
30 <sup>th</sup> Sep. 2006	12.30 P.M	64A, Adhyapak Nagar, Najafgarh Road Nangloi, New Delhi – 110 041	A.G.M
30 <sup>th</sup> Sep. 2005	12.00 P.M	64A, Adhyapak Nagar, Najafgarh Road Nangloi, New Delhi – 110 041	A.G.M
30 <sup>th</sup> Sep. 2004	12.00 P.M	64A, Adhyapak Nagar, Najafgarh Road Nangloi, New Delhi – 110 041	A.G.M

During the year ended 31st March 2007, there have been no resolutions passed by the shareholders through postal ballot.

- |                                               |                                                           |
|-----------------------------------------------|-----------------------------------------------------------|
| b. Date of forthcoming Annual General Meeting | 28th September, 2007.                                     |
| c. Financial Calendar                         | 1 <sup>st</sup> April to 31 <sup>st</sup> March.          |
| d. Period under review                        | 1 <sup>st</sup> April 2006 to 31 <sup>st</sup> March 2007 |
| e. Date of Book Closure                       | 20th Sept., 2007 to 21st Sept. 2007 (both days inclusive) |
| f. Dividend payment date                      | NOT APPLICABLE                                            |

#### **LISTING ON STOCK EXCHANGE:**

The Shares of the Company are listed on the following Stock Exchanges :

The Stock Exchange

Mumbai, BSE

Phiroze Jeejeebhoy Towers,

Dalal Street,

Mumbai

The Delhi Stock Exchange

Association Limited, DSE .

House, Asaf Ali Road,

New Delhi

The Jaipur Stock

Exchange Limited,

Stock Exchange

Building, JLN Marg ,

Malviya Nagar, Jaipur.

- |                      |                          |          |
|----------------------|--------------------------|----------|
| g. <b>Stock Code</b> | at Delhi Stock Exchange  | - 08132  |
|                      | at Mumbai Stock Exchange | - 531409 |
|                      | at Jaipur Stock Exchange | - 531409 |

#### **h. CEO/CFO CERTIFICATION**

Mr. Sudhish Kumar, Managing Director, who is carrying responsibility of CEO have given CEO certificate as per format prescribed under Clause No. 49 of the Listing Agreement to the Board at its meeting held on 31st July, 2007.

#### **i. REGISTRAR & SHARE TRANSFER AGENT**

The Company has engaged the services of M/s Skyline Financial Services Pvt. Ltd. as their Share Transfer Agents, Electronic & Physical, for processing the Transfers, Sub-division, Consolidation, and Splitting of Securities etc.

The Addresses of Registrar & Transfer agents are as under:

Skyline Financial Services Pvt. Ltd.

123, Vinoba Puri

Lajpat Nagar – II, New Delhi.

### **DEMATERIALIZATION OF SECURITIES & LIQUIDITY**

Presently, the Equity Shares of your Company are held both in Dematerialized and physical form and as on 31.03.2007 - 85.22 % of fully paid up share capital are held in electronic form.