



WELSPUN SYNTEX LIMITED

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24th
ANNUAL REPORT
2006 – 2007

WELSPUN SYNTEX LIMITED

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WELSPUN SYNTEX LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. G.R.GOENKA	CHAIRMAN
	Mr. B.K.GOENKA	VICE CHAIRMAN
	Mr. R.R.MANDAWEWALA	MANAGING DIRECTOR
	Mr. MURARILAL MITTAL	
	Mr. B.A.KALE	WHOLETIME DIRECTOR & CEO
	Dr. ANIL KANE	NOMINEE IDBI
	Mr. G.J. PRASAD	NOMINEE IFCI
	Mr. ATUL DESAI	
	Mr. RAJ KUMAR JAIN	
	Mr. M.K. TANDON	
COMPANY SECRETARY	Mr. K.N.KAPASI	
AUDITORS	MGB & CO., CHARTERED ACCOUNTANTS	
BANKERS	BANK OF BARODA, STATE BANK OF BIKANER & JAIPUR	
REGISTERED OFFICE	SURVEY NO.394 (P), VILLAGE SAILY, SILVASSA, UNION TERRITORY OF DADRA & NAGAR HAVELI	
CORPORATE OFFICE	KAMANI WADI, 1 ST FLOOR,542, JAGANNATH SHANKAR SHETH ROAD, CHIRA BAZAR, MUMBAI – 400 002. EMAIL : welspun@bom5.vsnl.net.in WEBSITE : www.welspunsyntex.com	
FACTORY	SURVEY NO.394 (P), VILLAGE SAILY, SILVASSA, UNION TERRITORY OF DADRA & NAGAR HAVELI PLOT NO.14/15, DEWAN INDUSTRIAL ESTATE, PALGHAR, DISTRICT THANE, MAHARASHTRA	
LISTING OF SHARES	THE STOCK EXCHANGE, MUMBAI Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai 400 001	

WELSPUN SYNTEX LIMITED**WELSPUN SYNTEX LIMITED****STAND ALONE**

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WELSPUN PLASTICS PRIVATE LIMITED**SUBSIDIARY**

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DIRECTORS' REPORT

To,
The Members,
WELSPUN SYNTEX LIMITED

Your Directors hereby present the Twenty-fourth Annual Report together with Audited Statement of Accounts of the Company for the year ended 31st March 2007.

FINANCIAL RESULTS AND APPROPRIATIONS:

(Rs. in lacs)

	2006-2007	2005-2006
Gross Profit/Loss before Depreciation, Provision for Impairment loss & Finance Expenses	1489.82	3693.26
Less: Finance Expenses	761.58	649.75
Depreciation	993.76	1581.56
Provision for Impairment loss	5731.55	0
Profit/Loss before tax	(5997.07)	1461.95
Provision for tax – Current Tax	0	43.75
Deferred Tax	0	886.07
Fringe Benefit Tax	6.77	5.20
Profit after tax	(6003.84)	526.93
Profit brought forward	1801.85	1341.70
Transfer to Capital Redemption Reserve	226.59	66.78
Profit carried to Balance Sheet	(4428.58)	1801.85

In view of losses incurred during the year, no dividend is recommended.

OPERATIONS

During the year under review, sales / services and Gross Profit/Loss before Interest, Impairment Loss and Depreciation were of Rs.26762.59 lacs and Rs.1489.82 lacs respectively as compared to Rs.26713.41 lacs and Rs.3693.26 lacs respectively for the previous year.

Cost of production particularly power and raw materials prices have increased which were major reasons for incurring losses during the year under review. The Company has taken various steps for proper utilization of power and to reduce other cost of production during the current year.

Due to lack of profit margin in local market, your Company concentrated on export market during the financial year. Exports were of Rs.6909.00 Lac as compared to Rs.4167.62 lacs of previous year, registering growth of 66%.

EXPANSION

The Company has expanded its texturising capacity by installing Texturising Machinery with total installed capacity of 12542 M.T. p.a.

The Company is further planning to install Mono Texturising Machines and Texturising Machines during the current year at an estimated project cost of Rs.10 crore. This will be financed by Term loans from Banks.

DIRECTORS RESPONSIBILITY STATEMENT:

- In the preparation of the annual accounts, applicable accounting standards have been followed, with proper disclosure of any departures except AS 28 relating to Impairment of Assets. However, the Company will ensure compliance during the current year.
- The accounting policies are consistently applied and reasonable, prudent judgement and estimates are made 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 or loss of the Company for that period.

- That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That the directors have prepared the accounts on a going concern basis.

DIRECTORS

Shri V.L.Bhutra, Director (Operations) has resigned with effect from 2nd May,2007. The Board appreciated services rendered by him during the tenure of his office of Director.

Shri B.A.Kale is appointed as a whole-time director and Chief Executive Officer of the Company with effect from 2nd May,2007. He holds office upto the date of ensuing 24th Annual General Meeting. The Board has recommended his appointment as a director as well as whole-time director and Chief Executive Officer of the Company.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri Murarilal Mittal, Shri M.K. Tandon and Shri Raj Kumar Jain, retire by rotation at the 24th Annual General Meeting and being eligible have offered themselves for reappointment.

Board has recommended their appointments.

AUDIT COMMITTEE

Constitution of Audit Committee is mentioned in Corporate Governance Report as enclosed.

PUBLIC DEPOSITS

The Company has not accepted deposits during the year within the meaning of Section 58A of the Companies Act, 1956 read with The Companies (Acceptance of Deposit) Rules, 1975.

AUDITORS

Your Company's Auditors, M/s. MGB & Co, Chartered Accountants retire at the ensuing Annual General Meeting and being eligible, have given their consent to act as Auditors of the Company. Members are requested to consider their reappointment as the Auditors of the Company for the current year and to fix their remuneration.

CORPORATE GOVERNANCE

A separate report on Corporate Governance is annexed hereto as a part of this Report. Management Discussion and Analysis Statement is separately given in the Annual Report. A certificate from the Auditors of the company regarding compliance of conditions of Corporate Governance as prescribed under Clause 49 of the Listing Agreement is attached to this report.

IMPAIRMENT OF ASSETS

The Company appointed recognized valuer for valuation of Fixed Assets for determining fair value of fixed assets of the Company. As per their report, the Company has to decrease value of Fixed Assets by Rs.57.32 crore. The Company has therefore provided for impairment of assets of Rs.57.32 crore being the difference between the written down value of Fixed Assets and recovery value i.e. net selling price determined based on the valuation of the Chartered Engineer.

WELSPUN SYNTEX LIMITED**AUDITORS' REPORT**

Please refer to Auditors' Observations relating to Note No. 11 of Notes on Accounts and we state that the Company is in the process of executing documents to transfer land and building in the name of the Company. The Company is in possession of land and building located at village Saily, Silvassa, U.T. of Dadra and Nagar Haveli without any interference for more than ten years.

We refer to Para 5 (f)(ii) Auditors' Report relating to Depreciation on impaired assets not provided with reference to residual useful life of assets as per AS 28 resulted in under statement of depreciation and loss thereof amount unascertained.

We state that the company will ensure compliance of AS 28 during the current year.

References drawn by the auditors in their report other than mentioned above are self-explanatory.

SUBSIDIARY COMPANY

The Statement pursuant to section 212 of the Companies Act, 1956 in respect of subsidiary company is annexed to the Report. Balance Sheet of the subsidiary company as at 31st March, 2007 and Profit & Loss Account for the year ended on that date together with Directors' Report and Auditors thereon

are attached to this Report

THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

In terms of the above Rules, your Directors are pleased to give the particulars as prescribed therein in the Annexure, which forms a part of the Directors' Report.

PARTICULARS OF EMPLOYEES

Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules 1975 forms part of this report.

APPRECIATION

Your Directors take this opportunity to express gratitude for valuable assistance and co-operation extended to the Company by Financial Institutions, Employees, Commercial Banks and other authorities.

For and on behalf of the Board of Directors

R.R.Mandawewala
Managing Director

B.A.Kale
Wholtime Director & CEO

Place : Mumbai
Date : 29-06-2007

ANNEXURE 'B'**ANNEXURE TO THE DIRECTORS' REPORT**

I) INFORMATION UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2007.

REMUNEARTION RECEIVED BY EMPLOYEE FOR A PART OF THE YEAR:

Name	Designation/ Nature of duties	Remuneration received	Educational Qualification	Experience in years	Date of commencement of employment	Age	Last employment before joining the company
1	2	3	4	5	6	7	8
S.K.Agarwal	President	12,49,134	B.Tech (Chemical)	34	01.05.1998	56	M/s.Orkay Polyesters, Patalganga

NO EMPLOYEE RECEIVED Rs.24,00,000/- PER ANNUM THROUGHOUT THE YEAR.

Notes:

- 1 Gross remuneration comprises salary & allowances.
- 2 The nature of employment is contractual.
- 3 Above mentioned employee is not a relatives of any Directors of the Company.



MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE, SCENARIO & DEVELOPMENT

Indian economy grew a whopping 9.5% in 2006-07 pushing the absolute size of the economic to Rs.40 lacs crore or \$ 1 trillion at current market prices.

Investment in textile sector increased due to TUF Scheme made operational for the textile and is further expected to increase due to its further extension by 5 years to 2012. Custom duty on import of POY has decreased from 10% to 7.5%.

Supply of Polyester Filament Yarn in domestic market has increased as compared to its demand during the financial year 2006-07. POY production continue to rise in the current year. While international prices increased marginally, domestic price showed a slight declined given the increased availability.

Rupee appreciation as compared to USD has affected quantum of exports and margins.

Moreover, due to Rupee appreciation exports have started offloading into domestic market thus creating a surplus in the market.

OPPORTUNITY AND THREATS

The Company made more of Speciality yarn. Large spinners have now shifted to value added Speciality yarn, since commodities products are not profitable. As a result margin of profits on Speciality yarn are further reduced.

Extension of TUF Scheme by further 5 years to 2012 has opened opportunity for further expansion, modernisation in the Textile Sector.

PRODUCT WISE PERFORMANCE

The Company manufactures Partially Oriented Yarn (POY), Texturised yarn/ Dyed yarn.

Annual turnover of POY were of Rs. 8710.68 Lacs as compared to Rs. 10374.32 Lacs of previous year and of Texturised Yarn/ Dyed yarn were of Rs. 19268.86 Lacs as compared to Rs. 18937.34 Lacs of previous year.

OUTLOOK

With expected growth in Manufacturing and Service sector, overall demand as well as per capita textiles consumption is likely to be improved.

RISKS & CONCERNS

Additional capacities in the industry cause pressure on sales and margins.

However, the company expects to mitigate the impact of risks and concerns since the company concentrates on Specialty yarns, High quality and development of new products constantly.

ADEQUACY OF INTERNAL CONTROL SYSTEM

Welspun has a proper and adequate system of internal controls to ensure that all assets are safeguarded, and protected against loss from unauthorised use or disposition and that transactions are authorised, recorded and reported correctly.

The Company has internal audit system, which covers cost saving aspects, system and procedure improvement. Such reports are regularly reviewed by the management and corrective measures are timely taken for improving efficiency.

DISCUSSION ON FINANCIAL PERFORMANCE

During the year, sales and services were of Rs. 26762.59 Lacs as against Rs.26713.41 Lacs in the previous year. The Company has incurred losses of Rs. 6003.84 Lacs as against net profit of Rs.526.93 Lacs during the previous year.

HUMAN RESOURCES

During the year under review, your Company continued its concern for development of its personnel through various training programmes. Besides, Management has laid special emphasis on strengthening HR activities for all levels in the Organisation.

Industrial relations during the year were cordial.

WELSPUN SYNTEX LIMITED

FORM A
 (SEE RULE 2)

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

	Current Year 2006-2007	Previous Year 2005-2006
A. POWER AND FUEL CONSUMPTION		
1 ELECTRICITY		
(A) PURCHASED UNIT (IN '000S)	70935.93	68192.75
TOTAL AMOUNT (Rs IN LACS)	2102.73	1911.52
RATE/UNIT (Rs)	2.96	2.80
(B) OWN GENERATION		
(I) THROUGH DIESEL GAS GENERATOR		
UNITS (IN '000S)	957.81	415.21
UNITS PER Ltr. OF DIESEL OIL	3.69	3.37
COST/UNIT (Rs.)	8.12	7.95
(II) THROUGH STEAM TURBINE / GENERATOR	NIL	NIL
2 COAL (SPECIFY QUALITY AND WHERE USED)	NIL	NIL
3 FURNACE OIL		
QUANTITY (K. Ltrs.)	391.30	198.11
TOTAL AMOUNT (Rs. IN LACS)	74.05	29.92
AVERAGE RATE (K. Ltrs.)	18924.97	15103.02
4 OTHERS/INTERNAL GENERATION	NIL	NIL

B. CONSUMPTION PER UNIT OF PRODUCTION

	Standards	Current Year	Previous Year
PRODUCTS (With Details)			
UNITS	—	Kg.	Kg.
ELECTRICITY	—	5.00	4.32
FURNACE OIL	—	—	—
COAL (Specify Quality)	—	—	—
OTHERS (Specify)	—	—	—

FORM B
 (SEE RULE 2)

**FORM FOR DISCLOSURE OF PARTICULARS WITH
RESPECT TO ABSORPTION**
Research and Development (R&D)

- | | |
|--|--|
| 01 Specific areas in which R&D is Carried out by the Company | - Development of Special types of Yarn |
| 02 Benefit derived as a result of the above R&D | - New qualities were introduced. |
| 03 Future plan of action | - Development of new products |
| 04 Expenditure on R&D | |
| (a) Capital | - NIL |
| (b) Recurring | - NIL |
| (c) Total | - NIL |
| (d) Total R&D expenditure as a percentage of total turnover | - NIL |

Technology absorption, adaptation and Innovation.

- | | |
|---|--|
| 01 Efforts, in brief made towards technology | - Quality and performance of 300/10 SD Mother yarn are improved and supplied in bulk quantity for local market |
| 02 Benefits derived as a result of the above efforts, etc. Product improvement, cost reduction, product development, imports substitution | - The above product will given lower production cost, improvement in quality and better realization. |
| 03 In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished: | - N.A: |
| (a) Technology imported | |
| (b) Year of import | |
| (c) Has technology been fully absorbed? | |
| (d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action. | |

Foreign exchange earnings and outgo

- | | |
|--|--|
| 01 Activities relating to exports, initiatives taken to increase exports; development of new export markets for products and services and export plans | - We have been successful in developing and establishing new customers in market like USA, Mexico, Turkey, Egypt, Argentina, Venezuela and Peru. |
| 02 Total foreign exchange used and earned | |
| Used | : Rs. 4342.76 lacs |
| Earned (FOB Value) | : Rs. 6498.04 lacs |



CORPORATE GOVERNANCE REPORT FOR THE YEAR FROM APRIL 1, 2006 TO MARCH 31, 2007

Annexure to the Directors' Report

A. COMPANY'S PHILOSOPHY

Welspun Syntex Limited believes that for a company to succeed on a sustained basis, it must maintain global standards of corporate conduct towards its employees, shareholders, consumers and society.

The primary objective is to create and adhere to a corporate culture of conscience and consciousness, transparency and openness.

B. BOARD OF DIRECTORS

(i) Composition

Present strength of the Board of Directors is 10. Details of composition of the existing Board of Directors is given below:

Sr. No.	Name of the Director	Category	No. of Other Directorship In. Public Limited Companies	Membership in Board Committee of other Companies	No. of Board Meetings Attended (01/04/06 to 31/03/07)	Attendance at last AGM
1.	Mr. G.R. Goenka	P,NE,S,C	3	NI	NI	No
2.	Mr. B. K. Goenka	P,S,NE	10	1C/3M	6	No
3.	Mr. R. R. Mandawewala	P,E	2	1C/3M	6	No
4.	Mr. Murarilal Mittal	NE	7	1C/2M	7	Yes
5.	Dr. Anil Kane (Nominee of IDBI)	I,N	3	NI	6	No
6.	Mr. Raj Kumar Jain	I	2	1C	8	Yes
7.	Mr. Atul Desai	I,S	3	1C/3M	7	Yes
8.	Mr. M. K. Tandon	I	3	2C/2M	6	No
9.	Mr. G.J. Prasad (Nominee of IFCI)	UN	3	1M	5	No
10.	Mr. V. L. Bhutra *	E	1	NI	5	Yes

* Resigned w.e.f 02.05.2007 and Mr. B.A. Kale appointed as a Whole-time director and CEO w.e.f.02.05.2007.

NOTE: For the purpose of counting Membership in Board Committee of other Companies, Chairmanship/ Membership of the Audit Committee and the Share Transfer And Investor Grievance Committee alone are considered.

Abbreviations:

P = Promoter, E = Executive Director, NE = Non Executive Director, I = Independent Non Executive, N = Nominee Director, S = Shareholders, C = Chairman, M = Member

(ii) Details of Date of Board Meeting - Meeting of the Board of Directors were held during the financial year 2006-07 i.e. 29/05/2006, 29/06/2006, 31/07/2006, 8/09/2006, 28/10/2006, 7/11/2006, 13/11/2006, 31/01/2007

C. COMMITTEES OF THE BOARD

The Committee constituted by the Board as on date are mentioned below

1. AUDIT COMMITTEE

The Audit Committee consists of the following 4 Independent Non-Executive Directors as on 31.03.2007

a. Raj Kumar Jain - Chairman

b. Atul Desai - Member
c. M.K.Tandon - Member
d. G.J. Prasad - Member

The Secretary of the Company also acts as a Secretary to the Committee.

Terms of Reference:

The terms of reference stipulated by the Board of Directors to the Audit Committee are as contained under clause 49 of the Listing Agreement.

FIVE meetings of Audit Committee of Board of Directors were held on 29/05/2006, 29/06/2006, 31/07/2006, 28/10/2006 and 31/01/2007. The details of Attendance of Members of audit committee are as follows:

Sr. No.	Name of the Member	Designation	Number of Meetings Attended (01/04/2006 to 31/03/2007)
1.	Raj Kumar Jain	Chairman	5
2.	Atul Desai	Member	4
3.	M. K. Tandon	Member	3
4.	G. J. Prasad	Member	3

2. SHARE TRANSFER AND INVESTOR GRIEVANCE COMMITTEE

1. Atul Desai - Chairman
2. B. K. Goenka - Member
3. R. R. Mandawewala - Member
4. Murarilal Mittal - Member

Terms of Reference:

Approval of Share Transfer deeds, transmission, transposition and issue of share certificates including duplicate, split, sub divide or consolidated and all related matters, to look into redressing of share holders and investors complaints.

Name and designation of Compliance Officer: K.N.Kapasi- Company Secretary

Meetings of Share Transfer and Investor Grievance Committee were held three times during the period under review and they were held on 31/07/2006, 15/02/2007, 31/03/2007.

The details of attendance of the members of the meeting of the said committee are as follows:

Sr. No.	Name of the Member	Designation	No. of Meetings Attended
1.	Mr. Atul Desai	Chairman	2
2.	Mr. B. K. Goenka	Member	1
3.	Mr. R. R. Mandawewala	Member	0
4.	Mr. Murarilal Mittal	Member	3

Number of Shareholders complaints received during the year: During the Year under review total 4 Investor complaints were received. Break-up of number of complaints received under different category is given hereunder:

1. Name Correction

- 2

2. Others (Specify) Non Receipt of Annual Report - 2

All the complaints received during the year under review were solved within the time limit to the satisfaction of the investors/ shareholders and no complaint is pending as at 31st March 2007 for a period over 30 days.

The dematerialized shares are directly transferred to the beneficiaries by the depositories.

3. REMUNERATION COMMITTEE

Remuneration Committee of the Board of Directors of the Company consists of the following members:

- | | | |
|--------------------------|---|----------|
| 1. Mr. Raj Kumar Jain | - | Chairman |
| 2. Mr. Atul Desai | - | Member |
| 3. Mr. B. K. Goenka | - | Member |
| 4. Mr. R. R. Mandawewala | - | Member |

No meeting of Remuneration Committee was held during the Financial Year 2006-2007.

Terms of Reference

To recommend payment of Remuneration to Whole-time Director and Managing Director from time to time.

The details of Remuneration paid/due during the period under review are mentioned below:

	Mr. R. R. Mandawewala (Managing Director)	Mr. V. L. Bhutra (Director- Operations)
	AMOUNT (Rs.)	AMOUNT (Rs.)
BASIC	12,00,000	7,59,840
HRA	3,00,000	3,03,936
SPL.ALLOWANCE	NIL	2,05,164
BONUS/EXGRATIA	NIL	63,295
LTA	NIL	NIL
TELEPHONE	NIL	18000
MEDICAL	NIL	15000
COMMISSION	NIL	NIL
TOTAL	15,00,000	13,65,235
OTHER TERMS		
NOTICE PERIOD	3 MONTHS	3 MONTHS
SERVICE CONTRACT	UPTO 31.05.2010	RESIGNED W.E.F. 2.05.2007
STOCK OPTION	NIL	NIL
SEVERANCE FEES	NIL	NIL

The details of sitting fees paid to Non Executive Directors of the Company are given below:

Name of Director	Sitting Fees Paid for attending meeting of Board of Directors / Audit Committee
Mr. Raj Kumar Jain	Rs.45000
Dr. Anil Kane	Rs.24000
Mr. Atul Desai	Rs.37000
Mr. M.K. Tandon	Rs.34000
Mr. G.J. Prasad	Rs.29000

Remuneration Policy

All fees/compensation if any, paid to non executive directors, including independent directors shall be fixed by the Board

of Directors and shall require previous approval of shareholders in general meeting, if required pursuant to Provisions of Companies Act, 1956 and provision of Listing Agreement with Bombay Stock Exchange Limited.

D. GENERAL BODY MEETING

The last three Annual General Meeting were held as under:

Financial Year	Date	Time	Place
2003-2004	29/09/2004	11.00 a.m.	Survey No. 394(P), Village Saily, Silvassa (U. T. of Dadra & Nagar Haveli)
2004-2005	24/09/2005	3.00 p.m.	Survey No. 394(P), Village Saily, Silvassa (U. T. of Dadra & Nagar Haveli)
2005-2006	14/09/2006	11.30 a.m.	Survey No. 394(P), Village Saily, Silvassa (U. T. of Dadra & Nagar Haveli)

Special Resolution passed in the previous 3 Annual General Meetings

Financial Year	Date	Special Resolution passed
2003-2004	29/09/2004	Re-Appointment of Statutory Auditors under section 224A of the Companies Act, 1956
2004-2005	24/09/2005	Re-Appointment of Statutory Auditors under section 224A of the Companies Act, 1956
2005-2006	14/09/2006	Re-Appointment of Statutory Auditors under section 224A of the Companies Act, 1956

There was no occasion to pass Special Resolution through postal ballot on any of the matters specified under Clause 49 of the Listing Agreement.

Further no such proposal is proposed to be placed for the shareholders approval in the forthcoming Annual General Meeting.

E. DISCLOSURES

Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the company at large.

- Related party transactions: Please refer to the Note no. 14 of schedule 17 of the Annual Report.
- Details of non compliance by the Company, penalties, strictures imposed on the company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital market during the last 3 years: Nil.

Details of Compliance of the mandatory and non mandatory clauses of this clause

- Basis of Related Party transactions** - Complied in Audit Committee meeting and Board Meeting held during the year.
- Disclosure of Accounting Treatment** - Accounting standards have been followed except AS 28 relating to impairment of assets as mentioned in para 5(f) (ii) of auditors report. However the Company will ensure compliance in the current year.