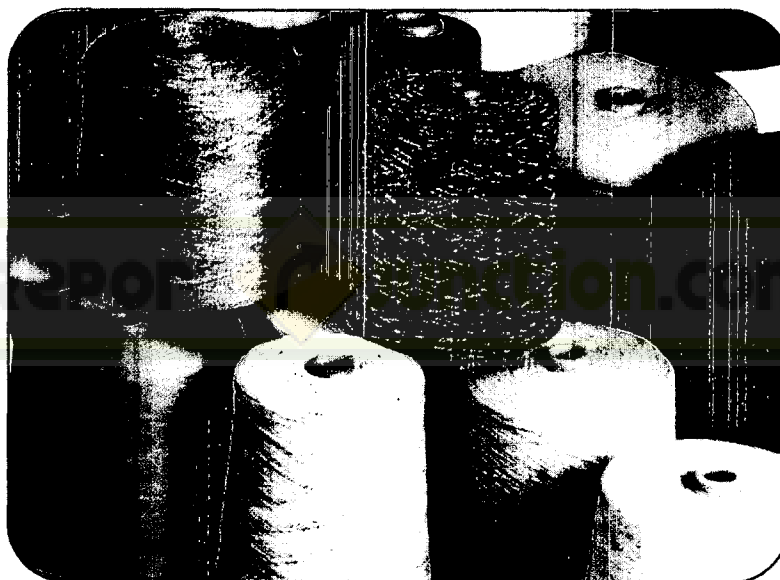




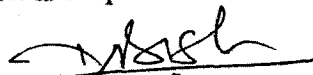
Quality you can depend on



Bhilwara Spinners Limited

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For Bhilwara Spinners Ltd.


Company Secretary

Annual Report 2007-2008



PROUD TO BE INDIAN
PRIVILEGED TO BE GLOBAL

LNJ Bhilwara Group Companies



Group Brands





Chartered True Copy

Bhilwara Spinners Ltd.

Bhilwara Spinners Limited

Regd. Office : 26, Industrial Area, Bhilwara - 311 001, Rajasthan

NOTICE

Notice is hereby given that the twenty seventh Annual General Meeting of the Members of the Company will be held on Friday, the 26th day of September, 2008 at 11:00 A.M at the Registered Office of the Company at 26, Industrial Area, Bhilwara - 311 001, Rajasthan, to transact the following Business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 and Profit and Loss Account for the period ended on that date and Report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ravi Jhunjunwala, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. B. N. Fitkariwala, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration and for that purpose to consider and if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 224 of the Companies Act, 1956 and other applicable provisions, if any, for the time being in force, M/s. KSMN & Co., Chartered Accountants, New Delhi, the retiring Auditors of the Company be and are hereby reappointed as Auditors of the Company to hold office from conclusion of this meeting until the conclusion of next Annual General Meeting of the Company on a remuneration to be fixed by the Board of Directors plus out of pocket expenses as may be incurred by them for the purpose of Audit."

SPECIAL BUSINESS

5. To consider and if thought fit, to pass, with or without modifications, the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT

- a) pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII, the approval of the Members be and is hereby accorded to the revision of the terms and conditions of appointment of Mr. R. N. Gupta, Managing Director of the Company with effect from 1st April, 2008 on the remuneration as set out in the Explanatory Statement annexed hereto.
- b) The Board of Directors of the Company be and is hereby also authorised to :
 - i) Agree to such increase or decrease or variations, modifications or amendments in the terms of remuneration set out in Explanatory Statement annexed hereto as considered reasonable by the Board and acceptable to Mr. R. N. Gupta.
 - ii) Take all such steps and actions as may be considered necessary by the Board for the purpose of implementing this resolution."

By order of the Board
for **Bhilwara Spinners Limited**

Place : Noida (U. P.)
Date : 14th August, 2008

Manoj Prasad Singh
Company Secretary

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than forty eight hours before the meeting.
2. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of business under item No. 5 and relevant details in respect of item Nos. 2 and 3 pursuant to Clause 49 of the Listing Agreement are annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from the 19th September, 2008 (Friday) to the 26th September, 2008 (Friday) (both days inclusive).
4. Members are requested to:
 - (i) Quote their Folio No. / Client ID No. in all correspondence with the Company.
 - (ii) Notify immediately to the Company all changes with respect to their bank details, mandate, nomination, Power of Attorney and Change of Address. Members holding Shares in electronic form should send their requests regarding the same to their respective Depository Participants.
5. Members seeking any information/ clarification with regard to accounts and audit are requested to write to the Company at an early date, to reach the Company at least seven days prior to the date of meeting, so as to enable the Management to keep the information/ clarification ready.
6. Members who are holding Company's shares in electronic form are required to bring details of their Depository Account Number viz. DP ID, Client ID for identification.
7. Members may please note that the unclaimed dividends for the financial years 1994-95 and 1995-96, 1996-97 and 1997-98 have already been transferred to the Investor Education and Protection Fund. No claims for dividends can be made for these years.

Unclaimed/Unpaid Dividend for the financial year ended 31st March, 1994 has been transferred to General Revenue Account of the Central Government in accordance with the earlier requirements. The Shareholders who have so far not claimed or collected their Dividend of the aforesaid financial year may claim their Dividend from the Registrar of Companies, Rajasthan, Kartarpura Industrial Area, Jaipur, Rajasthan.

ANNEXURES TO NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****Item No. 5**

In view of the recent increase in the salary structures of managerial persons in the industry, it is considered appropriate to revise the remuneration of Mr. R. N. Gupta, Managing Director of the Company. Thus, the Board of Directors of the Company decided to pay the remuneration to Mr. R. N. Gupta, Managing Director at the revised terms and conditions of his appointment with effect from 1st April,

2008. The revised terms, which have already been approved by the Board of Directors and the Remuneration Committee, are as under :

1. Salary :

	For period from the 1st April, 2007 to the 31st March, 2008	For remaining period from the 1st April, 2008 to the 31st March, 2010
Basic Salary per month	Rs. 1,35,000 per month with annual increase of Rs. 7,500 thereafter	Rs. 1,80,000 per month with annual increase of Rs. 21,600 thereafter

The other terms for the entire period of appointment are:

2. Commission : Not more than 1% of the net profits of the Company as computed in the manner laid down in Section 309(5) of the Companies Act, 1956.
3. Perquisites : In addition to salary and commission, Mr. R. N. Gupta shall be entitled to the following perquisites:

Category 'A'

i) Housing :

- a) The expenditure incurred by the Company on hiring unfurnished accommodation for him shall be subject to a ceiling, namely (for residence in Delhi/outside Delhi), 60% of the salary, over and above 10% payable by him, or
- b) In case the accommodation is owned by the Company, 10% of the salary shall be deducted by the Company, or
- c) In case no accommodation is provided by the Company, a house rent allowance subject to a ceiling laid down in (a) above shall be paid.

The expenditure incurred by the Company on Gas, Electricity, Water and furnishing shall be valued as per Income Tax Rules, 1962 and will be subject to a ceiling of 10% of the salary.

ii) Medical Reimbursement :

Expenditure incurred for the Managing Director and his family, subject to a ceiling of one month's salary in a year or three months salary over a period of three years.

iii) Leave Travel Concession :

For the self and family once in a year incurred in accordance with the rules specified by the Company.

iv) Club fees :

Fees for clubs subject to maximum of two clubs will be allowed. This will not include admission and life membership fees.

v) Personal Accident Insurance :

Of an amount, the annual premium of which not to exceed Rs.10,000/-.

For the purpose of this category "family" means the spouse, the dependent children and dependent parents.

Category 'B'

i) Provident Fund :

Company's contribution to Provident Fund shall be as per the scheme of the Company.

ii) Superannuation/Annuity Funds :

Company's contribution to Superannuation/Annuity fund shall be in accordance with the scheme of the Company.

iii) Gratuity :

As per the rules of the Company, payable in accordance with

the approved fund at the rate of half a month's salary for each completed year of service.

Category 'C'

i) Car :

Provision of car for use on Company's business. Use of car for private purpose shall be billed by the Company.

ii) Telephone :

Telephone at residence. Personal long distance calls shall be billed by the Company.

MINIMUM REMUNERATION

Notwithstanding anything to the contrary hereinabove contained, where, in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or has inadequate profits, the Company will pay remuneration to the Managing Director by way of salary, perquisites and allowances not exceeding the sum specified in Para 1(B) of Section II of Part II of the Schedule XIII to the Companies Act, 1956.

Information pursuant to the Para 1(B) of Section II of Part II of Schedule XIII to the Companies Act, 1956 is detailed hereunder:

I. General Information :

1. Nature of Industry

The Company is in the business of manufacturing textiles, primarily in the business of synthetic blended yarn.

2. Date or expected date of commercial production

Subsequent to the incorporation of the Company on 7th June, 1980, the Company started operation of spinning mill on 28th March, 1983.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus

Not Applicable

4. Financial performance based on given indicators

The financial performance of the Company during the previous three financial years is as under:

(Rs. in lac)

Particulars	Financial year ended 31st March, 2008 (12 months)	Financial year ended 31st March, 2007 (12 months)	Financial year ended 31st March, 2006 (6 months)
Sales	8,501.32	9,441.94	5,621.24
Other Income	54.07	302.13	36.21
Profit before Depreciation	406.60	349.16	65.92
Depreciation	307.45	323.09	165.85
Profit before Tax	99.15	26.07	(99.93)
Provision for Tax			
- Current Tax	11.82	2.55	78.89
- Fringe Benefit Tax	3.18	3.62	-
- Deferred Tax	(14.79)	30.92	(31.45)
Net Profit after Tax	98.94	(11.02)	(147.37)

5. *Export performance and net foreign exchange collaborations*
During the financial year ended 31st March, 2008 and 31st March, 2007, the Company did not export any goods and thus no foreign exchange was earned.

6. *Foreign investments or collaborators, if any*
The Company does not have any foreign investments or collaborations.

II. Information about the appointee :

1. Background details

Mr. R. N. Gupta, aged 69 years, holds Diploma in Textiles. He has more than 48 years experience in the field of Textiles. He was appointed as Director of the Company on 24th December, 1988.

Since his appointment as Managing Director, he has successfully overseen completion of re-structuring of the operations of the Company; modernization and up-gradation of production processes, etc.

He is also non executive Director on the Board of BSL Limited.

2. Past Remuneration

A comparison of past remuneration and the proposed remuneration is given below:

Particulars	For period from the 1st April, 2007 to the 31st March, 2008	Proposed for remaining period from the 1st April, 2008 to the 31st March, 2010
Basic Salary	Rs. 1,35,000 per month with annual increase of Rs. 7,500 thereafter	Rs. 1,80,000 per month with annual increase of Rs. 21,600 thereafter

All other terms of appointment remain unchanged as stated above in this explanatory statement.

3. Recognition or awards

Mr. R. N. Gupta was nominated as President of Mewar Chamber of Commerce and Industry, Bhilwara and Vice President of Rajasthan Chamber of Commerce and Industry, Jaipur during 1994 to 1998.

4. Job profile and his suitability

Being the Managing Director, he is overall in-charge of the affairs of the Company, subject to superintendence, control and direction of the Board of Directors, and accordingly, the day to day management and administration is vested in him.

Taking into account Mr. Gupta's qualifications and prior experience, an industry comparison with similarly situated managerial personnel and the responsibilities placed on him as Managing Director of the Company, and in view of his contribution to the Company since his appointment, the Board considers his revised remuneration to be in the best interests of the Company. The Board is confident that Mr. Gupta's management capabilities will enable the Company progress further.

5. Remuneration proposed

As set out above in the explanatory statement. The revised remuneration to Managing Director has the approval of the Board and Remuneration Committee.

6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details with reference to the country of his origin)

The Company has a paid up capital of nearly Rs. 6.79 crore, and is presently listed on Bombay Stock Exchange Limited with

approximately 9,000 shareholders. It is in the business of Manufacturing Textiles. Considering the size of the Company, the profile of Mr. Gupta and the responsibilities shouldered by him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial position in other Companies.

7. Pecuniary Relationship directly or indirectly with the Company or relationship with the managerial personnel, if any

Excepting the payment of remuneration for his services as Managing Director, as approved and detailed hereinabove, he has no other pecuniary relationship with the Company. Mr. Gupta is not related to any Director of the Company.

III. Other Information:

1. Reasons for loss or inadequate profits

The Company's financial performance has been steadily improving and for the year ended 31st March, 2008, the Company earned profit before Tax of Rs. 99.15 lac, as compared to Profit before Tax of Rs. 26.07 lac for the financial year ended 31st March, 2007. Despite improvement in performance over the previous year, the Company does not have adequate profits in terms of Section 198 read with Section 309 of the Companies Act, 1956.

The main reasons for the inadequate profits of the Company for the year ended 31st March, 2008 are principally on account of the high fuel cost and continuous rise in Viscose fibre rates due to world wide shortage and reduction in export incentives by the Central Govt.

2. Steps taken or proposed to be taken for improvement

With a view to improve operational performance, the Company was advised to carry out long term techno-economic viability of the Mills. NITRA was appointed as consultant to carry out the study, who recommended to reduce very old and economically as well as technically non viable Spindles having low productivity and higher cost of production. Based on their recommendation, the Company has reduced the installed Capacity to 18,496 Spindles.

With the steps taken by the Management for improving product mix, controlling operating cost and better operational efficiencies, the performance of the Company is likely to further improve in coming years.

3. Expected increase in productivity and profits in measurable terms

The Company has taken initiatives to improve the profitability of the Company and will continue in its endeavour to improve performance. As certain constraints can be addressed only over a period of time, the management expects reasonable increase in productivity, revenues and profits over a period of time.

The revision of terms and conditions of appointment of Mr. R. N. Gupta, Managing Director of the Company requires the approval by the Company in general meeting by special resolution in accordance with the relevant provisions of the Companies Act, 1956 read with Para 1(B) of Section II of Part II of the Schedule XIII to the said Act. The resolution set out in the notice is intended for this purpose. The Board recommends the resolution for approval as special resolution.

None of the Directors of the Company except Mr. R. N. Gupta himself is interested in this resolution.

By order of the Board
for Bhilwara Spinners Limited

Place : Noida (U. P.)
Date : 14th August, 2008

Manoj Prasad Singh
Company Secretary



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

(In pursuance of Clause 49 of the Listing Agreement)

Name of Director	Mr. Ravi Jhunjunwala	Mr. B. N. Fitkariwala
Category	Promoter - Non Executive	Independent
Interse Relationship	Son of Mr. L. N. Jhunjunwala	Not related to any Director of the Company
Date of Birth	28th October, 1955	16th January, 1937
Date of Appointment	28th November, 1996	26th December, 2005
Qualification	B.Com. (Hons.), MBA	FCA
Expertise in specific functional areas	Industrialist with diversified business experience	Rich knowledge and experience in the field of Textiles
List of Public Companies in which Directorships held	<ol style="list-style-type: none"> 1. RSWM Ltd. 2. HEG Ltd. 3. Maral Overseas Ltd. 4. Bhilwara Processors Ltd. 5. Indo Canadian Consultancy Services Ltd. 6. BSL Ltd. 7. Malana Power Company Ltd. 8. Bhilwara Infotech Ltd. 9. AD Hydro Power Ltd. 10. Cheslind Textiles Ltd. 	Sagun Polymers Ltd.
Chairman/Member of the Committees of the Board of Directors of the Company	None	Audit Committee – Chairman
Chairman/Member of the Committees of Directors of other companies :		
a) Audit Committee	<ol style="list-style-type: none"> 1. Malana Power Company Ltd. – Chairman 2. AD Hydro Power Ltd. – Chairman 	None
b) Shareholders'/Investors' Grievance Committee	<ol style="list-style-type: none"> 1. HEG Ltd. - Member 2. BSL Ltd. - Member 	None
No. of Equity Shares held	Nil	Nil



CORPORATE INFORMATION

BOARD OF DIRECTORS

L. N. Jhunjunwala	Chairman-Emeritus
Ravi Jhunjunwala	Chairman
R. N. Gupta	Managing Director
Shekhar Agarwal	Director
B. P. Singh	Director
B. N. Fitkariwala	Director
Ravindra Bhandari	Director

KEY EXECUTIVE

Nirmal Kumar Jain	Chief Executive Officer
P. S. Puri	Chief Financial Officer

COMPANY SECRETARY

Manoj Prasad Singh

BANKERS

State Bank of Bikaner & Jaipur

State Bank of Patiala

Bank of Baroda

The Bank of Rajasthan Ltd.

AUDITORS

KSMN & Co., New Delhi

REGISTERED OFFICE

26, Industrial Area
Bhilwara - 311 001, Rajasthan

CORPORATE OFFICE

Bhilwara Towers,
A-12, Sector-1
Noida - 201 301 (U.P.)

FINANCIAL HIGHLIGHTS

(Rs. in lac)

PARTICULARS	2005-06 (6 Months)	2006-07	2007-08
Turnover	5621.24	9441.94	8501.32
PBIDT	278.34	639.22	690.05
Interest	212.42	290.06	283.45
PBDT	65.92	349.16	406.60
Depreciation	165.85	323.09	307.45
Taxation	47.44	37.09	0.21
PAT	(147.37)	(11.02)	98.94
Net Worth	910.12	899.10	991.74
Capital Expenditure	39.94	66.48	26.68
Book Value per Share (Rs.)	13.36	13.20	14.67

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MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company manufactures Synthetic blended yarn which is a key link in the value chain of textile industry. The textile industry structure is fully vertically integrated across the value chain extending from fibre to fabric to garments and at the same time it is a highly fragmented sector with small scale, non-integrated, spinning, weaving finishing and apparel making enterprises where the un-organised sector dominates weaving, processing and end products markets whereas the organized sector has dominance in spinning.

Post quota the industry is witness to global shift in production capacities and increased competitiveness. Indian Textile Industry in particular is faced with challenges in global arena. In recent times, appreciating rupee and rising crude prices has cast shadow on macroeconomic picture. These Inflationary pressures on economy are stimulating government to take measures which it may not be willing at expense of growth and in turn adversely affect the industry. The government has been extending benefits to the textile Industry in the form of TUF Scheme, reduction in customs duty on textiles and related products, promoting large capital investment, simplifying tax regime. However lot is still required in exports and infrastructure areas. The industry at present is severely affected by inadequate and expensive power, quality of transportation facilities including roads and ports. On the positive side, the Indian Textile Industry, which has advantage of lower wages and lower cost of production, is attracting investments in the sector and raising its capacities.

OPPORTUNITIES AND THREATS

With increase in population having taste for fashion, the consumer is getting more and more inclined towards Man-made fabrics, as a result the synthetic blended yarn industry has wide prospects. The yarn produced by the Company is an intermediary product, and is dependent on other segments of industry in value chain. The other threats to the segment in which the Company operates are the intensified competition, pricing pressures and stricter environmental laws. The Company is focused on the quality of its products and systems to overcome competitive and pricing challenges.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The Company is engaged primarily in the business of synthetic blended yarn and accordingly the segment-wise or product-wise information is not required. The Company continues to improve its performance as compared to the previous reported periods. The efforts of the management in improving the operational performance by improving product mix, controlling operating cost and better operational efficiencies, has paid well and has resulted in improved operational performance.

OUTLOOK

The Indian economy was on high note during 2007-08. However, in later part of the financial year, economic indicators started showing signs of slowing down. Even though performance of the Company has improved in recent past, the down turn in economy may impact adversely the industry in general and the Company in particular. The Company is having cautious outlook on its

performance in the next financial year. In case of any adverse market conditions in future, the Company looks forward to proper resource utilization.

RISKS AND CONCERNS

The raw material prices are market driven and considerably impact the performance and profitability of the Company. Shift in consumer preferences and fashion trends also affect the industry as a whole and the Company in particular. Continuous rising labour cost is also a serious concern. In view of poor financial health leading to its inability to keep pace with technological changes, operational flexibility and locational disadvantage remains serious concern.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has comprehensive systems of internal control in all operational areas and these are proper, adequate and commensurate with the size and level of operations of the Company. These are supplemented by internal/management audits conducted on a regular basis by independent auditors. The top Management and Audit Committee reviews the recommendations of the independent auditors regularly and implements them wherever found desirable.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company, during the financial year under review achieved a turnover of Rs. 85.01 crore against Rs. 94.42 crore in previous year. The Company produced 7390 Tons of yarn (7668 Tons in previous year). The Company earned cash profit of Rs. 406.60' lac.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The Human Resources and Industrial relations have been at the core of business policy of the company. The industrial relations have been cordial during the year under review. There was no loss of man-days in the financial year under review. The Company at regular intervals conducts programmes for training and development of skills of the employees. The employee strength at the end of financial period is approximately 1000.

CAUTIONARY STATEMENT

Certain statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable laws and regulations. Forward-looking statements are identified in this report by using words like 'anticipates', 'believes', 'expects', 'intends' and similar expressions in such statements. Although we believe our expectations are based on reasonable assumptions, these forward-looking statements may be influenced by numerous risks and uncertainties that could cause actual outcomes and results to be materially different from those expressed or implied. Some of these risks and uncertainties have been discussed in the section on 'Risk Management'. The Company takes no responsibility for any consequence of decisions made based on such statements, and holds no obligation to update these in the future.

DIRECTORS' REPORT

To The Members,

The Directors of your Company have pleasure in presenting their 27th Annual Report along with audited annual statements of Accounts for the financial year ended on 31st March, 2008.

FINANCIAL RESULTS

	(Rs. in crore)	
	Financial Year ended 31st March, 2008	Previous Year ended 31st March, 2007
Turnover	85.01	94.42
Profit/(Loss) before Depreciation	4.07	3.49
Depreciation	3.07	3.23
Profit/(Loss) before Tax	0.99	0.26
Provision for Income Tax		
– Current Tax	0.15	0.06
– Deferred Tax	(0.15)	0.31
Profit/(Loss) after Tax	0.99	(0.11)
Balance brought forward	(2.02)	(1.91)
Balance carried forward	(1.09)	(2.02)

OPERATIONS

During the financial year under review there has been improvement in operational and financial performance of the Company due to various steps taken by the management in the previous years such as financial and technical restructuring, closure and disposal of old & obsolete machinery, focus on better product mix and productivity. The Company earned net profit after tax of Rs.99 lac for the year ended 31st March, 2008 against loss of Rs.11 lac during the previous year ended 31st March, 2007. The turnover during the current financial year declined by 10% to Rs.85.01 crore from Rs.94.42 crore achieved in previous year because of reduction in installed spindleages implemented in previous year.

Your Directors are hopeful that with steps taken for improving product mix, controlling operating cost and better operational efficiencies, the performance of the Company will further improve.

DIVIDEND

Your Directors are unable to recommend any Dividend on the Equity Shares in view of the financial position of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- appropriate accounting policies have been selected and applied consistently and they have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of

the state of affairs of the Company on 31st March, 2008 and of the profit or loss of the Company for the financial year ended 31st March, 2008;

- proper and sufficient care has been taken 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;
- the Annual Accounts have been prepared on a going concern basis.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A Statement of Information relating to Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo as required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, is given in Annexure to the Directors' Report.

VOLUNTARY DELISTING OF EQUITY SHARES

On application made by Company for delisting, Calcutta Stock Exchange Association Limited has accorded its in-principle approval for delisting. The voluntary delisting will not affect the interests of the investors as the Company's shares are listed on the Bombay Stock Exchange Limited, enabling shareholders across the country to deal in the Equity Shares.

DIRECTORS

Mr. Ravi Jhunjhunwala and Mr. B. N. Fitkariwala, Directors retire by rotation and being eligible, offer themselves for reappointment.

AUDITORS

The Company's Auditors, M/s. KSMN & Co. (formerly K.S. Mehta & Co.), will hold office till the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

The observations in the Auditors' Report are dealt within the notes to the accounts at appropriate place and are self-explanatory.

PERSONNEL

There was no employee drawing remuneration in excess of limits prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

ACKNOWLEDGMENTS

Your Directors appreciate the valuable cooperation and continued support extended by the Customers, Financial Institutions, Bankers, State and Central Government. The Board also wishes to place on record its appreciation for the dedicated services of employees at all levels of the Company.

for and on behalf of the Board

Place : Noida
Date : 30th April, 2008

Ravi Jhunjhunwala
Chairman