

BOARD OF DIRECTORS AND GENERAL INFORMATION

Board of Directors

Rajesh Batra : *Chairman*
 N. R. Mahalingam
 Arjun Bulchandani
 H. K. Vakharia
 S. D. Israni
 Nabankur Gupta
 Rajiv Wallia : *Executive Director*
 (will cease w.e.f. 11/6/2011)

Bankers

Axis Bank Limited

Company Secretary

Sudhanshu Namdeo

Auditors

Messrs S. P. Chopra & Co.
Chartered Accountants
 15/A, Horniman Circle,
 Mumbai - 400 001.

Registered Office

Sahas, 4th Floor,
 414/2, Veer Savarkar Marg,
 Prabhadevi, Mumbai - 400 025.

1. Shareholders intending to require information about accounts to be explained in the Meeting are requested to inform the Company at least 7 days in advance of the Annual General Meeting.
2. Shareholders are requested to bring their copy of the Annual Report to the Meeting as the practice of handing out copies of the Annual Report at the Annual General Meeting has been discontinued.
3. Please address all correspondence regarding share transfer work to the Registrars and Share Transfer Agents and not to the Company's Registered Office.

Registrars & Share Transfer Agents

M/s. Sharepro Services (India) Pvt. Ltd.

Registered Office:

Satam Estate, 3rd Floor,
 Above Bank of Baroda,
 Cardinal Gracious Road,
 Chakala, Andheri (E),
 Mumbai - 400 099.

Investor Relation Centre:

912, Raheja Centre,
 Free Press Journal Road, Nariman Point,
 Mumbai - 400 021.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE

NOTICE is hereby given that the Fifty-ninth Annual General Meeting of the Members of **CRAVATEX LIMITED** will be held on Friday, July 8, 2011 at 10.30 a.m. at M.C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai - 400 001, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2011 and Profit and Loss account for the year ended on that date together with Reports of the Directors and Auditors thereon.
2. To declare a dividend for the year ended March 31, 2011.
3. To appoint a Director in place of Mr. N. R. Mahalingam who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Nabankur Gupta who retires by rotation and, being eligible, offers himself for re-appointment.
5. To consider and, if thought fit, to pass, with or without modification/s, the following resolution as an Ordinary Resolution:

“RESOLVED THAT the retiring Auditors M/s. S. P. Chopra & Co. (Registration No. 101911W), Chartered Accountants, being eligible for re-appointment, be and are hereby appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting on remuneration to be fixed by the Board of Directors.”

6. To consider and, if thought fit, to pass, with or without modification/s, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of Section 228 of the Companies Act, 1956, the accounts of the Company for the year ending March 31, 2012 in respect of the branch of the Company at Bangalore, be audited by M/s. M. R. Jayaprakash & Associates (Registration No. 007319S), Chartered Accountants, on such terms and conditions as may be decided by the Board of Directors.”

SPECIAL BUSINESS

7. To consider and, if thought fit, to pass, with or without modification/s, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (the Act), read with Schedule XIII of the Act, including any statutory modification(s) or re-enactment thereof for the time being in force, the Company do hereby approves the appointment of Mr. Rajesh Batra as a Managing Director of the Company for a period of 5 (five) years with effect from June 1, 2011 on the following terms and conditions:

- (a) Remuneration of Rs.54 lacs per annum which shall be inclusive of the usual allowances, benefits, amenities, perquisites and facilities as per the rules of the Company for the time being in force, but excluding contribution to provident fund & superannuation fund, gratuity and encashment of leave.
- (b) Company's contribution to provident fund & superannuation fund, benefits under gratuity and encashment of leave at the end of the tenure will be permitted, in accordance with the rules of the Company.

NOTICE OF ANNUAL GENERAL MEETING

- (c) Mr. Rajesh Batra shall be entitled to an annual increase in the remuneration and the Board of Directors is authorised to vary the terms and conditions of appointment including determination of remuneration payable to Mr. Rajesh Batra, in such manner as the Board in their absolute discretion deems fit, provided that the remuneration payable to Mr. Rajesh Batra shall not exceed the maximum limits for payment of Managerial Remuneration specified under Schedule XIII to the Companies Act, 1956 or any amendments thereto as may be made from time to time or the Companies Act as may be recodified.
- (d) Notwithstanding anything contained herein, Mr. Rajesh Batra shall be entitled to minimum remuneration of Rs.30.00 lacs per annum or Rs.2.50 lacs per month, in terms of Para 1 of Section II of Part II of Schedule XIII to the Companies Act 1956 or within such ceiling limits as may be prescribed under Schedule XIII from time to time or under the Companies Act as may be recodified.
- (e) Mr. Rajesh Batra, as Managing Director, shall have the overall responsibility for the operations of the Company and shall carry out such functions, exercise such powers and perform such duties as the Board may, from time to time, in its absolute discretion, determine and entrust to him.
- (f) Mr. Rajesh Batra shall not be paid any sitting fees for attending Meetings of the Board or any Committee thereof.
- (g) Mr. Rajesh Batra will be bound by non-compete and confidentiality provisions.
- (h) Either party shall be entitled to terminate the employment by giving not less than six calendar months prior notice in writing in that behalf to the other party.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient or desirable to give effect to this resolution as may be deemed to be in the best interests of the Company."

8. To consider and, if thought fit, to pass, with or without modification/s, the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 94(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 the Authorised Share Capital of the Company of Rs.2,00,00,000/- (Rupees Two Crores only) divided into 18,50,000 (Eighteen Lacs Fifty Thousand) Equity Shares of Rs. 10 each and 15,000 (Fifteen Thousand) 9.5% Redeemable Cumulative Preference Shares of Rs. 100 each be and is hereby increased to Rs.5,00,00,000/- (Rupees Five Crores only) divided into 48,50,000 (Forty Eight Lacs Fifty Thousand) Equity Shares of Rs. 10 each and 15,000 (Fifteen Thousand) 9.5% Redeemable Cumulative Preference Shares of Rs. 100 each.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient or desirable to give effect to this resolution as may be deemed to be in the best interests of the Company."

9. To consider and, if thought fit, to pass, with or without modification/s, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 16 and other applicable provisions, if any, of the Companies Act, 1956 the existing Clause V of the Memorandum of Association of the Company be and is hereby altered by deleting the following words and figures:

"The Authorised Share Capital of the Company is Rs.2,00,00,000/- (Rupees Two Crores only) divided into 18,50,000 (Eighteen Lacs Fifty Thousand) Equity Shares of Rs. 10/- each and 15,000 (Fifteen Thousand) 9.5% Redeemable Cumulative Preference Shares of Rs. 100/- each.

NOTICE OF ANNUAL GENERAL MEETING

and substituting therefor, the following:

The Authorised Share Capital of the Company is Rs.5,00,00,000/- (Rupees Five Crores only) divided into 48,50,000 (Forty Eight Lacs Fifty Thousand) Equity Shares of Rs. 10/- each and 15,000 (Fifteen Thousand) 9.5% Redeemable Cumulative Preference Shares of Rs. 100/- each.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient or desirable to give effect to this resolution as may be deemed to be in the best interests of the Company."

10. 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 Section 31 and other applicable provisions, if any, of the Companies Act, 1956 the existing Article 4 of the Articles of Association of the Company be and is hereby altered by deleting the following words and figures:

The Authorised Share Capital of the Company is Rs. 2,00,00,000/- (Rupees Two Crores only) divided into 18,50,000 (Eighteen Lacs Fifty Thousand) Equity Shares of Rs. 10/- each and 15,000 (Fifteen Thousand) 9.5% Redeemable Cumulative Preference Shares of Rs. 100/- each.

and substituting therefor, the following:

The Authorised Share Capital of the Company is Rs.5,00,00,000/- (Rupees Five Crores only) divided into 48,50,000 (Forty Eight Lacs Fifty Thousand) Equity Shares of Rs. 10/- each and 15,000 (Fifteen Thousand) 9.5% Redeemable Cumulative Preference Shares of Rs. 100/- each.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient or desirable to give effect to this resolution as may be deemed to be in the best interests of the Company."

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

"RESOLVED THAT

- (a) pursuant to the applicable provisions, if any, of the Companies Act, 1956, guidelines issued by the Securities and Exchange Board of India, the Articles of Association of the Company and such approvals as may be required under law for the time being in force a sum of Rs.1,29,20,800/- being a part of the amount standing to the credit of the General Reserve Account of the Company be capitalized and the said sum be distributed amongst the holders of the existing Equity Shares of the Company whose name shall appear on such date as may hereafter be determined by the Board of Directors of the Company and be applied on their behalf in making payment in full at par 12,92,080/- new Equity Shares of Rs.10/- each in the Capital of the Company and that the said new Equity Shares credited as fully paid up be accordingly allotted as Bonus Shares to and amongst the said Members respectively in the proportion of 1 (one) new Equity Share for every 1 (one) Equity Share held by the said Members respectively on the said date; and
- (b) that the said new Equity Shares so allotted shall rank pari passu in all respects with the existing issued and subscribed Equity Shares of the Company but shall not be entitled to dividend in respect of any financial year upto and including March 31, 2011;
- (c) the allotment of any of the said new Equity Shares as aforesaid to the extent to which they relate to the said Members who are foreign nationals or are resident outside India, shall be subject to the necessary approval under the Foreign Exchange Management Act, 1999 and/or the rules/regulations made thereunder;

NOTICE OF ANNUAL GENERAL MEETING

- (d) no allotment letters shall be issued to the allottees of the said new Equity Shares but the Certificates in respect of the new Equity Shares to be allotted as fully paid up Bonus Shares as aforesaid shall be completed and unless prohibited by any provision of law or of any order of any court, tribunal or other authority delivered within the prescribed period and that the bonus shares will be credited to the demat account of the allottees who are holding the existing Equity Shares in electronic form; and
- (e) for the purpose of giving effect to this Resolution the Board/Committee be and is hereby authorized to give such directions and take such actions as may be necessary and to execute all necessary documents and writings and to settle any questions or difficulties which may arise in regard to the issue and allotment of the said new Equity Shares in such manner as it may deem expedient.
12. To consider and, if thought fit, to pass, with or without modification/s, the following resolution as an Ordinary Resolution:

“RESOLVED THAT in supersession of the resolution passed at the 43rd Annual General Meeting of the Company held on 2nd November, 1995, and pursuant to Section 293(1)(d) of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors for borrowing such sum or sums of money from time to time from any one or more of the Company’s Bankers and from any one or more person(s), firms, bodies, corporate or financial institutions whether by way of cash credit advances or deposits or bills discounting or otherwise whether unsecured or secured by mortgage, charge, hypothecation, lien or pledge of the Company’s assets and properties whether moveable or immovable notwithstanding that the moneys so borrowed together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company’s Bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves but however the total upto which the moneys can be borrowed by the Board of Directors and outstanding any time shall not exceed a sum of Rs.100 Crores (Rupees One Hundred Crore only).”

By Order of the Board of Directors

Sudhanshu Namdeo
Company Secretary

Place : Mumbai
Dated : May 24, 2011

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 and a Proxy need not be a member. The instrument appointing a proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.
2. An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the special business proposed to be transacted at the meeting is annexed hereto.
3. The date of Book Closure for dividend and bonus issue shall be decided after the Annual General Meeting.
4. Members are requested to notify immediately any change in their Registered Address to the Registrars and Share Transfer Agents of the Company quoting their Folio Numbers/Client IDs.

NOTICE OF ANNUAL GENERAL MEETING

5. Pursuant to the provisions of sub-section (5) of Section 205A of the Companies Act, 1956, any money transferred to the Unpaid Dividend Account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Unpaid Dividend Account, shall be transferred by the Company to the Investor Education and Protection Fund established by the Central Government.

All unclaimed dividends upto financial year ended March 31, 1994 have been transferred to the General Revenue Account and unclaimed dividends upto the financial year ended March 31, 2003 have been transferred to Investor Education and Protection Fund of the Central Government in terms of Section 205A of the Companies Act, 1956.

Unclaimed dividends for the financial year ended March 31, 2004 shall be transferred to the Investor Education and Protection Fund in accordance with the provisions applicable therefor.

Those members who have so far not encashed the dividend(s) from the year ended March 31, 2004, till the year ended March 31, 2010 are requested to approach the Registrars and Share Transfer Agents of the Company for payment.

6. Members holding shares in physical form may nominate a person in respect of all the shares held by them whether singly or jointly. Members who hold shares singly are advised to avail of nomination facility by filing Form 2B in their own interest. Members holding shares in demat form may contact their respective Depository Participants for recording of nomination.
7. The bank account particulars of the members will be printed on the dividend warrants. In respect of shares held in physical form, the bank account particulars should be sent to the Registrar & Share Transfer Agents of the Company.

Members holding shares in demat form must give particulars of their bank account to their Depository Participant. The Registrar & Share Transfer Agents of the Company will not act on any such request received from the members for change in their bank account particulars. Further, instruction given by members for shares held in physical form would not be applicable to the dividend paid on shares also held in demat form.

8. Payment of Dividend through ECS:
- (a) Members holding shares in physical form are advised to submit particulars of their bank account, viz. name and address of the branch of the bank, 9 digit MICR code of the branch, type of account and account number to the Registrar & Share Transfer Agents of the Company
 - (b) Members holding shares in demat form are advised to inform the particulars of their bank account to their respective depository participants.
9. Members desiring any specific information as regards the Accounts at the Annual General Meeting are requested to write to the Company sufficiently in advance enabling the management to keep the information ready.

By Order of the Board of Directors

Sudhanshu Namdeo
Company Secretary

Place : Mumbai
Dated : May 24, 2011

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Statement under Section 173 (2) of the Companies Act, 1956

Item No. 7

The Company had considered the appointment of Mr. Rajesh Batra, Director as the Managing Director for a period of 5 (five) years on a remuneration of Rs. 54 lacs per annum. The Board of Directors, in its meeting held on May 24, 2011, considered the qualifications and work experience of Mr. Rajesh Batra for appointment as Managing Director as also the responsibilities attached thereto. The Board also considered the fairness and reasonableness of the remuneration proposed to be paid to Mr. Rajesh Batra in accordance with the remuneration prevalent in the industry for the similar position.

Accordingly, the Board of Directors had approved, subject to approval of Members in General Meeting, the appointment of Mr. Rajesh Batra as the Managing Director of the Company for a period of 5 (five) years with effect from June 1, 2011 on the following terms and conditions:

- (a) Remuneration of Rs. 54 lacs per annum which shall be inclusive of the usual allowances, benefits, amenities, perquisites and facilities as per the rules of the Company for the time being in force, but excluding contribution to provident fund & superannuation fund, gratuity and encashment of leave.
- (b) Company's contribution to provident fund & superannuation fund, benefits under gratuity and encashment of leave at the end of the tenure will be permitted, in accordance with the rules of the Company.
- (c) Mr. Rajesh Batra shall be entitled to an annual increase in the remuneration and the Board of Directors is authorised to vary the terms and conditions of appointment including determination of remuneration payable to Mr. Rajesh Batra, in such manner as the Board in their absolute discretion deems fit, provided that the remuneration payable to Mr. Rajesh Batra shall not exceed the maximum limits for payment of Managerial Remuneration specified under Schedule XIII to the Companies Act, 1956 or any amendments thereto as may be made from time to time or the Companies Act as may be recodified.
- (d) Notwithstanding anything contained herein, Mr. Rajesh Batra shall be entitled to minimum remuneration of Rs.30.00 lacs per annum or Rs.2.50 lacs per month, in terms of Para 1 of Section II of Part II of Schedule XIII to the Companies Act 1956 or within such ceiling limits as may be prescribed under Schedule XIII from time to time or under the Companies Act as may be recodified.
- (e) Mr. Rajesh Batra, as Managing Director, shall have the overall responsibility for the operations of the Company and shall carry out such functions, exercise such powers and perform such duties as the Board may, from time to time, in its absolute discretion, determine and entrust to him.
- (f) Mr. Rajesh Batra shall not be paid any sitting fees for attending Meetings of the Board or any Committee thereof.
- (g) Mr. Rajesh Batra will be bound by non-compete and confidentiality provisions.
- (h) Either party shall be entitled to terminate the employment by giving not less than six calendar months prior notice in writing in that behalf to the other party."

In terms of provisions of Section 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the Companies Act, 1956, the appointment of Mr. Rajesh Batra as Managing Director on remuneration of Rs. 54 lacs per annum requires approval of Members by Ordinary Resolution.

Accordingly, the resolution mentioned in Item No. 7 of the Notice is being proposed for approval of Members.

Except Mr. Rajesh Batra, none of the Directors of the Company is concerned or interested in the proposed resolution.

The terms as mentioned above should be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

NOTICE OF ANNUAL GENERAL MEETING

Item No. 8 to 10

The present Authorised Share Capital of the Company is Rs.2,00,00,000 (Rupees Two Crores only) divided into 18,50,000 (Eighteen Lacs Fifty Thousand) Equity Shares of Rs. 10 each and 15,000 (Fifteen Thousand) 9.5% Redeemable Cumulative Preference Shares of Rs. 100 each.

The Authorised Share Capital of the Company is required to be increased to facilitate the issue of Bonus Shares which is covered by Item 11 of the Notice and in order that the Company may issue further shares as and when considered expedient.

It is therefore proposed to increase the Authorised Share Capital to Rs. 5,00,00,000/- (Rupees Five Crores only) divided into 48,50,000 (Forty Eight Lacs Fifty Thousand) Equity Shares of Rs. 10 each and 15,000 (Fifteen Thousand) 9.5% Redeemable Cumulative Preference Shares of Rs. 100 each. The proposed increase in the Authorised Share Capital of the Company requires the Members approval in General Meeting. It is, therefore, proposed to pass the Resolution set forth in Item 8 of the Notice.

Consequent upon the alteration in the Authorised Share Capital of the Company, Clause V of the Memorandum of Association of the Company will require alteration so as to reflect the change in the Share Capital. The proposed alteration of the Memorandum of Association of the Company requires the Members' approval in General Meeting. It is, therefore, proposed to pass the resolution set forth in Item 9 of the Notice.

Similarly Article 4 of the Articles of Association of the Company will require alteration so as to reflect the change in the Authorised Share Capital. The proposed alteration of the Articles of Association of the Company requires the Members' approval in General Meeting by special resolution. It is, therefore, proposed to pass the resolution set forth in Item 10 of the Notice.

A copy of the Memorandum and Articles of Association of the Company, incorporating the proposed change is available for inspection by the Members of the Company at the Registered Office of the Company during the Company's business hours on any working day upto and including the date of the Annual General Meeting or any adjournment or adjournments thereof.

None of the Directors of the Company is in any way concerned or interested in the Resolution at these items.

Item No. 11

Resolution at Item 11 set out in the Notice is intended to capitalise a sum of Rs. 1,29,20,800/- being a part of the amount standing to the credit of the General Reserve Account of the Company and to issue bonus shares to the Members of the Company in the manner indicated therein. The material terms on which the proposed capitalisation will be carried on and the Bonus Shares will be issued are contained in the above Resolution.

This issue of the Bonus Shares to those Members who are foreign nationals or resident outside India will subject to the necessary approval under Foreign Exchange Management Act, 1999 and/or rules/regulations made thereunder.

The issue of Bonus Shares, in the opinion of the Board complies with the latest guidelines, in that behalf issued by the Securities and Exchange Board of India. The issue of Bonus Shares is not in lieu of dividend.

Accordingly, the resolution mentioned in Item No. 11 of the Notice is being proposed for approval of Members.

None of the Directors of the Company is concerned or interested in the Resolution except to the extent of their entitlements to Bonus Shares which may be allotted on the basis of their respective shareholdings in the Company.

NOTICE OF ANNUAL GENERAL MEETING**Item No.12**

At the 43rd Annual General Meeting held on 2nd November 1995 the Members had given its approval for borrowings upto Rs.50 Crores (Rupees Fifty Crores only). In view of the enlarged volume of business it has become necessary for the Company to increase its borrowings from time to time from its bankers or others. It is therefore considered desirable to raise the present limit of borrowings to Rs.100 Crores (Rupees One Hundred Crore) to meet future requirements from time to time.

Under Section 293(1)(d) of the Companies Act, 1956 the Board of Directors of the Company cannot except without the consent of the members of the Company in a General Meeting, borrow monies in excess of the aggregate of the paid up capital and free reserves.

Accordingly, the resolution mentioned in Item No. 12 of the Notice is being proposed for approval of Members.

None of the Directors of the Company is in any way concerned or interested in the proposed resolution.

By Order of the Board of Directors

Sudhanshu Namdeo
Company Secretary

Place : Mumbai
Dated : May 24, 2011

REPORT OF THE BOARD OF DIRECTORS

DIRECTORS' REPORT

To The Members of Cravatex Limited

Your Directors present the Audited Balance Sheet and Profit and Loss Account of the Company together with their Report for the year ended March 31, 2011.

FINANCIAL RESULTS

	Current Year Rupees	Previous Year Rupees
Earnings before Interest, Depreciation and Taxation	11,65,18,274	8,60,79,848
Less: Interest	1,54,04,028	85,49,020
Less: Depreciation	84,63,179	72,70,231
Leaving a Profit before Taxation	9,26,51,067	7,02,60,597
Provision for Taxation:		
Current Tax	(2,78,00,000)	(2,17,00,000)
Deferred Tax Credit/(Debit)	(1,29,049)	(3,42,317)
Short/(Excess) Provision for Earlier Years	(1,90,156)	(1,13,26,632)
Profit after Current Taxation	6,45,31,862	3,68,91,648
Adding thereto:		
Brought forward from Previous Year	2,52,44,332	2,51,55,194
Available for Appropriation	8,97,76,194	6,20,46,842
Less Appropriations:		
Provision for Proposed Dividend	64,60,400	58,14,360
Provision for Tax on Proposed Dividend	10,48,040	9,88,150
General Reserve	5,50,00,000	3,00,00,000
Balance to be carried forward	2,72,67,754	2,52,44,332

OPERATIONS

The turnover of the Company for the year under review has increased from Rs.5,845 lacs to Rs.9,124 lacs while the earnings before interest, depreciation and taxation stood at Rs.1,165 lacs as against Rs.861 lacs in last year, a growth of 35%. The Net Profit after tax for the year also increased from Rs.369 lacs to Rs.645 lacs, a growth of 75%. The balance carried forward to Balance Sheet is Rs.273 lacs.

DIVIDEND

The Directors are pleased to recommend an enhanced dividend of Rs.5/- per equity share (previous year Rs.4.50 per equity share) on the nominal value of Rs.10/- per equity share for the year under review, which would be tax-free in the hands of shareholders. The Dividend if approved by the shareholders at the Annual General Meeting, will absorb Rs.64,60,400/-.

BONUS SHARES:

The Directors have recommended that a sum of Rs. 1,29,20,800/- out of the amount standing to the credit of the Company's General Reserve Account as on 31st March 2011 be capitalised and the same be issued as fully paid Bonus Shares, in the ratio of 1 (one) new Equity Share for every 1 (one) existing Equity Share held.