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CABLE CORPORATION OF INDIA LTD.

Cable Corporation of India Ltd.

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49th

Annual Report and Accounts
2005-2006

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BOARD OF DIRECTORS

CABLE CORPORATION OF INDIA LTD.

Chairman and Managing Director

Mr. H. A. Khatau

Directors

Mrs. N.H. Khatau

Mrs. N. B. Pasta

Mr. Utsav Parekh

Mr. Mukul Kasliwal

Mr. Arun Thiagarajan

Mr C Sundershyam - Nominee Director

Mr. G. D. Bhingarkar - Wholetime Director

President

Mr P Nadig

Registered Office

Laxmi Building, 4th floor
6, Shoorji Vallabhdas Marg
Ballard Estate, Mumbai 400 001
Tel:22666764 / 67 Fax: 022 22632694
e-mail: Secretarial Dept: sec@cablecorporation.com
Marketing Dept: mk@cablecorporation.com
Website Address: http://www.cablecorporation.com

Works

Dattapada Road, Borivali (East), Mumbai 400 066
Tel: 28542341 Fax: 28542430
Plot No.F-3/1, MIDC, Sinnar Industrial Area, (Malegaon)
Dist. Nasik – 422 103
Tel: 230328/9 Fax : 952551 230038

Regional Offices

Western Region
Laxmi Building, 4th floor
6, Shoorji Vallabhdas Marg
Ballard Estate, Mumbai 400 001
Tel: 22617824 Fax: 66541626
e-mail: cciwr@cablecorporation.com

Northern Region
Milap Niketan, 2nd floor, 8-A, Bahadur Shah Zafar Marg,
Post Box No.7111, New Delhi 110 002
Tel: 41509010 Fax: 011 41509014
e-mail: ccinr@cablecorporation.com

Eastern Region
34, Allenby Road, 2nd floor, II – A, Kolkata 700 020
Tel: 24542671/73/74 Fax: 033 24747592
e-mail: ccier@cablecorporation.com

Southern Region
Temple Towers, Wing No.1, Fourth floor
476, Anna Salai, Chennai 600 035
Tel: 24343217 / 5389 Fax : 044 24345150
e-mail: ccisr@cablecorporation.com

Bankers

State Bank of India
United Bank of India
State Bank of Patiala

Auditors

Sorab S Engineer & Co.
Chartered Accountants

Solicitors

Kanga & Co.

Cost Auditor

A V Ramana Rao

Registrars & Transfer Agents

M/s. Intime Spectrum Registry Ltd
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West)
Mumbai 400 078
Tel: 25963838 Fax: 25946969

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CABLE CORPORATION OF INDIA LTD.

CABLE CORPORATION OF INDIA LIMITED

NOTICE

49th ANNUAL GENERAL MEETING

NOTICE is hereby given that the Forty – Ninth Annual General Meeting of the Members of CABLE CORPORATION OF INDIA LIMITED will be held at Sheth Goculdas Tejpal Auditorium, Tejpal Road, August Kranti Marg, Mumbai - 400 007, on Saturday, the 29th July, 2006 at 11.00 a.m., for the purpose of transacting the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the financial year ended 31st March, 2006, the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mrs. N. B. Pasta who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr. G. D. Bhingarkar who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s Sorab S. Engineer & Co., retiring Auditors are eligible for re-appointment.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution.

   "RESOLVED THAT Mr Arun Thiagarajan who was appointed as an Additional Director and who holds office upto the date of this Annual General Meeting of the Company, and is eligible for re-appointment, and in respect of whom the Company has received a notice in writing from a member under the provisions of Section 257 of the Companies Act, 1956 proposing his candidature for the office of a Director, be and is hereby appointed as a Director.

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

   "RESOLVED THAT pursuant to Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 (the "Act") (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the provisions of the Articles of Association of the Company, the Listing Agreement entered into between the company and various stock exchanges, the guidelines and clarifications issued by the Securities and Exchange Board of India (the "SEBI") and any other statutory / regulatory authorities and subject to all such other approvals, permissions, consents and sanctions of any authorities, as may be necessary, the Company hereby ratifies and confirms and grants its ex-post facto approval for the allotment by the Board of 21,60,000 Equity Shares of Rs.10/- each at par aggregating to Rs.2,16,00,000/- to Industrial Development Bank of India (IDBI) pursuant to their sanction letter for One Time Settlement of their dues in accordance with the approval received from Corporate Debt Restructuring Cell vide their letter no CDR(KS)CCIL/1307 dated 10th December, 2004.

   RESOLVED FURTHER THAT the Company be and is hereby authorized to make the necessary application to the Stock Exchanges to the listing of the said securities."

By Order of the Board
For Cable Corporation of India Ltd.

H A Khatau
Chairman & Managing Director

Mumbai : 15th June, 2006

NOTES:

(a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

(b) An Explanatory Statement as required by Section 173 of the Companies Act, 1956, relating to item nos. 5 and 6 of the Notice is annexed hereto.

(c) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday 25th day of July , 2006 to Friday the 28th day of July, 2006 (both days inclusive) for the purpose of annual book closure.

(d) Members are requested to notify any change in their address to the Company's Registrars and Transfer Agents, M/s. Intime Spectrum Registry Ltd., (Unit: Cable Corporation of India Ltd.) at C-13, Pannalal Silk Mills Compound, Bhandup (West), Mumbai 400 078 or to their respective Depository Participants in case shares are held in dematerialised form.

(e) Members who hold shares in dematerialised form are requested to write their client ID and DP ID numbers and those who hold shares in Physical form are requested to write their Folio Number in the attendance slip for attending the meeting.

(f) As per the provisions of the Companies Act, 1956 facility for making nominations is available for Members, in respect of the Shares held by them. The members may take advantage of this amendment.

(g) The information or details pertaining to the appointment of Director, retiring by rotation and being eligible for re-appointment at the ensuing Annual General Meeting are furnished as given below.

By Order of the Board
For Cable Corporation of India Ltd.

H A Khatau
Chairman & Managing Director

Mumbai : 15th June, 2006

Registered Office:
Laxmi Building, 4th Floor
6, Shoorji Vallabhdas Marg
Ballard Estate
Mumbai 400 001

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ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 OF THE COMPANIES ACT, 1956.

Item No.5

Mr. Arun Thiagarajan was appointed as an Additional Director by the Board of Directors at its meeting held on 30th January, 2006. As per Section 260 of the Companies Act, 1956, read with Article 115 of the Articles of Association of the Company, Mr. Arun Thiagarajan holds office only upto the date of the forthcoming Annual General Meeting and is eligible for re-appointment. The Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956, signifying his intention to propose Mr. Arun Thiagarajan as a candidate for the office of Director.

Mr. Arun Thiagarajan is an corporate consultant / advisor and has vast experience in the corporate field.

The Board of Directors recommend his appointment as a Director of the Company.

Except Mr. Arun Thiagarajan, none of the Directors of the Company is, in any way, concerned or interested in this Resolution.

Item No. 6

The Board of Directors of the Company at its meeting held on 31st January, 2005 approved the allotment of 21,60,000 Equity Shares of Rs.10/- each at par aggregating Rs.2,16,00,000/- in favour of Industrial Development Bank of India (IDBI) as part of 'One Time Settlement" ("OTS") scheme sanctioned to the Company. The sanction letter in respect of the OTS and the approval of the Corporate Debt Restructuring Cell will be available for inspection at the registered office of the Company during regular business hours.

In terms of OTS with IDBI, the promoters of the Company have purchased the shares so allotted to IDBI and made an open offer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Take Overs) Regulation, 1997 on 14th February, 2005.

On account of an inadvertent lapse on the part of the Company, the approval of the shareholders in terms of Section 81(1A) of the Companies Act, 1956 for allotment of the shares to IDBI on a preferential basis, was not obtained at the time of issue of the shares to IDBI.

The Members are therefore, requested to ratify, confirm and grant their ex-post facto approval for the allotment of the 21,60,000 Equity Shares of Rs.10/- each at par to IDBI by passing the resolution as set out in the Notice.

By Order of the Board
For Cable Corporation of India Ltd.

H A Khatau
Chairman & Managing Director

Mumbai : 15th June, 2006

Registered Office:
Laxmi Building, 4th Floor
6, Shoorji Vallabhdas Marg
Ballard Estate
Mumbai 400 001

Details of Directors retiring by rotation and seeking re-appointment and regularizing the appointment of Director.

Name of the Director	Mrs N B Pasta	Mr G D Bhingarkar	Mr Arun Thiagarajan
Date of Birth	22nd May, 1951	17th February, 1950	7th September, 1944
Date of appointment	27th May, 2002	1st February, 2002	30th January, 2006
Expertise in specific functional areas	Over 21 years experience in Finance & Taxation	Over 35 years experience in the field of Industrial relations, human resources and administration.	30 years of experience in Corporate Management
Qualifications	C.A.	B. A., D.L.W., L.L.M.	M.Sc. Engg, G.B.A.
Directorships in other Companies	1. Khatau Exim Ltd. 2. Saiprem Holding & Estate Developers Pvt.Ltd. 3. Khatau Industries Pvt.Ltd. 4. The Gourmet Online Pvt.Ltd. 5. Cheerful Properties Pvt.Ltd.	1. Shree Plasticizers & Chemicals Pvt. Ltd. 2. Govardhan Investments Pvt. Ltd.	1. WeP Peripherals Ltd. 2. ING Vysya Bank Ltd. 3. Alstom Projects India Ltd. 4. Krone Communications Ltd. 5. PSI Data Systems Ltd. 6. GMR Infrastructure Ltd. 7. GMR Energy Ltd. 8. Birla Technologies Ltd. (Subsidiary of PSI Data Systems Ltd.) 9. Transworks Information Services Ltd. (Subsidiary of Indian Rayon Ltd.) 10 CITEC Information India Pvt. Ltd. 11. Westrup A/s

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DIRECTORS' REPORT

CABLE CORPORATION OF INDIA LTD.

Your Directors present the Forty - Ninth Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the financial year ended 31st March, 2006.

PROFIT / LOSS AND APPROPRIATIONS

(Rs. in lakhs)

	Current Year ended 31.03.2006	Previous Year ended 31.03.2005
Profit / (Loss) after Extraordinary items & before Tax	(1998.27)	172.84
Less : Provision for Taxation	16.35	—
Add : Deferred Tax Adjustment	331.80	90.00
Add : Excess/(Short) provision of Income Tax of earlier years	(5.41)	25.74
Profit / (Loss) for the year	(1688.23)	288.58
Balance brought forward from previous year	(1386.25)	(1674.83)
Add : Transferred from Debenture Redemption Reserve	940.27	—
Balance carried to Balance Sheet	(2134.21)	(1386.25)

OPERATIONS

The Company achieved a turnover of Rs. 98.08 crores during the year under review against the turnover of Rs.85.21 crores in the previous year, showing an increase of 15% during the year.

During the year, the company has received an investment of Rs. 62 crores from J.P. Morgan Securities India Pvt .Ltd., Promoters & others by way of debt and equity options. This enabled the company to repay the entire dues of the Debenture holders and also redeem/ restructure the preference shares of the Company. Thus, the Company has paid the secured lenders under the CDR mechanism. The full benefits of the investment from the investors will be reflected in the results for the Financial Year 2006-07 onwards. Industrial relations at Nashik Works is satisfactory since the long term settlement with the Union was executed. However, the Industrial relations at Borivili Works is not conducive due to the rigid attitude taken by the unrecognized union, in the negotiations for the long term wage settlement with the workers. The Directors are hopeful of a settlement soon.

DIVIDEND

In view of the carry forward losses, the Directors do not recommend any dividend on Equity Shares for the financial year 2005-06.

CURRENT YEAR'S OUTLOOK AND FUTURE PROSPECTS.

The demand for Power Cable continues to be on the upswing. The enquiries in the EHV segment are expected to remain buoyant. However, the margins are under tremendous pressure due to unprecedented rise in the price of raw material inputs, predominantly metals.

The Company is making efforts to focus on continuous cost reduction, improvement in productivity and increase in performance. This should result in improved performance.

ALLOTMENT OF EQUITY SHARES

The Company has allotted 34,10,000 equity shares of Rs.10/- each to option holders on exercise of their option to subscribe to the equity shares of the company as per the terms of the option.

FIXED DEPOSITS

The Company has repaid the principal amount of Fixed Deposits on 16th December, 2005. The interest on these Fixed Deposits will be paid on or before 31.12.2006 as per Company Law Board approval vide its order dated 12th June, 2006.

DIRECTORS

The Board of Directors of the Company at its meeting held on 30th January 2006, appointed Mr. Arun Thiagarajan as an Additional Director on the Board of the Company. Subsequent to the year under review the Board has also appointed Mr. C. Sundershyam,as a Nominee Director of State Bank of India. Mr. Arun Thiagarajan will hold office till the ensuing Annual General Meeting of the Company. The Company has received notice from a Member of the Company proposing the candidature of Mr. Arun Thiagarajan for the office as Director of the Company.

Mrs. N. B. Pasta and Mr G D Bhingarkar who retire by rotation and being eligible, offers themselves for reappointment.

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TRADING IN SECURITIES

The Company has made an application to the Mumbai Stock Exchange for revocation of suspension for trading of the equity shares of the company, in view of the company resolving the investors grievances. The said application is pending approval by Stock Exchange and the permission for trading in shares is expected to be received soon.

DELISTING WITH DELHI STOCK EXCHANGE

The Delhi Stock Exchange has informed that it will consider the delisting request of the Company only after the re-commencement of trading in the securities of the Company on the Bombay Stock Exchange. The Company will also make application to The Ahmedabad Stock Exchange for delisting of shares.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors of your Company confirm:

(i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;

(ii) that they have selected such accounting policies and applied them consistently and 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 at the end of the financial year and of the loss of the Company for that year;

(iii) that they have taken proper and sufficient care 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;

(iv) that they have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

Management Discussion and Analysis Report as required under the Listing Agreement with the Stock Exchanges and forming part of this Report is annexed.

A separate section on Corporate Governance is included in the Annual Report and the Certificate from the Company's auditors regarding compliance of conditions of the Corporate Governance as stipulated in Clause 49 of the Listing Agreement is annexed thereto.

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AUDITORS

M/s. Sorab S Engineer & Co., Chartered Accountants, hold offce until the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. A Certificate from the Auditors has been received to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

OTHER INFORMATION

Information as per Section 217(2A) of the Companies Act, 1956 read with the Company's (Particulars of Employees) Act 1975 is not applicable to the Company as none of the employees are drawing salary more than Rs. 24 lacs per annum.

Information as per Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of this Report is annexed.

AUDITORS' REPORT

The Notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

ACKNOWLEDGEMENTS

Your Directors desire to record their sincere appreciation of the efforts put in by all the officers and other loyal employees of the Company.

The Directors take this opportunity to thank the Financial Institutions, Solicitors, and the Company's Bankers for their invaluable guidance and support.

The Directors also convey their gratitude to all the Shareholders and Fixed Deposit holders for their continued support, especially in what has been another difficult year for the Company.

On behalf of the Board of Directors

H. A. Khatau
Chairman & Managing Director

Mumbai,

Dated : 15th June, 2006

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Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken:

- Maximum demand controlled and reduced resulting in energy cost saving.
- Change in process technology to eliminate requirement of steam to reduce the boiler running time.

(b) Additional investment and proposal:

- Use of baby boilers for specific processes to reduce running of main boiler.
- Conversion from DC motors to AC motors at continuous running machines
- Reduction in lighting load by reducing number of fittings and related measures.

(c) Impact of various measures on cost of production:

- energy conservation measures implemented has marginal effect on overall energy bills and cost of production.

(d) Total energy consumption and energy consumption per unit of production as per form 'A' of the Annexure in respect of industries specified in the schedule. The requirement of giving details under this sub-head does not apply to the Company.

B TECHNICAL ABSORPTION

Efforts made in technology absorption as per form 'B' are as under:

Form for Disclosure of Particulars with respect of absorption:

Research and Development:

(i) Specific areas in which R & D is carried out by the Company:

Research and Development activities in areas of Cable Technology analytical research and product development are being carried out by the Company.

(ii) Benefits derived as a result of the above R & D:

- Development of various cables catering to specific requirement for power transmission at Extra High Voltage.
- Rationalisation in process technology related to extrusion, cross linking and conductor making process.
- Development of axially water tight conductor for EHV Cables .

(iii) Future plan of action:

- In future, R & D activities will be directed in reducing the material cost of cables and developing newer technologies suitable for emerging trends.

(iv) Expenditure on R & D:	(Rs.'000)
(a) Capital	-
(b) Recurring	1475
(c) Total	1475
(d) Total R & D expenditure as a percentage of the total turnover	0.15%

Technology Absorption, Adaptation and Innovation:

(i) Efforts in brief made towards technology absorption, adaptation and innovation.

(ii) Benefits derived as a result of the above.

Efforts/Projects

Development Related:	**Benefits Derived**
(i) Development of various cables catering to specific requirements of power transmission at EHV	Product Development
(ii) Rationalisation in process technology related to extrusion and cross-linking process and conductor making.	Process Technology
(iii) Development of curative system to suit specific application and process.	Product Development
Manufacturing related: Development of Tooling for sheathing and Insulation for 1200sq.mm 220 Kv cable.	Product Development
Energy Savings: Use of Capacitors at Nashik works has ensured that Power factor is kept above 0.95 which has resulted in savings in electricity bills.	Decreased Power Cost
In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year.	Not applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Nil

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REPORT ON CORPORATE GOVERNANCE

In terms of the schedules of implementation of clause 49 of the Listing Agreement on Corporate Governance, your Company has been complying with the requirements of the said clause to the extent in the manner stated hereunder:

1. Company's Philosophy on Code of Governance

The Company's philosophy on Corporate Governance envisages the attainment of the high level of transperancy and accountability in the functioning of the Company and the conduct of its business internally and externally including its interaction with employees, shareholders, customers, institutions and other lenders and places due emphasis on regulatory compliance.

2. Board of Directors

a) As on 31st March, 2006, the Board comprises of two Whole-time Directors and five Non- Executive Directors of which four are independent Directors. The number of independent Directors is more than half of total strength of the Board.

b) The Board met seven times during the year on 22nd June, 2005, 30th August, 2005, 10th October, 2005, 29th November, 2005, 18st January, 2006, 30th January, 2006 and 8th March, 2006.

The time gap between any two consecutive meetings is not more than 4 months. The last Annual General Meeting was held on 25th November, 2005.

Attendance of each Director at the Board Meetings and the last Annual General Meeting and number of other Directorships and Chairmanship / Memberships of Committees of each Director was as follows :

Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM	Outside Company Directorships*	Outside Committee position held as	
					Member	Chairman
Mr. H. A. Khatau	Chairman & Managing Director w.e.f. 01.10.05	4	YES	1	–	–
Mrs. N. H. Khatau	Vice Chairperson – NEDNot Independent	6	NO	Nil	–	–
Mr. G. D. Bhingarkar	Executive WTD / Not Independent	7	YES	Nil	–	–
Mrs. N.B. Pasta	NED / Independent	7	YES	1	–	–
Mr. Utsav Parekh w.e.f. 10.10.05	NED / Independent	1	YES	15	10	–
Mr. Mukul Kasliwal w.e.f. 10.10.05	NED / Independent	4	NO	12	1	–
Mr. Arun Thiagarajan w.e.f. 30.01.06	NED / Independent	1	–	9	4	1
Mr. A. S. Supanekar Resigned w.e.f. 22.06.05	NED / Independent Nominee of UTI	–	–	–	–	–
Mr. S. K. Pai Resigned w.e.f. 22.06.05	NED / Independent Nominee of IDBI	–	–	–	–	–

NED - Non-Executive Director WTD - Wholetime Director

* Directorships in Private Companies and foreign companies are excluded.

As required by the Companies Act, 1956 and Clause 49 of the Listing Agreement, none of the Directors hold directorships in more than 15 public companies, memberships of Board Committees (Audit / Shareholders Grievance and Remuneration Committees) in excess of 10 and Chairmanship of Board Committees as aforesaid in excess of 5.

1. Committees

I. Audit Committee

The Audit Committee comprises of Mrs. N.B. Pasta (Non Executive Independent Director), Mrs. N. H. Khatau (Non – Executive Director) and Mr Utsav Parekh (Non-Executive Independent Director). Mr. A.S. Supanekar (Non Executive Independent Director) resigned on 22nd June, 2005. The Committee's Powers and role are as stipulated in Clause 49 of the Listing Agreement and under Section 292 A of the Companies Act, 1956. During the year under review, five Audit Committee Meetings were held i.e. on 22nd June, 2005, 26th August, 2005, 10th October, 2005, 29th November, 2005 and 30th January, 2006.

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Mr. H. K. Bijlani acted as Secretary of the Committee for the meetings held on 22nd June, 2005, 26th August, 2005, 10th October,2005 and 29th November,2005 only. He resigned as Company Secretary w.e.f. 30th December, 2005. The appointment of the Company Secretary is in process.

II. Shareholders Grievances and Transfer Committee

The Shareholders Grievances and Transfer Committee comprises of Mrs. N. H. Khatau as Chairperson and Mr. G. D. Bhingarkar as a member. Mr Mukul Kasliwal and Mrs N B Pasta were inducted as Members at the Board Meeting held on 10th October, 2005. Mr. H. K. Bijlani acted as the Secretary of the Committee till 29th November, 2005. The Committee approves the share transfers, transmissions and issue of duplicate share certificates and also reviews the overall complaints received from investors. During the year under review, 81 complaints were received from the shareholders / debentureholders and out of that none were pending for redressal as on 31st March, 2006 as certified by M/s Intime Spectrum Registry Ltd., the Registrar & Transfer Agents of the Company.

During the year three Committee meetings were held, on 9th December, 2005 for issue of Equity Options on preferential basis and on 23rd March, 2006 and 30th March, 2006 for the purpose of allotment of equity shares to Equity Options holders who exercised their right for allotment of equity shares.

III. Remuneration Committee

The Remuneration Committee comprises of Mrs N B Pasta, Mr G D Bhingarkar and Mr Utsav Parekh as members. During the period under review, one Remuneration Committee Meeting was held on 10th October, 2005.

Presently the Company does not pay any remuneration to Non-Executive Directors other than sitting fees of Rs.5000/- for attending each Meeting of the Board / Audit Committee.

Remuneration of Directors

Managing Director

Salary, Allowances, Contribution to P.F., Value of Perquisites Rs. 11, 13,752

The Managing Director has been paid remuneration with effect from 01/10/2005. His contract is for a period of 5 years with a notice period of three months by either party or payment of three months salary in lieu of notice

Wholetime Director

Salary, Allowances, Contribution to P.F., Value of Perquisites Rs. 10,49,210

Non-Executive Directors

Sitting fees Rs. 1,40,000

The Wholetime Director has a service contract of 5 years, with a notice period of three months by either party or payment of three months salary in lieu of notice.

The Company has no stock option scheme for any of its Directors.

IV CFO / CEO certification

A certificate from the Chairman & Managing Director and Vice President , Finance (CFO) on the financial statements of the Company was placed before the Board.

V Code of Conduct

The Board has formulated a code of conduct for the Board Members and Senior Management of the Company. All Board Members and Senior Management personnel have affirmed their compliance with the code. A declaration to this effect signed by the Chairman and the Managing Director of the Company is given elsewhere in the Annual Report.

Means of Communication

Quarterly and Annual results are published in English and Marathi newspapers.

The Company has a website and the quarterly results of the company are displayed on the website.

Management Discussion and Analysis is a part of the annual report.

General Body Meetings

The details of the last three Annual General Meetings (AGM) of the Company were held as under:

AGM	Date of AGM	Financial year	Time of Meeting	Venue
46th	27th September, 2003	2002 – 2003 (6 months)	11.15.a.m.	Sheth Goculdas Tejpal Auditorium, Tejpal Road, August Kranti Marg, Mumbai – 400 007
47th	25th September, 2004	2003 – 2004	11.30.a.m.	Sheth Goculdas Tejpal Auditorium, Tejpal Road, August Kranti Marg, Mumbai – 400 007
48th	25th November, 2005	2004 – 2005	11.30.a.m.	Sheth Goculdas Tejpal Auditorium, Tejpal Road, August Kranti Marg, Mumbai – 400 007

No special resolutions were put through Postal Ballot last year.

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Disclosures

A. 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.

The Board has received disclosures from Directors and key managerial personnel relating to material financial and commercial transactions where they and / or their relatives have personal interest and have ascertained that there are no materially significant related party transactions which have potential conflict with the interests of the Company.

Attention of members is drawn to "Schedule 9 - Notes forming part of the balance sheet and profit and loss account" for disclosures of related party transactions.

B. During the year the Company has raised part of the funding requirement through a preferential issue for its long term working capital requirements including capital expenditure as well as for such other corporate purposes as may be permitted under applicable laws to enlarge its business in domestic and international markets.

1,29,30,000 Equity Options of Re.1/- each were allotted on a preferential basis, which options when exercised will result into allotment of one Equity Share of Rs.10/- each per option, on payment at a price of Rs.10/- each, at any time within 18 months from the date of allotment i.e. 9th December, 2005.

Of the above, 34,10,000 Options have been exercised, resulting in allotment of 34,10,000 Equity Shares of Rs.10/- each fully paid and the balance 95,20,000 Equity Options were outstanding on 31st March, 2006.

C. During the last three years, no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on matters related to Capital markets except that the trading in the securities of the Company has been suspended by BSE (w.e.f. 24-12-2001) and Delhi Stock Exchange (w. e. f. 6 -5 -2002). The Company has taken necessary steps with the authorities of BSE for revocation of suspension. The matter is actively followed up.

General Shareholder Information

Annual General Meeting Date, Time and Venue	29th July, 2006 at 11.00 a.m. at Sheth Goculdas Tejpal Auditorium, Tejpal Road, August Kranti Marg, Mumbai - 400 007
Financial Calendar (Tentative)	Results for the quarter ending: June 30, 2006 - last week of July, 2006 September 30, 2006 - last week of October, 2006 December 31, 2006 - last week of January, 2007 Results for the year ending : March 31, 2007 - June 2007 Annual General Meeting - July, 2007
Date of Book Closure	25 th July , 2006 to 28th July , 2006 (both days inclusive)
Dividend Payment date	Not Applicable
Listing on Stock Exchanges	The Stock Exchanges at Mumbai, Delhi and Ahmedabad.
ISIN No. allotted to Equity Shares	INE 475A01016
Market Price data	The trading in the securities of the Company has been suspended by BSE w.e.f. 24th December, 2001 and hence data is not provided.
Registrars and Transfer Agents	Intime Spectrum Registry Limited , C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai 400 078. Tel. No. 25963838
Share Transfer System	All share transfers received are processed by the Registrar & Transfer Agents and are approved by the Shareholders Grievances and Transfer Committee.

Shareholding Pattern as on 31st March , 2006

Total Nominal Value of Equity Shares (Rs.)	Number of Shareholders	% of total	Share Value (Rs.)	% of shareholding
1 - 5000	10761	90.26	16917460	06.88
5001 - 10000	614	05.15	5209260	02.12
10001 - 20000	280	02.35	4386780	01.78
20001 - 30000	74	00.62	1892810	00.77
30001 - 40000	39	00.33	1388640	00.57
40001 - 50000	40	00.33	1902970	00.77
50001 - 100000	50	00.42	3675650	01.50
100001 and above	64	00.54	210491930	85.61
TOTAL	11922	100.00	245865500	100.00

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