

**26th
Annual Report
2005-2006**



Gini Silk Mills Limited

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TWENTYSIXTH ANNUAL GENERAL MEETING

On Friday, the 29th day of September, 2006
at 4.30 p.m. at Maheshwari Pragati Mandal,
Maheshwari Bhawan, 603, Girgaon Road
Mumbai - 400 002.

As a measure of economy, copies of
the Annual Report will not be
distributed at the Annual General
Meeting. Share holders are
requested to kindly
bring their copies to
the meeting.

CORPORATE INFORMATION

Vishwanath Harlalka

(Chairman)

Deepak Harlalka

(Managing Director)

Ramprasad Poddar

(Director)

Rajendra Kumar Rajgarhia

(Director)

Dinesh Poddar

(Director)

413, Tantia Jogani Industrial Premises
J. R. Boricha Marg, Sitaram Mill Compound
Lower Parel (East),
Mumbai 400 011

E-15, MIDC, Tarapur, (Boisar)
Dist. Thane, Maharashtra
31 B, Govt. Industrial Estate
Phase II, Piparia, Silvassa (D & NH) 396230

M/s. Vatsaraj & Co.

Chartered Accountants

State Bank of India

Bigshare Services Pvt. Ltd.

E/2 Ansa Industrial Estate
Sakivihar Road, Sakinaka
Andheri (E), Mumbai 400 072



NOTICE TO MEMBERS

Notice is hereby given to the Shareholders of GINI SILK MILLS LIMITED that **TWENTY SIXTH Annual General Meeting** of the Company will be held on Friday the, **29th September, 2006**, at **4.30 P.M** at **Maheshwari Pragati Mandal, Maheshwari Bhawan, 603, Girgaon Road, Mumbai – 400 002** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance sheet as on 31st March, 2006 and Profit and Loss Account for the year ended on that date along with the Reports of the Directors and Auditors thereon.
2. To declare dividend for the financial Year 2005-2006.
3. To appoint a director in place of Shri. Dinesh Poddar who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board

Vishwanath Harlalka
Chairman

Regd. Office:

413, Tania Jogani Industrial Premises
J. R. Boricha Marg, Sitaram Mill Compound
Lower Parel (East),
Mumbai 400 011

Place : Mumbai

Date : 24th August, 2006

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share transfer Books will remain closed from 22/09/2006 to 29/09/2006 (both days inclusive).
3. The Company has entered into agreement with both the depositories viz. National Securities Depository Ltd. (NSDL) and Central depository Services (India) Ltd. (CDSL) for custody and dematerialisation of securities. Members having Physical holdings can avail the depository facilities by approaching any of the depository participants of NSDL or CDSL. For further information, the shareholders may contact directly to the Company's Registrars and Share Transfer Agents, M/s. BIGSHARE SERVICES PRIVATE LIMITED, Mumbai. (Tele. Nos. 28473747, 28473474 & 28470652).
4. The Company has paid the Annual Listing fees for the financial year 2006 –2007.
5. Members are requested to bring their copy of the Annual Report and Accounts to the Meeting.

By Order of the Board

Vishwanath Harlalka
Chairman

Regd. Office:

413, Tania Jogani Industrial Premises
J. R. Boricha Marg, Sitaram Mill Compound
Lower Parel (East),
Mumbai 400 011

Place : Mumbai

Date : 24th August, 2006



ANNUAL REPORT 2005-2006

To
The Members,

Your Directors have pleasure in presenting the **TWENTY SIXTH** Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2006.

| FINANCIAL RESULTS | (Rs. In Lacs) | |
|---|--------------------|--------------------|
| | 2005-2006 (Rs.) | 2004-2005 (Rs.) |
| Net Sales/ Income from operations | 2063.58 | 1334.11 |
| Other Income | 22.77 | 43.18 |
| Profit (before interest, depreciation and taxation) | 2086.35 | 1377.29 |
| Interest | 6.28 | 7.62 |
| Depreciation | 93.59 | 129.89 |
| Provision for | | |
| Fringe Benefit Tax | 1.24 | 0 |
| Current Taxation | 25.00 | 0 |
| Deferred Tax | 14.17 | (55.71) |
| Net Profit after Tax | 24.06 | (20.88) |
| Add : Balance brought forward | 453.10 | 479.50 |
| From Previous year | | - |
| Provision Written Back | 0.09 | - |
| Income Tax paid for earlier year | 0 | 5.52 |
| Profit available for appropriation | 477.47 | 453.10 |
| APPROPRIATIONS | | |
| Proposed Dividend | 279.63 | - |
| Distribution Tax | 3.92 | - |
| Profit Carried to Balance Sheet Total | 477.47 | 453.10 |

DIVIDEND

Your directors recommend dividend of Rs. 0.50 per share @ 5% on 5592600 amounting to total dividend of Rs. 2796300/-

DIRECTORS:

Shri. Dinesh Poddar, Director of the Company are liable to retire by rotation and being eligible, offers himself for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT AS REQUIRED UNDER 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 along with proper explanation relating to material departures;
- the directors have selected such accounting policies adopted are consistently followed and the judgment and estimates made 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 covered under this Report and of the profit of the Company for the year;
- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

Pursuant to the requirements of Listing Agreements with the Stock Exchange, Mumbai, your Directors are pleased to annex the following :

- Management Discussion and Analysis Report
- A Report on Corporate Governance
- Auditor Certificate regarding Compliance of conditions of Corporate Governance.

AUDITORS

M/s. Vatsaraj & Co., Chartered Accountants, Mumbai hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The members are requested to re-appoint them as Auditors of the Company till the conclusion of the next Annual General Meeting.

FIXED DEPOSITS

The Company has not accepted or renewed any deposits from the public during the year under review within the meaning of Section 58A of the Companies Act, 1956 and rules made there under.

PARTICULARS OF EMPLOYEES:

There are no employee drawing remuneration exceeding the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (particulars of employees) Rules, 1975 (as amended) and hence no details are required to be annexed to this report.

ENVIRONMENT AND SAFETY MEASURES**i) EFFLUENT CONTROL**

Effluent at Process House unit at Tarapur is carefully monitored and treated conforming to the requirements of the State Pollution Control Board.

ii) SAFETY

The Process equipments have built-in safety system and all the employees are well trained for safe working of plant operations. Adequate fire protection system is installed for the safety of men, material and machinery.

iii) INSURANCE

Your Company continued to cover all assets mainly; plant & machinery, building, materials, stocks, furniture & fixtures against possible risks like fire, flood, terrorism and earthquake.

iv) INDUSTRIAL RELATIONS

The industrial relations at the plants of the Company during the year under review continued to be cordial through out the year.

PARTICULARS REGARDING CONSERVATION OF ENERGY ETC.

Information in accordance with the provisions of section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Directors) Rules, 1988 regarding conservation of energy technology absorption and foreign exchange earnings and outgo is given in the statement annexed hereto forming part of the Report.

LISTING OF SHARES & SECURITIES

The Company's Shares are being listed on the stock exchange, Mumbai, P. J. Towers, Dalal Street, Fort, Mumbai - 400 001.

ACKNOWLEDGEMENT:

Your Directors would like to place on record their appreciation for the co-operation and assistance received from the financial institutions and banks, for the utmost confidence reposed in the management by the shareholders and customers during the year under review. Your Directors wish to thank for the services of the executive, staff and workers of the Company at all levels for their dedication, devotion, determination and discipline.

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai
Date : 24th August, 2006

VISHWANATH HARLALKA
Chairman



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

PART 'A'

POWER & FUEL CONSUMPTION

2005-2006

2004-2005

(1) ELECTRICITY

A PURCHASED

Unit (KWH)

3772892

2633837

Total Amount (Rs.Lacs)

122.50

87.54

Rate per unit (Rs.)

3.25

3.32

B OWN GENERATION

Though Diesel Generator :

Units (KWH)

57677

44206

Units Per Ltr.of Diesel oil

3.65

3.48

Cost per unit (Rs.)

8.64

6.02

(2) COAL

Quantity (Kgs.)

5423920

5024280

Total Cost (Rs. In lacs)

180.38

161.69

Average rate per Kg. (Rs.)

3.32

3.22

(3) GAS

Quantity (Kgs.)

1133

16361

Total Cost (Rs. In lacs)

7.55

5.62

Average rate per Kg. (Rs.)

8.55

34.33

(4) DIESEL OIL

Quantity (K.Ltrs)

15803

12455

Total cost (Rs.Lacs)

4.98

2.66

Average Rate Per Ltr. (Rs.)

31.53

21.36

(5) FURNACE OIL

Quantity (K.Ltrs)

11.30

20.00

Total cost (Rs.Lacs)

2.31

2.83

Average Rate Per Ltr. (Rs.)

20.48

14.14

NOTE : * in cluding demand charges ** including Transport charges

PART 'B'

CONSUMPTION PER UNIT OF PRODUCTION ENERGY

ENERGY

FABRICS PROCESSING (PER METER)

Current Year

Previous Year

Electricity (Kwh.)

0.14

0.14

Coal (Kgs.)

0.32

0.37

ENERGY

TEXTURISING YARN (PER KG)

Current Year

Previous Year

Electricity (Kwh.)

1.40

1.19

A. CONSERVATION OF ENERGY

The Company's operation involves low energy Consumption Nevertheless energy Conservation measures have already been taken wherever possible. Efforts to conserve and optimise the use of energy through improved operational methods and other means will continue.

B. TECHNOLOGY AND TECHNICAL ABSORPTION AND ADOPTION

1. TECHNOLOGY ABSORPTION

The Company's present manufacturing activities are such that the same do not require any specialised Technology, since in India, technical know-how for Textile Industries has been standardised and is being used in the Industry. Besides, the Promoters of the Company, are engaged in Textile business since last 3 decades and the business is inherited. In view of the above, the question of technical absorption and adaptation does not arise.

2. RESEARCH & DEVELOPMENT

At present the company does not have separate division for carrying out Research and Development work. No expenditure has therefore been earmarked for this activity.

FOR AND ON BEHALF OF THE BOARD

VISHWANATH HARLALKA

Chairman

Place : Mumbai

Date : 24th August, 2006



1. Textile industry – Global & Indian perspective:

During the year, almost all the Textile Industries are expanding whether it is small/ large, their production has been increased manifold. The decision of the Central Government to reduce the excise duty on synthetic yarn at par with synthetic fibre would further boost up the potential of the industry.

The changes in the industries have produced conducive environment for investment in the Textile Industry. The opportunities for investment after the phasing out of quota are accompanied by increasing challenge in the International Market. The certain factors of cost like Power and infrastructure need to be examined in wider context of competitiveness of Industry than to be looked at from narrow perspective of cross subsidies for certain segments. Similarly, Labour Reforms need to be carried out at faster pace, if we have to take advantage of the opportunities in the global textile market. It is worth mentioning that the Company has taken several decisions to implement Growth Plans in the coming years.

2. PRODUCTION & SALES REVIEW.

During the year under review, your company has registered a turnover of Rs. 935.76 lac as compared to Rs 456.71 Lac in the previous year.

PROCESSING OF FABRIC:

The production in the Company's Process House at Tarapur (Maharashtra) i.e. Dyeing & printing of textile fabrics was 16715096 Mtrs. as against 13318576 Mtrs. in previous year. The sales revenue from Processing of Fabric increased from Rs. 877.36 lac to Rs. 1127.82 lac during the year under review. The installation of machines in the previous year helps the productivity of the Company equip all type of market requirements.

YARN PROCESSING:

Total Production during the year in texturising yarn was 866260.205 Kgs. and in twisted yarn 253561.270 Kgs. against last year production of 580383.620 & 86095.930 Kgs respectively. The sales revenue of yarn increased from Rs. 456.71 in the previous year to Rs. 935.76 lacs during the year under review.

3. Outlook:

Industrial scenario in the Textile Sector remained unchanged during the year under review with stagnant domestic market and fierce competition in the international market. The company is, however, confident of sustained growth through a series of initiatives in the areas of product development, technological up gradation and strengthening of distribution network.

4. Internal Control Systems and Their Adequacy:

The Company has management, which is much concerned about the adequacy of Internal Control System. It is aware that for a multi-faceted growth of any organization, only the strict overall control & efficient supervision can check all the operations, whether minor or major, and such control are backbone of any commercial establishment or manufacturing units.

The management of your Company has taken appropriate steps by constituting Internal Audit team with well-experienced and hard working personnel under the supervision of Audit Committee of the Board; which frequently checks and reviews functions of various departments and effectiveness of Audit checks and revision of systems and procedures periodically.

In the year under review, the Company initiated a focused programme to evaluate the design effectiveness of existing management controls across at all its locations. Under this initiative, the company also undertook steps to implement new control measures in line with global best-in-class practices.

5. The Financial and Operational Performance:

The financial statement given in the Report of the Directors for the financial year 2005 -2006 is quite satisfactory. It reflects the genuine steps taken by the management for transparency and best judgment for the estimate made to correctly reflect the true & fair affairs of the Company.

6. Human Resource Development:

The people of any industry serve as propeller for upliftment of the industry and thus indirectly contribute the National Product and through this to the exchequer of India. The management has always remained conscious of these inter-related factors and maintained a favorable climate during the year to suit the growth and excellence in the Company. The management has always strived to maintain kept cordial relationship between the staff, workers and management. This attitude created an atmosphere where each and every staff and worker started feeling a sense of "ONENESS".

7. Cautionary statement:

The Statements in Management Discussion and Analysis Report may contain certain statements that might be considered forward looking. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those expressed in the statements as important factors could influence the company's operations such as Government policies, political and economic development etc.



1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company believes that Corporate Governance is powerful mediums to sub serve the long-term interest of all the shareholders, creditors, customers, employees and other stakeholders. Corporate Governance strengthens Investors and Creditors trust and ensures a long-term partnership that helps in fulfilling our quest for achieving significant growth and profits. Your Company is committed to benchmarking itself with good governance and operates with transparency, professionalism, good conduct and value based systems.

2. BOARD OF DIRECTORS

The present strength of Board of Directors is 5 (Five), whose composition and category is given below:

- One - Promoter, Executive Director
- One - Promoter, Non Executive Director
- Three - Independent Directors

(A) THE CONSTITUTION OF THE BOARD AS ON MARCH 31, 2006

The Composition of the Board of Directors and also the number of other Board of Directors or Board Committees of which they are member/ Chairman are given below:

| Directors | Category | No. of other Directorships | | No. of other Committee positions | |
|-------------------------|-------------------------|----------------------------|---------|----------------------------------|----------|
| | | Public | Private | Member | Chairman |
| Vishwanath S. Harlalka | Promoter, Non-Executive | 1 | 4 | | |
| Deepak V. Harlalka | Promoter, Executive | 1 | 6 | | |
| Ramprasad Poddar | Independent | 6 | 3 | | |
| Dineshkumar Poddar | Independent | 5 | 2 | | |
| Rajendrakumar Rajgarhia | Independent | 5 | 1 | | 1 |

None of the Directors is a member in more than 10 committees and acts as chairman in more than 5 committees across all the companies in which they are Director.

(B) BOARD PROCEDURE

Agenda is sent to each Director in advance of Board and Committee meetings to enable the Board discharge its responsibilities effectively; the Managing Director briefs the Board at every meeting on the overall performance of the Company, followed by discussion by the Directors. The Board also reviews:

- Strategy and business plans
- Operations and capital expenditures
- Finance and Banking operations
- Adoption of quarterly/half yearly/ annual results
- Compliance with statutory/ regulatory requirements and review of major legal issues
- Significant labour issues

(C) ATTENDANCE OF EACH DIRECTORS AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING:

During the year ended March 31, 2006, Ten Board Meetings were held on April 30, 2005, June 30, 2005, July 30, 2005, October 29, 2005, December 15, 2005, December 17, 2005, December 26, 2005, January 12, 2006 January 30, 2006 & March 16, 2006.

| Name of the Directors | Category of Directorship | No. of Board Meeting Attended | Attendance at the Last AGM held on 18.11.2005 |
|-------------------------------|------------------------------------|-------------------------------|---|
| Shri. Vishwanath S. Harlalka | Chairman | 10 | Present |
| Shri. Deepak V. Harlalka | Managing Director | 10 | Present |
| Shri. Ramprasad Poddar | Independent Director Non Executive | 10 | Present |
| Shri. Dineshkumar Poddar | Independent Director Non Executive | 10 | Present |
| Shri. Rajendrakumar Rajgarhia | Independent Director Non Executive | 4 | Absent |

(D) DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT:

The brief particulars of the Director of the company, being eligible for re-appointment as Directors, retiring by rotation at the ensuing Annual General Meeting is as follows:

Shri. Dinesh Poddar retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

Shri Dinesh Poddar, 38 year old, is B.Com, MBA, MS (USA Communication) and is actively involved in "VINAYAKA" group of companies dealing with Textile, Financial and Investment activities and precious and semi-precious stones, gems etc. Shri Dinesh Poddar has clear vision and immense capacity for hard work, mature negotiation/interpersonal skills, ability for analytical thinking, confidence and positive attitude. His continuation on the Board will be great assets to the Company.

His directorship and Committee Membership of the Board of other Limited Companies as on date is as follows:

| Name of the Company | Position | Committee Membership |
|--|--------------|----------------------|
| Swasti Vinayaka Synthetics Ltd. | Director | — |
| Ashirwad Capital Limited | Mg. Director | — |
| Swasti Vinayaka Gems Corporation Limited | Ex. Director | — |
| Swasti Vinayaka Investech Limited | Director | — |
| Mia Passion (India) Limited | Director | — |
| Vinayaka Realstate Development Limited | Director | — |
| Ashirwad Shelter (Pvt) Limited | Director | — |
| IVY League Fashion (Pvt) Limited | Director | — |
| Elan Realtors India Private Limited | Director | — |



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3. COMMITTEES OF THE BOARD:

The Board of Directors has Constituted three committees of the Board – (i) The Audit Committee, (ii) Remuneration Committee and (iii) Shareholders/Investors Grievance Committee.

i) AUDIT COMMITTEE:

BRIEF DESCRIPTION OF TERMS OF REFERENCE

The Committee's powers, role and functions are as stipulated in Clause 49 of the Listing Agreement and under Section 292 A of the Companies Act, 1956.

The Composition of the Audit Committee are as follows:

| Sl. No | Members of Audit Committee | No. of Meeting Attended |
|--------|--------------------------------|-------------------------|
| 1 | Shri. Ramprasad Poddar | 4 |
| 2 | Shri. Dinesh Kumar Poddar | 4 |
| 3 | Shri. Rajendra Kumar Rajgarhia | 4 |

During the year ended 31st March, 2006, Four Audit Committee Meetings were held on April 30, 2005, July 30, 2005, October 29, 2005 and January 30, 2006

ii) REMUNERATION COMMITTEE:

Brief description of terms of reference

- Fixation of salary, perquisites etc. of all executive directors of the Company, as and when any new executive director is appointed / existing executive director is re-appointed; and
 - Deciding commission payable to executive directors based on performance of the concerned executive director and for this purpose, fix targets for achievements.
1. Shri. Ramprasad Poddar - Chairman
 2. Shri. Vishwanath Harlalka - Member
 3. Shri. Dinesh Kumar Poddar - Member

The Remuneration Committee at its meeting held on July 31, 2005 had approved the terms and conditions and remuneration package payable to Mr. Deepak Harlalka on his re-appointment as Managing Director of the company.

The details of remuneration for the year ended March 31, 2006 paid to the Managing Director during the period is as under:

| Director | Salary Rs. | Cont. to PF & Other Funds Rs. | Perquisites Rs. | Total Rs. |
|-----------------------|------------|-------------------------------|-----------------|-----------|
| Shri. Deepak Harlalka | 1200000 | 144000 | 117915 | 1461915 |

Non-executive Directors are being paid sitting fee of Rs. 500/- for each meeting of the Board of Directors or Committee there of attended by them.

iii) SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE:

Brief description of terms of reference

The "Investors Grievance Committee" of the Board, look into various issues relating to investor grievances and to deal with matters relating to transfers/ transmissions of shares, and monitors redressal of

complaints from shareholders relating to transfers, non-receipt of balance-sheet, non-receipt of dividends declared, issue of duplicate share certificates, etc..

COMPOSITION

The constitution of the Committee is as follows:

- 1) Shri. Vishwanath Harlalka - Chairman
- 2) Shri Deepak Harlalka - Member
- 3) Shri Dinesh Kumar Poddar - Member

The Company's shares are compulsory traded in the dematerialized form at all the Stock Exchanges where Company's shares are listed. Shri. Chetan Patel, Accountant, is appointed Compliance Officer as required by the Listing Agreement.

During the year no letters / complaints were received from the Investors. Routine inquiries were replied / resolved to the satisfaction of the investors.

There were no valid share transfer request pending as on March 31, 2006.

4. GENERAL BODY MEETINGS

Location and time, where last three Annual General Meetings were held is given below:

| Financial Year | Date | Time | Location of the Meeting |
|----------------|------------|---------|--|
| 2004-2005 | 18.11.2005 | 4.30 pm | Green Room Garware Club House, Wankhede Stadium, 'D' Road, Churchgate, Mumbai 400 020. |
| 2003-2004 | 26.10.2004 | 4.30 pm | Green Room Garware Club House, Wankhede Stadium, 'D' Road, Churchgate, Mumbai 400 020. |
| 2002-2003 | 13.09.2003 | 4.30 pm | Green Room Garware Club House, Wankhede Stadium, 'D' Road, Churchgate, Mumbai 400 020. |

5. DISCLOSURES

The Company had not entered into any transaction of a material nature, which will have a conflict with its interest during the year.

The disclosure of related party transactions as required by the Accounting Standard (AS) 18 on 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India (ICAI) is given under Note No. 05 of Notes on the Annual Accounts. All the transaction covered under related party transaction were fair, transparent and at arms length.

6. MEANS OF COMMUNICATIONS

The quarterly, half yearly and annual results are communicated to all the Stock Exchanges where the Company's shares are listed as soon as the same are approved and taken on record by the Board of Directors of the Company. Further the results are published in widely circulating national and local dailies such as Free Press Journal & Navshakti (Marathi). The results are not sent individually to the shareholders.

The company does not have any website but the results are to be upload on SEBI website (EDIFAR), for which necessary access is awaited.

**7. GENERAL SHAREHOLDERS INFORMATION****a) Annual General Meeting**

- i) Date & Time : 29th September, 2006 at 4.30 P.M.
 ii) Venue : Maheshwari Pragati Mandal, 603, Girgaon Road, Mumbai 400 002

b) Financial Calendar (tentative)

- Results for the 1st Quarter : Last week of July,
 Ending 30th June, 2006 2006
 Results for the 2nd Quarter : Last week of
 Ending 30th September, 2006 October, 2006
 Results for the 3rd Quarter : Last week of
 31st December, 2006 Ending
 January, 2007

- Results for the 4th Quarter/ : Last week of April/
 Year Ending 31st March, 2007 June, 2007

c) Book Closure Date : 22nd September, 2006 to 29th September, 2006 (both days are inclusive)**d) Dividend Payment : Within 30 days of AGM; if Date approved by the Shareholders of the Company.****e) Listing on Stock : The Stock Exchange, Mumbai Exchanges****f) Stock Code : Physical Segment – BSE: 531744 NSDL/CDSL-ISIN: INE 548B01018****g) Stock Market Data : The monthly high and low process during the year at BSE are as follows:**

| Month | Mumbai Stock Exchange | |
|----------------|-----------------------|-----------|
| | High (Rs.) | Low (Rs.) |
| April 2005 | 29.00 | 20.25 |
| May 2005 | 32.00 | 23.15 |
| June 2005 | 31.25 | 27.50 |
| July 2005 | 31.35 | 23.00 |
| August 2005 | 40.00 | 28.50 |
| September 2005 | 35.50 | 27.60 |
| October 2005 | 28.90 | 24.60 |
| November 2005 | 31.00 | 21.55 |
| December 2005 | 26.70 | 24.50 |
| January 2006 | 26.25 | 24.00 |
| February 2006 | 25.35 | 19.00 |
| March 2006 | 23.95 | 20.00 |

h) Share holding pattern as on 31.03.2006

| Sl. No. | Category | No. of Shares | % (Percentage) |
|---------|-----------------------------|----------------|----------------|
| 1 | Promoters | 5154560 | 92.17 |
| 2 | Private Corporate Bodies | 33985 | 0.60 |
| 3 | Indian Public | 403820 | 7.22 |
| 4 | NRIs/OCBs | 20 | 0.00 |
| 5 | Any Other (Clearing Member) | 215 | 0.00 |
| | TOTAL | 5592600 | 100.00 |

i) Distribution of Share holding as on 31.03.2006

| No. of Shares held | No. of Share-holders | % | No. of Shares | % |
|--------------------|----------------------|---------------|----------------|---------------|
| 1 to 5000 | 292 | 69.69 | 65371 | 1.17 |
| 5001 to 10000 | 63 | 15.03 | 55239 | 0.99 |
| 10001 to 20000 | 15 | 3.58 | 22178 | 0.40 |
| 20001 to 30000 | 7 | 1.67 | 18024 | 0.32 |
| 30001 to 40000 | 2 | 0.48 | 7014 | 0.13 |
| 40001 to 50000 | 2 | 0.48 | 10000 | 0.18 |
| 50001 to 100000 | 6 | 1.43 | 43940 | 0.78 |
| 100001 onwards | 32 | 7.64 | 5370834 | 96.03 |
| | 419 | 100.00 | 5592600 | 100.00 |

j) Registrar and Share Transfer Agent: Bigshares services private limited, E-2 Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai –400 072.**k) Share Transfer System :**

Trading in Equity Shares of the Company is permitted only in dematerialised form as per notification issued by the Securities & Exchange Board of India (SEBI). Big Shares Services Private Limited handles both Demat and Physical Shares Transfers.

The Share Transfers which are received in physical form are processed and the share certificates are returned within 21 days from the date of receipt, subject to Documents being valid and complete in all respects.

The Shareholders/Investors Grievance Committee meets periodically to consider the transfer and other proposals and attend to shareholders grievances.

l) Dematerialisation of Shares

As on 31st March, 2006, 4943800 Equity shares were in dematerialised form representing 88.40 % of total share capital of the Company.

m) PLANT LOCATION :

Fabric Process Unit : E-15 , MIDC – Tarapur, Boisar - 421 506, Thane, (Maharashtra)

n) ADDRESS FOR CORRESPONDENCE:

Bigshares Services Pvt. Ltd.
 E-2/3, Ansa Industrial Estate
 Sakivihar Road
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