

MILKFOOD LIMITED

Annual Report
for the year ended 31st March, 2006

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milkfood

BOARD OF DIRECTORS

KARAMJIT JAISWAL
UMESH N. SAXENA
DEEPANKAR BARAT
ASHA GADI
AMARJEET KAPOOR
SURESH ALIPURIA

AUDITORS

R.N. Bahl & Co.
Chartered Accountants
New Delhi

BANKERS

State Bank of Patiala
HDFC Bank

REGISTERED OFFICE

Bahadurgarh
Distt. Patiala-147021
(Punjab)

WORKS

Bahadurgarh
Distt. Patiala-147021
(Punjab)

Plot No. 5, Sector 18
Maruti Industrial Complex
Gurgaon (Haryana)

Village Agwanpur
Kanth Road,
Moradabad-244001
(Uttar Pradesh)

HEAD OFFICE

Bhandari House
91, Nehru Place
New Delhi-110019

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Directors' Report

TO THE MEMBERS

The Directors present their Thirty Third Annual Report together with Audited Accounts of the Company for the financial year ended 31st March, 2006.

FINANCIAL RESULTS

(Rs./Lacs)

Profit after charging all expenses before Depreciation	581
Deduct: Depreciation	166
Profit for the year	415
Provision for Current Tax	30
Fringe Benefit Tax paid	19
Provision for Deferred Tax (Liability)	36
Transferred to General Reserve	330

OPERATIONS

During the period under report, the Company's Sales/Other Income were Rs. 20623 lacs and cash profit Rs. 581 lacs as compared to last year's figures of Rs. 19151 lacs and cash profit of Rs. 91 lacs respectively. After depreciation, the profit for the year is Rs. 415 lacs as compared to the profit of Rs.8 lacs in the previous year.

DIVIDEND

Directors are not recommending any dividend with a view to augment resources for proposed capital expenditure.

FIXED DEPOSITS

As on 31.3.2006, there were two unclaimed Fixed Deposits with Company amounting to Rs. 17,000/- (Rupees seventeen thousand only).

CONSOLIDATED ACCOUNTS

The Consolidated Accounts of the Company and its subsidiary are annexed to this Report.

PARTICULARS OF EMPLOYEES

Information as per section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, form part of this Report. However, as per the provisions of section 219(1)(b)(iv), Report and Accounts are being sent to all the members of the Company excluding the statement of particulars of employees. Any member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions contained in sub section (2AA) of Section 217 of the Companies Act, 1956, your Directors confirm that:-

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments 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 ended 31st March 2006 and of the profit of the Company for that year;
- (iii) that the Directors had 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 the Directors have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a separate report on Corporate Governance and a Certificate from the Auditors of the Company regarding the Compliance of the conditions of Corporate Governance are annexed to the Directors' Report.

INFORMATION UNDER THE LISTING AGREEMENTS WITH STOCK EXCHANGES

Pursuant to the special resolution passed by the members of the Company the equity shares of the Company have been delisted from Delhi Stock Exchange Assn. Ltd. The Company is in the process for getting the approval from Ludhiana Stock Exchange Assn. Ltd. for delisting of its equity shares.

The shares of your Company remain listed at the Bombay Stock Exchange Ltd. (BSE) and the Stock Code at BSE is:507621. Listing fees for the financial year 2006-2007 has been paid.

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 Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is annexed.

PROJECTS

During the year the Company has successfully completed the project of milk processing at Moradabad. The products of this plant have been well received by the market.

The Company is implementing projects for manufacture of Casein and Demineralized Whey Powder at Patiala Plant. The project is expected to go into production during the year. Overseas buyers have shown keen interest in buying large quantities of Casein.

DIRECTORS

Mr. Deepankar Barat, Director, retires by rotation and, being eligible, offers himself for re-election. The Board recommends his re-appointment.

Mr. Suresh Alipuria and Mr. Amarjeet Kapoor have been appointed as the Additional Directors by the Board of Directors of the Company in their meeting held on 27th March, 2006 to hold the office up to the date of ensuing Annual General Meeting. Company has received the requisite notices from the members under section 257 of the Companies Act, 1956 proposing their candidature for the offices of Directors. The Board recommends their re-appointment.

Brief resume of the above Directors, nature of their expertise in specific functional areas and names of companies in which they hold the Directorship and the Membership/Chairmanship of the Committees of the Board, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is annexed in the Corporate Governance Report.

Mr. Inder Singh Batra has resigned the Directorship of the Company w.e.f. 27th March, 2006

Board express its sincere appreciation for the useful services rendered by him.

AUDITORS

M/s R.N. Bahl & Co., Chartered Accountants, Auditors of the Company, retire and, being eligible, offer themselves for re-appointment.

COST AUDITORS

The Central Government had directed an audit of the cost accounts maintained by the Company in respect of milk products. The Central Government has approved the appointment of M/s. R.J. Goel & Co., Cost Accountants, for conducting the cost audit of the above products for the financial year ended on 31st March, 2006.

GENERAL

Your Directors wish to express their appreciation of the co-operation and support given by all employees of the Company during the year.

The notes forming part of the Accounts being self-explanatory, the comments made by the auditors in their report are not being dealt with separately.

For and on behalf of the Board

New Delhi
8th May, 2006

(KARAMJIT JAISWAL)
Executive Chairman



Corporate Governance Report

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company firmly believes that Corporate Governance is very much crucial to the very existence of a Company, as the implementation of Code on Corporate Governance goes a long way in attainment of the highest levels of transparency, accountability and equity in all facets of operations. Your Company is committed to the adoption of best Corporate Governance Practices.

BOARD OF DIRECTORS:

As on 31st March, 2006 the Board of Directors of the Company has 6 Members with the majority of the Directors being non executive and the day to day affairs of the Company are managed by the Executive Chairman and the Managing Director subject to the control and directions by the Board of Directors.

No Director of the Company is a member of more than 10 Committees or Chairman of more than 5 Committees across all Companies in which he is a Director.

Ten Board meetings were held during the financial year on 12.04.2005, 30.04.2005, 20.07.2005, 16.08.2005, 05.09.2005, 31.10.2005, 07.01.2006, 31.01.2006, 21.02.2006 and 27.03.2006.

Composition of Board of Directors and other details as on 31st March, 2006 are as under:

Name	Category	No. of Board Meeting attended	Whether previous AGM attended held on 30.09.2005	No. of Directorship held in other companies	No. of Committee position held in other public limited companies as a Chairman	No. of Committee position held in other public limited companies as a Member
Mr. Karamjit Jaiswal	Executive Non-Independent	10	No	7	Nil	Nil
Mr. Umesh N. Saxena	Executive Non-Independent	10	Yes	7	Nil	Nil
Mr. Deepankar Barat	Non-Executive Independent	10	Yes	3	Nil	Nil
*Mr. Amarjeet Kapoor	Non-Executive Independent	1	N/A	10	Nil	Nil
Ms. Asha Gadi	Non-Executive Independent	10	No	1	Nil	Nil
*Mr Suresh Alipuria	Non-Executive Independent	NIL	N/A	1	Nil	Nil

*Appointed as Additional Directors by the Board of Directors in their meeting held on 27th March, 2006

Directorship held in other companies by the Directors of the company is on the basis of the information furnished.

MANAGEMENT TEAM:

Management Team consists of the following three executives of the Company:

Mr. Karamjit Jaiswal, Executive Chairman

Mr. Umesh N. Saxena, Managing Director

Mr. Sudhir Avasthi, Finance Director

AUDIT COMMITTEE:

The Audit Committee of the Company comprises of three members all of whom are Non Executive Independent Directors. The terms of reference, role and powers of the Audit Committee are as provided under Clause 49 of the Listing Agreement with the Stock Exchanges.

The composition of the Audit Committee as on 31st March, 2006 is as follows:

Name	Designation
Mr. Deepankar Barat	Chairman
Mr. Suresh Alipuria	Member
Ms. Asha Gadi	Member

Ms. Kamlesh Gupta, Company Secretary, acts as Secretary of the Committee.

Five meetings of the Audit Committee were held during the year. Attendance at meeting during the year:

Date of Meetings	Mr. Deepankar Barat	Ms. Asha Gadi	*Mr. Inder Singh Batra	**Mr. Suresh Alipuria
28.04.2005	Yes	Yes	Yes	N/A
18.07.2005	Yes	Yes	Yes	N/A
02.09.2005	Yes	Yes	Yes	N/A
18.10.2005	Yes	Yes	Yes	N/A
28.01.2006	Yes	Yes	Yes	N/A

*Resigned the Directorship of the Company w.e.f. 27.03.2006

**Appointed as the member of the Committee w.e.f. 27.03.2006

The Audit Committee Meetings are also attended by Mr. Sudhir Avasthi, Finance Director.

REMUNERATION COMMITTEE:

The Remuneration Committee consists of three Non Executive Independent Directors. The functioning and terms of reference of the Committee are as prescribed under the Listing Agreement with the Stock Exchanges. It determines the Company's policy on all elements of remuneration packages of all the Executive Directors and recommends the suitable revision to the Board.

The Remuneration Committee of the Company as on 31st March, 2006 comprises of the following three Directors of the Company:

Name	Designation
Mr. Deepankar Barat	Chairman
Mr. Suresh Alipuria	Member
Ms. Asha Gadi	Member

One meeting was held during the year and all the members of the Committee attended the same.

DETAILS OF REMUNERATION PAID TO DIRECTORS:

The aggregate value of remuneration and perquisites paid for the financial year ended 31st March, 2006 to Mr. Umesh N. Saxena, Managing Director are as follows:

	Mr. Umesh N. Saxena
Basic Salary	Rs. 15,31,200
Contribution to PF & Superannuation Fund	Rs. 4,13,424
Other Benefits & Allowances	Rs. 20,97,800
Total	Rs. 40,42,424

The appointment of Mr. Umesh N. Saxena, Managing Director, has been approved by the shareholders at the AGM held on 30th September, 2005 for a period of three years w.e.f. 29th April, 2005.

Company pays sitting fees to all the Non-Executive Directors @ Rs. 500 for each Board Meeting attended. The sitting fees paid to the Directors for the financial year ended on 31st March, 2006 is as follows:

Name of Director	Sitting fees
Mr. Deepankar Barat	Rs. 5000
Mr. Inder Singh Batra	Rs. 4500
Ms. Asha Gadi	Rs. 5000
Mr. Amarjeet Kapoor	Rs. 500
Mr. Suresh Alipuria	Rs. NIL

INVESTOR GRIEVANCE COMMITTEE:

The Investor Grievance Committee comprises of three members all of whom are Non Executive Independent Directors. The functioning and terms of reference of the Committee are as prescribed under and in due compliance with the Listing Agreement with the Stock Exchanges with particular reference to transfer of shares, complaints of shareholders etc.

The composition of the Committee as on 31st March, 2006 is as follows:

Name	Designation
Mr. Deepankar Barat	Chairman
Mr. Suresh Alipuria	Member
Ms. Asha Gadi	Member

Ms. Kamlesh Gupta, Company Secretary, acts as Secretary of the Committee.

Four meetings of the Committee were held during the year. Attendance at meeting during the year:

Date of Meetings	Mr. Deepankar Barat	Ms. Asha Gadi	*Mr. Inder Singh Batra	**Mr. Suresh Alipuria
28.04.2005	Yes	Yes	Yes	N/A
18.07.2005	Yes	Yes	Yes	N/A
18.10.2005	Yes	Yes	Yes	N/A
28.01.2006	Yes	Yes	Yes	N/A

*Resigned the Directorship of the Company w.e.f. 27.03.2006

**Appointed as the member of the Committee w.e.f. 27.03.2006

Ms. Kamlesh Gupta, Company Secretary, acts as Secretary to the Committee and also as the Compliance Officer.

During the year the Company has received five complaints from its members and all were attended to the satisfaction of the members.

ANNUAL GENERAL MEETINGS:

Location and time for the last three AGMs:

Year	Date	Venue	Time	No of Special resolutions Passed
2003	30.09.2003	Registered Office	12.30 p.m.	Nil
2004	29.09.2004	Registered Office	12.30 p.m.	1
2005	30.09.2005	Registered Office	12.30 p.m.	2

No resolution has been passed through Postal Ballot.

**DISCLOSURE:**

During the financial year 2005-2006 the Company has related party transactions as is envisaged under the Corporate Governance Code which have been mentioned in Note 17 under Schedule 18(B) to the Accounts.

There has not been any non compliance and no penalties or strictures have been imposed on the Company by the Stock Exchange, SEBI or any other statutory authority on any matter related to capital markets, during the last year.

Code of Conduct:

The Company adopted a Code of Conduct for Directors and Senior Management in the meeting of its Board of Directors held on 7th January, 2006. The Code of Conduct has been posted at the website of the Company.

MEANS OF COMMUNICATION:**Half yearly Report to each household of shareholders:**

Half-yearly Report is provided to shareholders on a request made to the Company.

Quarterly Results:

The quarterly, half-yearly and yearly financial results of the Company are forwarded to the Stock Exchanges where the Company is listed immediately upon the approval by the Board of Directors and quarterly results are widely published in a widely circulated English daily and a Punjabi daily as are required under the Listing Agreement with the Stock Exchanges.

Management Discussion and Analysis Report shall form part of the Annual Report.

GENERAL SHAREHOLDERS INFORMATION:**Annual General Meeting (AGM):**

Date & Time : 8th June, 2006, at 12.30 p.m.
 Venue : Registered Office
 Book Closure Date : 8th June, 2006
 Dividend : Nil

Financial Calender for 2006-2007:

Financial Results for
 First Quarter : in the last week of July, 2006
 Second Quarter : in the last week of October, 2006
 Third Quarter : in the last week of January, 2007
 Fourth Quarter : in the last week of April, 2007

Market Price Data:

High and Low market price during each month in last financial year from April, 2005 to March, 2006 at BSE is as follows:

Month	High	Low	Month	High	Low
April,05	31.65	17.05	October,05	43.65	32.00
May,05	35.75	21.30	November,05	44.90	33.05
June,05	49.65	32.00	December,05	41.95	33.20
July,05	51.90	39.85	January,06	65.90	38.45
August,05	57.85	42.15	February,06	76.75	56.25
September,05	55.00	34.50	March, 06	83.00	68.50

Registrar and Share Transfer Agent:

M/s Alankit Assignments Ltd. (Alankit), 205-206, Anarkali Market, Jhandewalan Extn., New Delhi-110055 acts as Registrar and Share Transfer Agent of the Company.

However keeping in view the convenience of shareholders, documents relating to shares will continue to be received by the Company at Bhandari House, 91, Nehru Place, New Delhi-110019.

Share transfer system:

The Company's Registrar M/s Alankit Assignments Ltd. have adequate infrastructure to process the share transfers. The share transfers received are processed within 30 days from the date of receipt, subject to the transfer instrument being valid and complete in all respects. Demat requests are processed within 21 days from the date of receipt, to give credit of the shares through the Depository.

Distribution of shareholding as on 31st March, 2006:

No of Shares	No. of shareholders	No. of shares held	%age of total shareholding
1-5000	6,288	14,77,185	30.23
5001-10000	12	96,003	1.97
10001-20000	6	91,930	1.88
20001-30000	2	48,250	.99
30001-40000	2	76,400	1.56
40001-50000	0	0	0
50001-100000	6	3,84,832	7.87
100001 and above	3	27,11,840	55.50
Total	6,319	**48,86,440	100.00

Shareholding pattern as on 31st March, 2006:

Particulars	No. of shares held	%age of shares held (Rounded off)
Promoters	25,01,540	51.19
Mutual Funds	3,550	0.07
Banks, Financial Institutions & Insurance Companies	22,071	0.45
FII's	1,95,416	4.00
Corporate Bodies	2,29,912	4.71
Indian Public	19,29,741	39.49
NRI's/OCBs	4,210	0.09
Total	**48,86,440	100.00

**includes 2875 partly paid up equity shares.

Dematerialization of shares and liquidity:

As the members are aware, your Company's shares are tradable compulsory in electronic form and your Company has established the electronic connectivity with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the Depository System, members are requested to avail of the facility of dematerialization of the Company's shares on either of the Depositories as aforesaid.

As on 31st March, 2006, 22.97% of the capital was held in dematerialized form and the rest in physical form.

Unclaimed Dividends:

As per the provisions of section 205A read with section 205C of the Act, dividend declared for the financial year ended 31st March, 1998 and which remained unclaimed has been transferred to the Investor Education and Protection Fund (IEPF) of the Central Government.

It may be noted that no claims lie against the Company or the IEPF in respect of the said unclaimed amounts transferred to the Fund.

Plant Locations:

Patiala Plant: P.O. Bahadurgarh, Distt. Patiala -147021, Punjab

Gurgaon Plant: Plot No. 5, Maruti Industrial Complex, Sector 18, Gurgaon (Haryana)

Hamira Plant: Jagatjit Nagar – 144802, District Kapurthala, Punjab.

Moradabad Plant: Village Mugulpur, Urf Agwanpur, Kanth Road, Distt Moradabad (U.P.)

Address for correspondence:

Registered Office: P.O. Bahadurgarh, Distt. Patiala-147021, Punjab

Head Office & Share Department: 5th Floor, Bhandari House, 91, Nehru Place, New Delhi-110019

Management Discussion and Analysis:**Industry Outlook, Opportunities and Threats**

The new plant at Moradabad with a capacity of 500 MT milk processing per day has enabled the Company to procure orders from institutional buyers.

The Company is also in the process of setting up a 100% Export Oriented Unit for manufacture of value Added Products like Casein and Demineralised Whey Powder. Overseas parties in USA and Japan have shown keen interest in the product. They have also sent letters of their in-principle agreement to buy entire year's production. Further queries from parties in Europe are also being processed. As such, the Company envisages no difficulty in marketing the production at international remunerative prices. This will open the large opportunities of growth in the Dairy Industry.

Milk and product prices have increased during the year. Milk reception is of good quality. The Company has opened number of Centres for milk collection at village level. During the current year the Company will be opening more Centres in Moradabad and in the vicinity of plant at Moradabad and Patiala.

The Company has exported 7,54,000KG Skimmed Milk Power, Whole Milk Powder to overseas buyers in Pakistan, Afganistan, Myanmar and Nepal. In spite of tough competition in the market the Company is playing a leading role in the market.

Company has taken the effective steps for the reduction of cost and to improve the quality of the product.

The Company is operating on customized Computer Software Packages with a view to derive various types of M I S required by different levels of management functionaries.

There is a procedure of physical verification of fixed and current assets of the Company at regular intervals. No adverse inference has been noted at such physical verification. The Company has a system of assessing the total market of dairy products in different segments/ territories and efforts are made to enhance Company's share of the total market.

Segment wise review

The Company is operating in a single segment.

Financial Performance

Financial Performance of the Company has been given separately in the Directors' Report.

Information on Director seeking re-appointment at this Annual General Meeting

(Pursuant to Clause 49 of the Listing Agreement)

Mr. Deepankar Barat is liable to retire by rotation at this Annual General Meeting and being eligible offers himself for re-appointment. He was

appointed as a Director of the Company w.e.f. 30th July, 2001. He is 54 years old. He has vast experience in the field of finance, accounts, marketing and Corporate Management. He is holding 10 equity shares in the Company in his name.

He is holding the Directorship of three Companies viz. Fastgrowing Finance & Investment Pvt. Ltd., Omshiv Properties Pvt. Ltd. and Devyani Construction Pvt. Ltd.

Mr. Suresh Alipuria was appointed as Additional Director with effect from 27th March, 2006 by the Board of Directors in accordance with the provisions of section 260 of the Companies Act, 1956 and article 108(a) of the Articles of Association of the Company. Accordingly, his term expires at the date of this Annual General Meeting.

Company has received the requisite notice u/s 257 of the Companies Act, 1956 proposing his appointment as a Director of the Company liable to retire by rotation.

He is 47 years old. He is a qualified Chartered Accountant and has vast experience in the field of accounts, finance, banking. He holds the Directorship of Industrial Containers & Closures Ltd. He does not hold any share in the Company either in his name or for other persons on a beneficial basis.

Mr. Amarjeet Kapoor was appointed as Additional Director with effect from 27th March, 2006 by the Board of Directors in accordance with the provisions of section 260 of the Companies Act, 1956 and article 108(a) of the Articles of Association of the Company. Accordingly, his term expires at the date of this Annual General Meeting.

Company has received the requisite notice u/s 257 of the Companies Act, 1956 proposing his appointment as a Director of the Company liable to retire by rotation.

He is 45 years old. He has vast experience in the field of finance, accounts and banking. He does not hold any share in the Company either in his name or for other persons on a beneficial basis.

He holds the Directorship in the following companies:

1. Double Durable Investments Ltd.
2. Quick Return Investment Co. Ltd.
3. Industrial Containers & Closures Ltd.
4. Blue Skies Investments Pvt. Ltd.
5. Palm Beach Investments Pvt. Ltd.
6. Snowwhite Holdings Pvt. Ltd.
7. Hybrid Holdings Pvt. Ltd.
8. County Investments Pvt. Ltd.
9. Pickwick Holdings Pvt. Ltd.
10. Aristocrat Mineral Water Pvt. Ltd.

For and on behalf of the Board

(KARAMJIT JAISWAL)
EXECUTIVE CHAIRMAN

(UMESH N. SAXENA)
MANAGING DIRECTOR

New Delhi
8th May 2006

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENTS

To the Members of
Milkfood Limited

We have reviewed the implementation of Corporate Governance procedures by Milkfood Limited during the year ended March 31, 2006, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor any expression of opinion on the financial statements of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency of effectiveness with which the management has conducted the affairs of the Company.

On the basis of our review and according to the information and explanations given to us, the Company has generally complied with the conditions laid down in clause 49 of the listing agreements. However, Company is yet to implement few corporate procedures relating to role to be performed by Audit Committee, risk management procedures, minimum information to be made available to the Board.

For R.N. Bahl & Co.
Chartered Accountants

R.N. Bahl
(Partner)

Membership No. FCA 2277

Place: New Delhi
Date : 8th May 2006

Financial Highlights

(Rs. in lacs or as indicated)

PARTICULARS	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00	1998-99	1997-98	1996-97
ASSETS										
Fixed Assets (Net Block)	5,441	3,434	1,386	1,118	1,231	1,090	1,199	1,314	1,726	1,895
Investments	426	450	453	434	9	9	9	9	9	9
Current Assets	6,051	3,193	4,276	2,353	3,221	2,960	3,732	3,098	3,756	3,711
TOTAL	11,918	7,077	6,115	3,905	4,461	4,059	4,940	4,421	5,491	5,615
LIABILITIES										
Loans, Current Liabilities and Provisions	8,882	4,371	3,436	1,327	1,796	1,145	1,998	1,434	2,225	2,227
NET WORTH	3,036	2,706	2,679	2,578	2,665	2,914	2,942	2,987	3,266	3,388
REPRESENTED BY										
Share Capital	489	489	489	489	489	489	489	489	489	489
Reserves and Surplus	2,547	2,217	2,190	2,089	2,176	2,425	2,453	2,498	2,777	2,899
TOTAL	3,036	2,706	2,679	2,578	2,665	2,914	2,942	2,987	3,266	3,388
OPERATING PERFORMANCE										
Revenue	20,627	19,152	19,027	16,435	16,279	20,113	18,674	16,193	15,473	14,072
Gross Profit Earnings	581	91	286	3	7	117	161	(109)****	223***	98**
Profit/(Loss) before Tax	415	8	201	(127)	(157)	(28)	(44)	(274)****	13***	(120)**
Profit/(Loss) after Tax	330	27	101	(88)	(107)	(29)	(44)	(279)****	13***	(120)**
Earnings per Share (Rs.)	6.75	0.56	2.07	—	—	—	—	—	0.27	—
Dividend — Amount per Share (Rs.)	—	—	—	—	—	—	—	—	2.50	2.00
— Rate (%)	—	—	—	—	—	—	—	—	25.00	20.00
Book Value of Shares (Rs.)	62.13	55.38	54.83	52.76	54.54	59.63	60.21	61.13	66.84	69.33
GROSS EARNINGS										
As a percentage of Revenue	2.82	0.48	1.50	0.02	0.04	0.58	0.86	—	1.44	0.70
As a percentage of Fixed Assets	10.68	2.65	20.63	0.27	0.57	10.73	13.43	—	12.92	5.17
As a percentage of Capital Employed	19.14	3.36	10.68	0.12	0.26	4.02	5.47	—	6.83	2.89

** Includes Rs. 69 lacs Extra Ordinary Items.

*** Includes Rs. 36 lacs Extra Ordinary Items.

**** Includes Rs. (29) lacs Extra Ordinary Items.