

7th Annual Report 2005-2006

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RAINBOW
DENIM LTD

BOARD OF DIRECTORS

CHAIRMAN & MANAGING DIRECTOR

H D RAMSINGHANI

REGISTERED OFFICE & WORKS

VILLAGE CHAUNDHERI,
P O DAPPAR, TEHSIL DERABASSI,
DIST MOHALI, PUNJAB 140506
Email: rainbow@rainbowdenim.com

WHOLETIME DIRECTOR

S S ARORA

CORPORATE OFFICE

51/52, FREE PRESS HOUSE
FREE PRESS JOURNAL MARG
NARIMAN POINT
MUMBAI 400 021
Email : raindenim@vsnl.com

DIRECTORS

D N SINGH

MAHENDRA LODHA

UMESH JAIN - Nominee Director of IDBI

J PREMKUMAR – Nominee Director of IIBI

REGISTRARS & TRANSFER AGENTS

INTIME SPECTRUM REGISTRY LTD.
C-13, PANNALAL SILK MILLS
COMPOUND,
L B S MARG, BHANDUP (WEST),
MUMBAI 400 078
TEL : 25963838. FAX : 25946969
EMAIL: isrl@intimespectrum.com

COMPANY SECRETARY

R.D. JOG

AUDITORS

M/s DAYAL & LOHIA

CHARTERED ACCOUNTANTS

MUMBAI

BANKERS

BANK OF INDIA

DENA BANK

ARAB BANGLADESH BANK

NOTICE

NOTICE is hereby given that the Seventh Annual General Meeting of the Members of Rainbow Denim Limited will be held on Friday the 22nd day of September 2006 at 10.00 a. m. at the Registered Office of the Company at Village Chaundheri, P O Dappar, Tehsil Derabassi, District Mohali, Punjab 140 506 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the year ended March 31, 2006 and the Balance Sheet as on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr D N Singh who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

4. To consider, and if thought fit, to pass with or without modifications, the following Resolution, as a Special Resolution:
 "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any amendment thereto or enactment thereof for the time being in force) and subject to such approvals, consents and sanctions as may be necessary, the consent of the Company be and is hereby accorded to the terms of reappointment of Mr. H.D. Ramsinghani as the Managing Director of the Company for a further period of three years from June 01, 2006 on the terms and conditions as set out in the draft agreement of reappointment submitted to the meeting and initialed by the Chairman for the purpose of identification and that he be paid remuneration by way of salary, perquisites, allowances and commission as approved by the Board of Directors of the Company and the Remuneration Committee and as set out in the Explanatory Statement annexed hereto."

"FURTHER RESOLVED THAT the Board of Directors be and they are hereby authorized to execute the Agreement in terms of the said draft with such alterations, changes and modifications as may be agreed between the Directors and Mr. H.D. Ramsinghani as shall be permissible and in conformity with applicable provisions of the Companies Act, 1956 and the consents, sanctions and approvals as may be applicable."

"FURTHER RESOLVED THAT the Board of Directors be and it is hereby authorized to take such steps as may be necessary to give effect to the above Resolutions."

5. To consider, and if thought fit, to pass with or without modifications, the following Resolution, as a Special Resolution:
 "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any amendment thereto or enactment thereof for the time being in force) and subject to such approvals, consents and sanctions as may be necessary, the consent of the Company be and is hereby accorded to the terms of reappointment of Mr. S.S. Arora as the Whole Time Director of the Company for a further period of three years from June 01, 2006 on the terms and conditions as set out in the draft agreement of reappointment submitted to the meeting and initialed by the Chairman for the purpose of identification and that he be paid remuneration by way of salary, perquisites, allowances and commission as approved by the Board of Directors of the Company and the Remuneration Committee and as set out in the Explanatory Statement annexed hereto."

"FURTHER RESOLVED THAT the Board of Directors be and they are hereby authorized to execute the Agreement in terms of the said draft with such alterations, changes and modifications as may be agreed between the Directors and Mr. S.S. Arora as shall be permissible and in conformity with applicable provisions of the Companies Act, 1956 and the consents, sanctions and approvals as may be applicable."

"FURTHER RESOLVED THAT the Board of Directors be and it is hereby authorized to take such steps as may be necessary to give effect to the above Resolutions."

6. To consider and if thought fit, to pass, with or without modification, as a Special Resolution the following:
 "RESOLVED THAT pursuant to the provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, the Companies Act, 1956 and the rules made there under, the Listing Agreement and all other applicable laws, rules, regulations and guidelines and subject to such approvals, consents, sanctions and permissions as may be necessary, the consent of the Members be and it is hereby accorded to the Board (which term shall include a committee thereof) to voluntarily delist the Equity Shares of the Company from The Ludhiana Stock Exchange Association Limited and Ahmedabad Stock Exchange Limited at such time as the Board may decide."
 "FURTHER RESOLVED THAT the Board be and is hereby authorized to execute such deeds, documents, writings etc. as may be necessary and to take all such steps and to do all such acts, deeds and things as may be necessary and expedient to give effect to the above Resolution."

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NOTES

1. The Explanatory Statement pursuant to the provisions of Section 173 of the Companies Act, 1956 in respect of Special Business specified in the Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTYEIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday the 15th day of September, 2006 to Friday the 22nd day of September, 2006 (both days inclusive).
4. Members desirous of seeking any information concerning the Accounts are requested to address their queries, in writing, to the Company at the Corporate Office at least seven days before the date of the Meeting so that the requested information can be made available at the time of the meeting.
5. Members/Proxies should bring their copies of the Annual Report to the meeting since copies of the Annual Report will not be distributed at the meeting.

Place : Mumbai
Dated : July 28, 2006

By Order of the Board
For RAINBOW DENIM LTD.
R. D JOG
COMPANY SECRETARY

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956 WITH REFERENCE TO THE SPECIAL BUSINESS SPECIFIED IN THE NOTICE CONVENING THE SEVENTH ANNUAL GENERAL MEETING OF THE COMPANY.
ITEM NO 4

Resolution under item No. 4 of the Notice relates to the reappointment of Mr. H.D. Ramsinghani as the Managing Director of the Company for a further period of three years from June 01, 2006. The Board of Directors and the Remuneration Committee, at their meetings held on June 2, 2006 have approved the same.

The terms of reappointment including remuneration are as follows:

Date of Reappointment : June 01, 2006
Period of Reappointment : Three years from June 01, 2006

Remuneration

(a) Basic Salary:

Rs. 1,50,000/- (Rupees One Lac Fifty thousand only) in the grade of 150000-25000-200000.

(b) Perquisites and Allowances:

In addition to salary, the following perquisites/allowances shall be allowed to the Managing Director.

CATEGORY - A

(i) Housing:

The Company shall provide furnished accommodation to the Managing Director with the Company paying all rents, rates and taxes, all expenses towards provision of equipment and appliance, furniture, fixtures and furnishings etc. and reimbursement of expenses relating to maintenance, gas, electricity, servants, etc or House Rent Allowance in lieu thereof subject to a maximum of 60% of the basic Salary.

(ii) Leave Travel Concession:

The Company shall provide leave travel fare for the Managing Director and his family while on privilege leave together with lodging and boarding expenses once in a year as per the rules of the Company subject to a maximum of one month's Basic Salary.

(iii) Personal Accident Insurance:

The Company shall pay/reimburse Personal Accident Insurance Premium up to Rs. 4,000/- per annum.

(iv) Club Fees:

The Company shall reimburse annual fees for a maximum of two clubs together with all expenses incurred thereat towards the business of the Company.

(v) Medical Reimbursement:

Medical expenses for self and family as per the rules of the Company subject to a maximum of one month Basic Salary.

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The aggregate value of perquisites for (i) to (v) above for each year shall be computed as per the provisions of The Income Tax Act, 1961. In case of benefits for which no specific rule of valuation is provided under The Income Tax Act, 1961 the perquisite value of such benefit shall be taken at actual cost.

CATEGORY – B

- (i) The Company shall contribute towards Provident Fund/Superannuation Fund/Annuity-Fund etc. as per rules of the Company.
- (ii) The Company shall pay Gratuity as per rules of the Company.
- (iii) Privilege Leave on full pay and allowances, as per rules of the Company but not more than one month's leave for every eleven months of service. However, the leave accumulated but not availed of will be allowed to be encashed at the end of the term.
- (iv) Benefit of Sick Leave in accordance with the rules of the Company.
- (v) Children's Education Allowance for maximum of two children limited to Rs. 5,000/- per month per child or actual expenses incurred whichever is less.
- (vi) Return Holiday passage once in a year by economy class or once in two years by first class to children and to members of the family from the place of their stay or study abroad to India if they are not studying or staying in India.

The above shall not be included in the computation of ceiling on remuneration or perquisites as aforesaid.

CATEGORY – C

- (i) The Company shall provide car(s) with driver at the entire cost of the Company for use on Company's business and the same will not be considered as perquisites.
- (ii) The Company shall provide telephone(s) and other communication facilities at the residence of the Whole Time Director at the entire cost of the Company.

CATEGORY – D

The Managing Director shall be entitled to commission at a rate not exceeding 1% of net profits of the Company subject to a maximum of annual basic salary.

Other Terms

- a) The appointee shall not be entitled to sitting fees for attending the meetings of the Board and/or committees thereof.
- b) The appointee shall be entitled to reimbursement of all actual expenses including entertainment and travelling expenses incurred in the course of Company's business.
- c) The appointee shall not as long as he continues to be the Managing Director of the Company become interested or otherwise concerned directly or indirectly in any selling agency without the approval of the Central Government.
- d) The appointee shall be entitled to compensation for loss of office in the event, manner and to the extent provided under Section 318 of the Companies Act, 1956.

The aforesaid remuneration in any one financial year shall not exceed the limits prescribed under sections 198, 269, 309 and other applicable provisions of the Companies Act, 1956 read with schedule XIII to the said act as may, for the time being, be in force.

The remuneration as above including perquisites but save and except commission shall nevertheless be paid as minimum remuneration in the event of absence or inadequacy of profits in any financial year subject to the condition that the remuneration shall not without the prior approval of the Central Government, if required, exceed the limits specified in Section II of Schedule XIII computed on the basis of the Effective Capital of the Company as defined in the explanation under Para 3 of Section II of Part II to Schedule XIII of the Companies Act, 1956 as in force for the time being or as may be amended from time to time.

The draft agreement between the Company and Mr. H.D. Ramsinghani is open for inspection of the Members at the Registered Office on all working days between 10.00 a.m. and 1.00 p.m.

Mr. Ramsinghani may be deemed to be concerned or interested in the Resolution as it relates to his own appointment. None of the other Directors are in any way concerned or interested in the Resolution.

This Explanatory Statement along with the accompanying Notice is and shall be deemed to be an abstract under Section 302 of the Companies Act, 1956.

ITEM NO. 5

Resolution under Item No. 5 of the Notice relates to the reappointment of Mr. S.S. Arora as Whole Time Director of the Company for a further period of three years from June 01, 2006. The Board of Directors and the Remuneration Committee, at their meetings held on June 2, 2006 have approved the same.

The material terms of appointment of Mr. S.S. Arora are as under:

Date of Reappointment	: June 01, 2006
Period of Reappointment	: Three years from June 01, 2006

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Remuneration**(a) Basic Salary :**

Rs. 1,00,000/- (Rupees One Lac Only) in the grade of 100000 – 25000 – 150000.

(b) Perquisites and Allowances:

In addition to salary, the following perquisites/allowances shall be allowed to the Whole Time Director.

CATEGORY – A**(i) Housing:**

The Company shall provide furnished accommodation to the Whole Time Director with the Company paying all rents, rates and taxes, all expenses towards provision of equipment and appliances, furnitures, fixtures and furnishings etc. and reimbursement of expenses relating to maintenance, gas, electricity, servants, etc. or House Rent Allowance in lieu thereof subject to a maximum of 60% of the basic Salary.

(ii) Leave Travel Concession:

The Company shall provide leave travel fare for the Whole Time Director and his family while on privilege leave together with lodging and boarding expenses once in a year as per the rules of the Company subject to a maximum of one month's Basic Salary.

(iii) Personal Accident Insurance:

The Company shall pay/reimburse Personal Accident Insurance Premium up to Rs. 4,000/- per annum.

(iv) Club Fees:

The Company shall reimburse annual fees for a maximum of two clubs together with all expenses incurred thereat towards the business of the Company.

(v) Medical Reimbursement:

Medical expenses for self and family as per the rules of the Company subject to a maximum of one month Basic Salary.

The aggregate value of perquisites for (i) to (v) above for each year shall be computed as per the provisions of The Income Tax Act, 1961. In case of benefits for which no specific rule of valuation is provided under The Income Tax Act, 1961 the perquisite value of such benefit shall be taken at actual cost.

CATEGORY – B

(i) The Company shall contribute towards Provident Fund/Superannuation Fund/Annuity Fund etc. as per rules of the Company.

(ii) The Company shall pay Gratuity as per rules of the Company.

(iii) Privilege Leave on full pay and allowances, as per rules of the Company but not more than one month's leave for every eleven months of service. However, the leave accumulated but not availed of will be allowed to be encashed at the end of the term.

(iv) Benefit of Sick Leave in accordance with the rules of the Company.

The above shall not be included in the computation of ceiling on remuneration or perquisites as aforesaid.

CATEGORY – C

(i) The Company shall provide car(s) with driver at the entire cost of the Company for use on Company's business and the same will not be considered as perquisites.

(ii) The Company shall provide telephone(s) and other communication facilities at the residence(s) of the Whole Time Director at the entire cost of the Company.

CATEGORY – D

The Whole Time Director shall be entitled to commission at a rate not exceeding 1% of net profits of the Company subject to a maximum of annual basic salary.

Other Terms

a) The appointee shall not be entitled to sitting fees for attending the meetings of the Board and/or committees thereof.

b) The appointee shall be entitled to reimbursement of all actual expenses including entertainment and travelling expenses incurred in the course of Company's business.

c) The appointee shall not as long as he continues to be the Whole Time Director of the Company become interested or otherwise concerned directly or indirectly in any selling agency without the approval of the Central Government.

d) The appointee shall be entitled to compensation for loss of office in the event, manner and to the extent provided under Section 318 of the Companies Act, 1956.

The aforesaid remuneration in any one financial year shall not exceed the limits prescribed under sections 198, 269, 309 and other applicable provisions of the Companies Act, 1956 read with schedule XIII to the said act as may, for the time being, be in force.

The remuneration as above including perquisites but save and except commission shall nevertheless be paid as minimum remuneration in the event of absence or inadequacy of profits in any financial year subject to the condition

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that the remuneration shall not without the prior approval of the Central Government, if required, exceed the limits specified in Section II of Schedule XIII computed on the basis of the Effective Capital of the Company as defined in the explanation under Para 3 of Section II of Part II to Schedule XIII of the Companies Act, 1956 as in force for the time being or as may be amended from time to time.

The draft agreement between the Company and Mr. S.S. Arora is open for inspection of the Members at the Registered Office on all working days between 10.00 a.m. and 1.00 p.m.

Mr. S.S. Arora may be deemed to be concerned or interested in the Resolution as it relates to his own appointment.

None of the other Directors are in any way concerned or interested in the Resolution.

This Explanatory Statement along with the accompanying Notice is and shall be deemed to be an abstract under Section 302 of the Companies Act, 1956.

As required under Schedule XIII to the Companies Act, 1956 the relevant details for Item No. 4 and 5 of the Notice are as under:

I. General Information

1. Nature of Industry : Textile Industry
2. Date or expected date of commencement of commercial production:
The Company was incorporated on April 8, 1999 and commenced commercial production on January 1, 2002.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:
Not applicable.
4. Financial performance based on given indicators (As per audited financial statements for the year ended 31/03/06)

Particulars	Rs. in Crores •
Sales & Other Income	126.59
EBIDTA	12.70
Net Profit / (Loss)	(6.00)

5. Export performance and net foreign exchange collaborations (as per audited financial statements for the year ended 31/03/06)
Earnings in foreign exchange by exports : Rs. 14.24 Crores.
6. Foreign investments or collaborators, if any : Not Applicable.

II. Information about the appointees

1. Background details:

Mr. H.D. Ramsinghani, aged 43 years, has done his MBA from USA. He has been associated with the Company since inception and has been its Managing Director since the last five years. Prior to his appointment in the Company he was associated with various group companies for over 15 years.

Mr. S.S. Arora, aged 44 years, is a commerce graduate and has been in employment with the Company since inception and prior to his employment with the Company he was associated with various group companies for over 10 years.

2. Past remuneration:

Mr. H.D. Ramsinghani

Particulars	F.Y. 2005-06	F.Y. 2004-05
Salary	22.56	22.08
Perquisites/allowances	0.94	1.43
Commission/Bonus	Nil	Nil
Total	23.50	23.51

Mr. S.S. Arora

Particulars	F.Y. 2005-06	F.Y. 2004-05
Salary	5.76	5.68
Cont to P F	0.64	0.63
Perquisites/allowances	2.20	2.10
Commission/Bonus	Nil	Nil
Total	8.60	8.41

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3. Job profile and their suitability:

- Mr. H.D. Ramsinghani has been reappointed as the Managing Director of the Company and he will be in charge of overall management subject to the direction, supervision and control of the Board of Directors of the company.
- Mr. S.S. Arora has been reappointed as the Whole Time Director of the Company and he will carry out such duties as may be entrusted to him by the Board and the Managing Director but subject to supervision and control of Board of Directors, of the Company.

Taking into consideration their qualifications and expertise in the relevant fields and their active participation in setting up the most modern and state of the art Denim Project of the Company, they are suited for the responsibilities assigned to them by the Board of Directors.

- 4. Remuneration proposed:** Since the same has been already explained in detail hereinabove, the same is not repeated.
- 5. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):**
Considering the size of the Company, the profiles of Mr. H.D. Ramsinghani and Mr. S.S. Arora, the responsibilities shouldered by them and the industry benchmarks, the remuneration proposed to be paid to them is commensurate with the remuneration packages paid to similar appointees in other companies in India and abroad.
- 6. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

Besides the remuneration proposed, Mr. H.D. Ramsinghani and Mr. S.S. Arora do not have any pecuniary relationship with the Company and its managerial personnel.

ITEM NO 6

The Equity Shares of the Company are presently listed on the Bombay Stock Exchange Limited, The Ludhiana Stock Exchange Association Limited and Ahmedabad Stock Exchange Limited.

There has been negligible trading in the Equity Shares of the Company on The Ludhiana Stock Exchange Association Limited and Ahmedabad Stock Exchange Limited. It is therefore proposed to voluntarily delist the Equity shares of the Company from these Stock Exchanges pursuant to the provisions of Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 ('the Guidelines') and all other applicable laws, rules and regulations so as to save the Listing fees and other administrative costs.

The approval of the Members is therefore being sought pursuant to provisions of the said Guidelines. In terms of Clause 5.2 of the said Guidelines, the Company is not required to offer exit opportunity to the Shareholders situated in the region of the Stock Exchanges from where the Equity Shares of the Company are proposed to be delisted since the Equity Shares shall continue to be listed on the Bombay Stock Exchange Ltd., which has nation wide trading terminals. The proposed delisting of the Equity Shares will not therefore adversely affect the Members, as the Shares will continue to be listed on Bombay Stock Exchange Limited. The delisting will take effect after all approvals, permissions and sanctions are received.

None of the Directors of the Company are in any way concerned or interested in the Resolution.

Place : Mumbai
Dated : July 28, 2006

By Order of the Board
For **RAINBOW DENIM LTD.**
R. D. JOG
COMPANY SECRETARY

INFORMATION PURSUANT TO CLAUSE 49 (VI) OF THE LISTING AGREEMENT

As required under the Listing Agreement, the particulars of Director who is proposed to be reappointed at the forthcoming Annual General Meeting are given below :

Mr D N Singh

Mr D N Singh has been a Director of the Company since April 12, 1999.

Mr D N Singh is a Chemical Engineer from Banaras Hindu University and has over 40 years experience in the field of Chemicals and Petrochemicals. He has held senior positions in several companies viz. Synthetics and Chemicals Ltd., Cyanides and Chemicals Co., Alkyl Amines Chemicals Ltd. etc. Mr. D.N. Singh holds 900 Equity Shares of the Company.

He is a Director of the following companies :

- (1) Rama Petrochemicals Limited (2) Rama Phosphates Limited
(3) Rama Industries Limited (4) Rama Capital and Fiscal Services Pvt Ltd.

He is a Committee Member / Chairman in the following companies :

Rama Petrochemicals Limited

Audit Committee

Shareholders Committee

Share Transfer Committee - Chairman

Rama Phosphates Limited

Share Transfer Committee

Rama Industries Limited

Share Transfer Committee

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DIRECTORS' REPORT

Your Directors have pleasure in presenting the Seventh Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2006.

FINANCIAL RESULTS	YEAR ENDED 31.03.2006 (Rs. in lacs)	YEAR ENDED 31.03.2005 (Rs. in lacs)
Profit/(Loss) before Depreciation	193.26	954.64
Depreciation	793.54	788.72
Profit/(Loss) after Depreciation	(600.28)	165.92
Prior period (Expenditure)/Income	(0.86)	(2.16)
Balance carried to Balance Sheet	(601.14)	163.76

DIVIDEND

In view of the loss for the year under review, your Directors regret their inability to recommend any Dividend for the year under review.

REVIEW OF OPERATIONS

The total production of Denim fabric during the year under review was 16.72 million meters as compared to 16.16 million meters during the previous year. The Company has achieved a sales turnover of Rs. 12561 lacs during the year under review as compared to a turnover of Rs. 13755 lacs during the previous year. The exports during the year stood at Rs 1459 lacs as compared to Rs. 2354 lacs during the previous year.

During the year under review, the Company continued its policy of placing greater emphasis on domestic sales rather than exports due to a better realisation in domestic market.

FUTURE PROSPECTS

As was reported earlier the restructuring of Company's Debts under the Corporate Debt Restructuring (CDR) mechanism has been approved by the CDR Cell w.e.f. October 1, 2003. The Company is in the process of complying with the various conditions of sanction. As a part of the CDR proposal, the Company has allotted 32,93,589 Equity Shares of Rs. 10/- each to the Promoters of the Company, out of which 16,66,666 Equity Shares were allotted at Rs. 24/- per share and 16,26,923 Equity Shares were allotted at Rs. 26/- per share. As a result of the said Allotment the Issued, Subscribed and Paid up Capital of the Company has increased from Rs. 14,91,57,700/- divided into 1,49,15,770 Equity Shares of Rs. 10/- each to Rs. 18,20,93,590/- divided into 1,82,09,359 Equity Shares of Rs. 10/- each. Some Institutions/Banks have given partial effect of reliefs and concessions envisaged under the said approval for part of the year. Effect of the remaining reliefs and concessions have neither been accounted nor quantified pending compliance and confirmations from some of the Institutions/Banks.

CORPORATE GOVERNANCE

The Report on Corporate Governance along with the Auditor's Certificate regarding Compliance of the conditions of Corporate Governance as also a Management Discussion and Analysis Report pursuant to clause 49 of the Listing Agreement are annexed hereto.