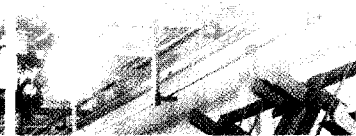
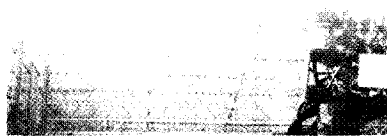




RAJ RAYON LIMITED

12th ANNUAL REPORT 2004-2005

REPORT





RAJ RAYON LIMITED

BOARD OF DIRECTORS	:	SHRI GOURISHANKAR PODDAR	<i>Chairman & Managing Director</i>
		SMT. RAJKUMARI KANODIA	<i>Director</i>
		SHRI ASHOK TREHAN	<i>Director (Technical)</i>
		SHRI JAGDISH CHANDRA SOMANI	<i>Director</i>
		SHRI VINOD KUMAR JAIN	<i>Director</i>
		SHRI TUHIN B. SINHA	<i>Director</i>
PRESIDENT FINANCE & COMPANY SECRETARY	:	MR. PRADEEP KUMAR AGRAWAL	
AUDITORS	:	M/S. R. S. AGRAWAL & ASSOCIATES	
		CHARTERED ACCOUNTANTS	
BANKERS	:	STATE BANK OF INDIA	
REGISTERED OFFICE	:	3A/205, Mittal Industrial Estate, Saki Naka, Andheri (E), Mumbai Maharashtra (India), Pin - 400 059. Tel: 91-22- 2850 8905 / 06 Fax: 91-22- 2852 3574, Website : www.rajrayon.com E-mail: rajrayonltd@vsnl.net	
PLANT LOCATIONS	:		
POLYESTER TEXTURISED YARN (PTY) DIVISION	:	1. SURVEY NO. 272/1/1 Plot No. 1, Dadra Demani Road, Village : Dadra Dist : Silvassa - 396 230. (U.T.) India. 2. SURVEY NO. 185/1/1 Plot No. 17, Dokmandi, Village : Amli, Dist : Silvassa - 396 230. (U.T.) India. 3. SURVEY NO. 259/12 Parshawanath Industrial Estate, Village : Dadra Dist : Silvassa - 396 230. (U.T.) India.	
PARTIALLY ORIENTED YARN (POY) DIVISION	:	4. SURVEY NO. 177/1/3 & 177/1/4, Village : Surangi, Dist : Silvassa - 396 230. (U.T.) India.	
REGISTRAR & SHARE TRANSFER AGENT	:	INTIME SPECTRUM REGISTRY LTD. C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai Maharashtra (India), Pin - 400 078. Tel: 91-22- 5555 5454 - 59 Fax: 91-22- 5555 5353 Website: www.intimespectrum.com E-mail: isrl@intimespectrum.com	

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RAJ RAYON LIMITED

NOTICE

Notice is hereby given that the 12th Annual General Meeting of the Members of RAJ RAYON LIMITED will be held on Tuesday the 16th August, 2005 at 1.00 P.M. at Chakra Hotel, A. K. Road, Saki Naka, Andheri (East), Mumbai-400 072 to transact the following business.

ORDINARY BUSINESS

1. To consider and adopt the audited Balance Sheet as at 31st March 2005, Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a director in place of Shri Gourishankar Poddar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Shri Jagdish Chandra Somani, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Messrs R. S. Agrawal & Associates, Chartered Accountants, the retiring Auditors of the Company, as Auditors, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.

SPECIAL BUSINESS

6. To consider and if thought fit to pass, with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED THAT Shri Tuhin B. Sinha, who was appointed as an additional director of the Company by the Board of Director and who holds office as per Section 260 of the Companies Act, 1956, up to the date of this Annual General Meeting and in respect on whom the company has, pursuant to Section 257 of the Companies Act, 1956, received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a director of the Company, liable to retire by rotation."

7. To consider and if thought fit to pass, with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED THAT Shri Vinod Kumar Jain, who was appointed as an additional director of the Company by the Board of Director and who holds office as per Section 260 of the Companies Act, 1956, up to the date of this Annual General Meeting and in respect on whom the company has, pursuant to Section 257 of the Companies Act, 1956, received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a director of the Company, liable to retire by rotation."

8. To consider and if thought fit to pass, with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED THAT subject to approval of Central Government and pursuant to the provisions of sections 198, 269, 309 read with Schedule XIII of the act and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the company be and is hereby accorded to the appointment of Shri Ashok Trehan, as a Director (Technical) of the Company for a period of 5 (five) Years with effect from 31st January, 2005 on the following terms and conditions:-

- A) Salary : Salary @ Rs.60,000/- (Rupees sixty thousand only) per month.
- B) Perquisites: These shall be restricted to the extent as mentioned in Schedule XIII of the Companies Act, 1956."

By order of the Board of Directors,

PRADEEP AGRAWAL
President Finance &
Company Secretary

Mumbai, 21st June, 2005

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. The instrument appointing Proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Annual General Meeting.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the meeting is annexed hereto.
3. Shareholders are requested to bring their copy of Annual Report to the Meeting.
4. Members/Proxies should bring the Attendance slip send herewith duly filled in for attending the meeting.
5. In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. 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.
7. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except holidays between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.



12TH ANNUAL REPORT 2004-2005

8. (a) The Company has already notified closure of Register of Members and Transfer Books thereof from 9th August 2005 to 16th August, 2005 (both days inclusive) for determining the names of members eligible for dividend, if approved, on equity shares. In respect of shares held in Electronic form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories for this purpose.
- (b) The dividend on Equity Shares, as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid on or after 16th August, 2005.
- (c) Members may please note that the Dividend Warrants are payable at par at the designated branches of the Bank printed on reverse of the Dividend Warrants for an initial period of 3 months only. Thereafter, the Dividend Warrant on revalidation is payable only at limited centres/branches. The members are, therefore, advised to en-cash Dividend Warrants within the initial validity period.
9. (a) In order to provide protection against fraudulent encashment of the warrants, shareholders holding shares in physical form are requested to intimate the Company under the signature of the Sole/First joint holder, the following information to be incorporated on the Dividend Warrants:
- Name of the Sole/First joint holder and the Folio Number.
 - Particulars of Bank Account, viz.:
 - Name of the Bank
 - Name of Branch
 - Complete address of the Bank with Pin Code Number
 - Account type, whether Savings (SB) or Current Account (CA)
 - Bank Account number allotted by the Bank
- (b) Shareholders holding shares in electronic form may kindly note that their Bank account details as furnished by their Depositories to the company will be printed on their Dividend Warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such shareholders for deletion of/change in such Bank details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mod. **Shareholders who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change, with complete details of Bank Account.**
10. There was no unclaimed dividends declared upto the financial year ended 31st March, 1996 as such Company has not transferred any fund to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978.
11. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended 31st March, 1996 and thereafter, which remain unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956.
- Information in respect of such unclaimed dividend when due for transfers to the said Fund is given below.
- | Financial Year ended | Date of declaration of Dividend | Last Date for claiming unpaid Dividend | Due date for transfer to IEP Fund |
|----------------------|---------------------------------|--|-----------------------------------|
| 31.03.2003 | 29-8-2003 | 28-8-2010 | 28-9-2010 |
| 31.03.2004 | 30-9-2004 | 29-9-2011 | 29-10-2011 |
- Shareholders who have not so far encashed the dividend warrant(s) are requested to seek issue of duplicate warrant(s)/Demand Draft by writing to the Company or Registrar & Transfer Agent immediately.
12. Non-Resident Indian Shareholders are requested to inform M/s. Intime Spectrum Registry Limited immediately:
- The change in the Residential status on return to India for permanent settlement.
 - The particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank, if not furnished earlier.
13. Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board resolution authorising their representatives to attend and vote at the Annual General Meeting.
14. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to the Registrar and Transfer Agents, M/s. Intime Spectrum Registry Limited.
15. **Re-appointment of Directors:**
- At the ensuing Annual General Meeting, Shri Gourishankar Poddar & Shri Jagdish Chandra Somani, retire by rotation and being eligible offer themselves for reappointment. Shri Vinod Kumar Jain and Shri Tuhin B. Sinha being



RAJ RAYON LIMITED

additional director retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. Shri Ashok Trehan, subject to approval of shareholders & Central Government, has been appointed as whole time Director and designated as Director (Technical) by Board w.e.f. 31st Jan, 2005 for a term of five years. As such approval of shareholders is sought at ensuing Annual General Meeting. The information or details pertaining to these Directors to be provided in terms of Clause 49 of the Listing Agreement with the Stock Exchanges are furnished in the statement on Corporate Governance published in this Annual Report.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The Explanatory Statement for item Nos.6 to 8 of the accompanying Notice set out hereinabove is as under:

Item No.6 & 7

Shri Vinod Kumar Jain & Shri Tuhin B. Sinha were appointed as an Additional Directors by the Board of Directors of the Company. In terms of Section 260 of the Companies Act, 1956 ("the Act") Shri Vinod Kumar Jain and Shri Tuhin B. Sinha shall hold office only up to the date of the Annual General Meeting of the Company. The Company has received notices and requisite deposits from a member of the Company under Section 257 of the Act, proposing the candidature of Shri Vinod Kumar Jain and Shri Tuhin B. Sinha for the office of Director. In view of the background and experience of Shri Vinod Kumar Jain and Shri Tuhin B. Sinha, it will be in the interest of the Company that Shri Vinod Kumar Jain and Shri Tuhin B. Sinha continues as a director of the Company.

Shri Vinod Kumar Jain and Shri Tuhin B. Sinha are interested in the resolutions, which pertain to their respective re-appointments. Save and except the above, none of the other Directors of the Company is, in any way, concerned or interested in the resolutions.

The members are requested to consider and approve the resolutions.

Your directors commend the resolutions set out at Item Nos.6 to 7 of the Notice for your approval.

Item No.8

Shri Ashok Trehan, subject to approval of shareholders & Central Government, has been appointed as whole time Director and designated as Director (Technical) by Board w.e.f. 31st January, 2005 for a term of five years on the remuneration as set out in the resolution.

Company has, vide letter dated 4th April 2005, applied for the approval of Central Government for regularization of appointment of Mr. Trehan as a whole-time director with effect from 31st January 2005 since his appointment did not satisfy the condition (as stipulated under Section 269 of the Act) in respect of stay in India for a continuous period of twelve months immediately preceding his appointment as a Whole-time Director.

The Company has not constituted any Remuneration Committee, however Board of Directors has recommended the remuneration as set out in the resolution.

The above contract / agreement may be terminated by either party (the Company or the concerned Whole Time Director) by giving three months' prior notice in writing.

The above may also be treated as an abstract of the terms of the contract / agreement between the Company and Shri Ashok Trehan pursuant to section 302 of the Companies Act, 1956.

None of the Directors except Shri Ashok Trehan being appointee is concerned with or interested in the resolution.

The members are requested to consider and approve the resolutions.

Your Directors commend the resolution set out at item No.8 of the Notice for your approval.

By order of the Board of Directors,

PRADEEP AGRAWAL
President Finance &
Company Secretary

Mumbai, 21st June, 2005



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FINANCIAL HIGHLIGHTS

		(Rupees in Lacs)		
	Units	2004-05	2003-04	2002-03
PROFIT & LOSS ACCOUNT				
Gross Sales		18901.52	14259.80	10926.50
Less: Excise Duty		3541.85	3026.77	340.72
Net Sales		15359.67	11233.03	10585.78
Other Income		137.47	48.28	58.84
TOTAL		15497.14	11281.31	10644.62
Less: Expenditure		14193.88	10262.39	9868.44
Profit Before Interest, Depreciation & Tax (PBIDT)		1303.26	1018.92	776.18
Less: Interest (on Term Loan)		104.92	81.74	118.40
Less: Interest (Others)		131.54	98.25	63.21
Profit Before Depreciation & Tax		1066.80	838.93	594.57
Less: Depreciation		440.81	336.43	259.89
Profit Before Tax (PBT)		625.99	502.50	334.68
Less: Provision for Current Tax		49.09	42.28	28.40
Profit after Current Tax		576.90	460.22	306.28
Less: Provision for Deferred Tax		60.07	132.13	97.64
Profit after Tax (PAT)		516.83	328.09	208.64
Cash Profit (PAT + Dep.)		957.64	664.52	468.53
BALANCE SHEET				
Net Fixed Assets		5375.10	3515.18	2123.56
Investments		51.01	51.01	51.01
Net Current Assets		2078.03	1940.68	1491.17
Misc. Expenditure		9.62	1.68	10.04
Capital Employed		7513.76	5508.55	3675.78
Net Worth represented by-				
Share Capital		851.77	851.77	651.77
Reserves & Surplus		1693.70	1276.09	1013.82
Net Worth		2545.47	2127.86	1665.59
Loan Fund				
Long Term		2519.45	1786.20	1102.84
Others		2027.90	1233.62	678.61
Total Loan Funds		4547.35	3019.82	1781.45
Deferred Tax		420.94	360.87	228.74
Capital Employed		7513.76	5508.55	3675.78
Term Loan Repayment		276.33	342.62	314.50
RATIO & STATISTICS				
PBIDT/Net Sales	%	8.48	9.07	7.33
PAT/Net Sales	%	3.36	2.92	1.97
Cash Profit/Net Sales	%	6.23	5.92	4.43
Interest Cover (PBIDT/Interest)	x	5.51	5.66	4.27
DSCR	x	2.94	2.07	1.58
Debt Equity Ratio	x	0.99	0.84	0.66
Book Value	Rs.	29.88	24.98	25.55
EPS	Rs.	6.03	4.94	3.30

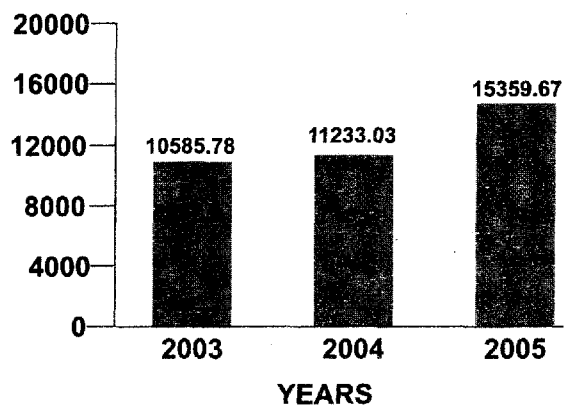


RAJ RAYON LIMITED

FINANCIAL HIGHLIGHTS

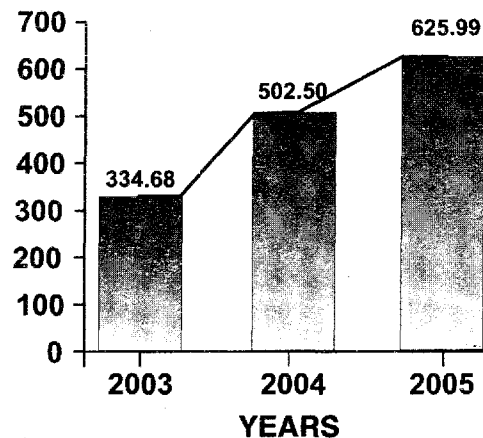
SALES (Net)

Rs. in lacs



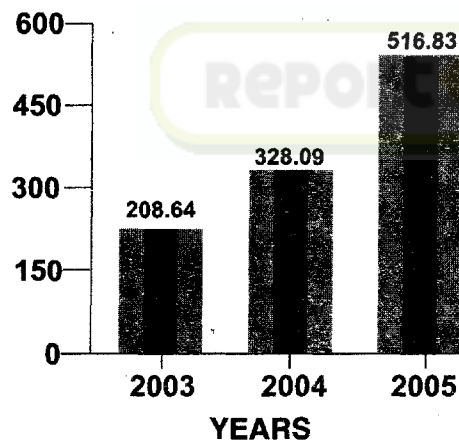
PROFIT BEFORE TAX

Rs. in lacs



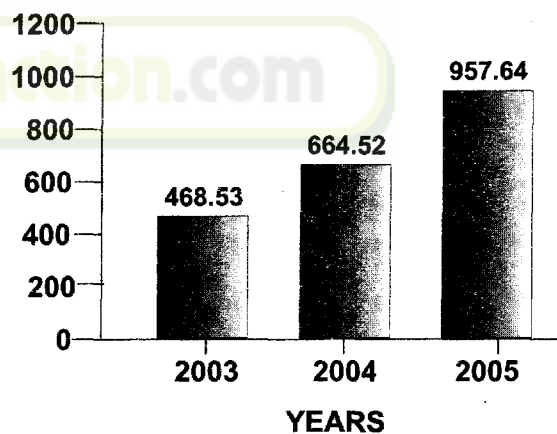
PROFIT AFTER TAX

Rs. in lacs



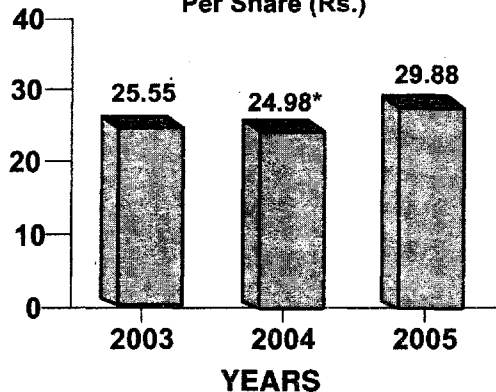
CASH EARNINGS

Rs. in lacs



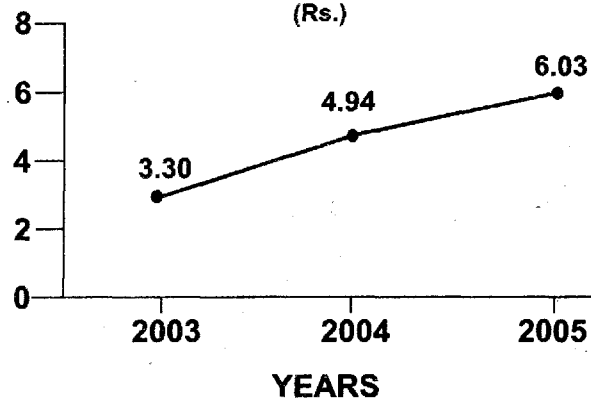
BOOK VALUE

Per Share (Rs.)



EPS

(Rs.)



* Equity Share increased from 6517700 shares to 8517700 shares on 4th March, 2004



DIRECTORS' REPORT

To The Members,

The Directors are pleased to present the 12th Annual Report and the audited accounts for the year ended 31st March 2005.

Financial Results

The performance of the Company for the financial year ended 31st March, 2005 is summarised below:

	(Rs. in Lacs)	
	Current Year 2004-2005	Previous Year 2003-2004
Gross Sales	18901.52	14241.69
Less: Excise Duty	3541.85	3026.77
Net Sales	15359.67	11214.92
Gross Profit before interest, Depreciation and Tax	1300.35	1018.92
Less : Interest	236.46	179.99
Depreciation	440.81	336.43
Profit before Tax	623.08	502.50
Less : Provision for Current Tax	49.09	42.28
Provision for Deferred Tax	60.07	132.13
Profit After Tax	513.92	328.09
Add : b/f Balance in Profit & Loss Account	1275.92	1013.65
Add : Income Tax Adjustment for earlier years	0.00	1.44
Amount Available for Appropriation	1789.84	1343.18
Appropriations:		
Proposed Dividend on Equity Shares	85.18	59.62
Tax on Proposed Dividend	11.13	7.64
Balance carried to Balance Sheet	1693.53	1275.92
	1789.84	1343.18

Performance Review

The gross sales have gone up by 32.72% in the financial year 2004-2005. The Company has achieved a gross sales turnover of Rs.18901.52 Lacs with a growth of Rs.4659.83 Lacs. The company has achieved net profit of Rs.513.92 Lacs in the year 2004-2005 as compared to Rs.328.09 Lacs for the year 2003-2004. The company has achieved cash profit of Rs.954.73 Lacs in the year 2004-2005 as compared to Rs.664.52 Lacs for the year 2003-2004. Basic & Diluted, Earning Per share (EPS) for the year 2004-2005 is Rs.6.03 per share as compare to Rs.4.94 per share for the year 2003-2004. Not only profit profitability percentage also increased substantially compare to previous year. The overall performance of last year is satisfactory.

Dividend

The Board of Directors, subject to approval of Bankers & Shareholders, have recommended a dividend of 10% on 85,17,700 equity shares of Rs.10 each for the year ended 31st March, 2005, which if approved, will be paid to (i) all those equity share holders whose names appear in the register of

members as on 16th August, 2005 and (ii) to those whose names as beneficial owners are furnished by National Securities Depository Limited and Central Depository Services (India) Limited.

Project

Backward Integration project:

During previous financial year the company has undertaken backward integration project to set up a plant for the manufacture of Partially Oriented Yarn (POY) at a new location at Village Surangi at Silvassa (Union Territory) with an installed capacity of 30000 T.P.A. For manufacturing POY, a reconditioned second hand "Barmag, Germany" make plant was imported from U.S.A. This plant consists of 18 POY Lines equipped with 32 winders in each line and each winder with 2 thread lines. The total manufacturing capacity of this plant is about 30,000 T.P.A. However, during the initial stages of the implementation of the project, management has decided to increase the capacity of the POY project from 30,000 T.P.A. to 60,000 T.P.A. The doubling of total production capacity will be carried out by converting the winders with 2 thread lines into 4 thread lines and by carrying out other modifications, as required in the overall project. Accordingly, the Schedule of implementation was revised and project expected to be completed by end of September 2005.

For Manufacturing POY, we are installing 18 POY lines at Unit IV and each of these lines can be started independently. As on 31st March 2005, installation of 7 POY lines was completed and commercial production was commenced. However, since the Company faced some difficulties in erecting the other lines, the management decided, on 8th April, 2005, to suspend these 7 lines (already erected) and also decided to commence the operations of all 18 lines at the same time.

Finance

During the year under review company has been sanctioned following credit facilities.

1. SBI Factors and Commercial Services Pvt. Ltd. has sanctioned Purchases Bill Factoring Facilities of Rs.3.50 Crore and Receivable Factoring Facilities of Rs.2.00 Crore.
2. Global Trade Finance Pvt. Ltd. (GTF) has sanctioned Trade Finance – Reverse Factoring Facility of Rs.5.00 Crore.
3. State Bank of Indore has sanctioned Short-term corporate loan of Rs.5.00 Crore.

During the year under review our banker State Bank of India has sanctioned concession in rate of interest by about 3% on all term loans & working capital loans.

Public Issue (through book building route)

To part finance backward integration project for setting up a plant for the manufacture of Partially Oriented Yarn (POY) at a new location at Village Surangi at Silvassa (Union Territory) with an installed capacity of 60000 T.P.A. our banker State



RAJ RAYON LIMITED

Bank of India has sanctioned Rs.20.00 Crores. For meeting balance fund requirement of POY project and to augment long term working capital requirement for the said project, the Company has filed with SEBI, Draft Red Herring Prospectus (DRHP) on 31-5-2005 for issue of 85,00,000 Equity shares of Rs.10/- each at premium to be decided through book building route.

Management Discussion and Analysis

Management Discussion and Analysis for the year under review, as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges, is given as a separate statement in the section on Corporate Governance elsewhere in the Annual Report.

The Company has expanded its manufacturing facilities substantially by expansion/backward integration programs. While benefits from such expansion/ backward integration will accrue in the future years, the Board of Directors shall periodically review their progress.

Directors

Shri Gourishankar Poddar & Shri Jagdish Chandra Somani, retire by rotation and being eligible offer themselves for reappointment at the ensuing Annual General Meeting.

Shri Pankaj Agrawal has resigned from Board and his resignation was accepted in the Board meeting held on 30th October, 2004. The Board wishes to place on record its appreciation for the valuable services and guidance provided by Shri Pankaj Agrawal during his tenure as a director of the company.

Shri Vinod Kumar Jain has been appointed as an additional director by Board w.e.f. 30th October, 2004 and hold office until the conclusion of the forthcoming Annual General Meeting. The Company has received notice from a member proposing the candidatures of Vinod Kumar Jain for the office of director.

Shri Tuhin B. Sinha has been appointed as an additional director by Board w.e.f. 15th March, 2005 and hold office until the conclusion of the forthcoming Annual General Meeting. The Company has received notice from a member proposing the candidatures of Tuhin B. Sinha for the office of director.

Shri Ashok Trehan, subject to approval of shareholders & Central Government, has been appointed as whole time Director and designated as Director (Technical) by Board w.e.f. 31st Jan, 2005 for a term of five years. Company has, vide letter dated 4th April 2005, applied for the approval of Central Government for regularization of appointment of Mr. Trehan as a whole-time director with effect from 31st January 2005 since his appointment did not satisfy the condition (as stipulated under Section 269 of the Act) in respect of stay in India for a continuous period of twelve months immediately preceding his appointment as a Whole-time Director.

Brief resume of the above Directors (seeking appointment/reappointments), nature of their expertise in specific functional

areas and names of the Companies in which they hold the directorship and the membership/chairmanship of committees of the Board as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are given in the section on Corporate Governance elsewhere in the Annual Report.

Directors' Responsibility Statement

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that:

- (i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- (ii) the Directors 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 profit of the Company for that period;
- (iii) the Directors 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) the Directors have prepared the annual accounts on a going concern basis.

Voluntary Delisting of The Company's Equity Shares From Jaipur Stock Exchange

Consequent upon the approval of the shareholders at the Annual General Meeting of the Company held on 29th August 2003 and in pursuance of the delisting guidelines issued by SEBI, the equity shares of the Company were delisted from the Jaipur Stock exchange with effect from 17th August 2004. The delisting will not adversely affect the shareholders of the Company as the equity shares continue to be listed on The Stock Exchange, Mumbai.

Fixed Deposits

The Company has not accepted any fixed deposit during the year.

Conservation of Energy, Technology Absorption and Foreign Exchange earnings outgo

Information pursuant to section 217 (i)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 is given herein below:-

A) Conservation of Energy:

In continuation of our energy conservation efforts the Company has improved methods of energy conservation and utilisation. The information of power and fuel consumption and cost per unit of production is furnished in the prescribed form herein below.