

ANNUAL REPORT 2007-2008



**Raymond**







**NOTICE****83<sup>rd</sup> ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT THE EIGHTY THIRD ANNUAL GENERAL MEETING OF THE MEMBERS OF RAYMOND LIMITED WILL BE HELD ON WEDNESDAY, JUNE 18, 2008 AT 11.00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY AT PLOT NO. 156/H. NO.2, VILLAGE ZADGAON, RATNAGIRI 415 612 (MAHARASHTRA) TO TRANSACT THE FOLLOWING BUSINESS :**

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Statement of Accounts together with Directors' Report as also the Auditors' Report thereon for the year ended March 31, 2008.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri P.K. Bhandari, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri U.V. Rao, who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri Nabankur Gupta, who retires by rotation and, being eligible, offers himself for reappointment.
6. To pass with or without modifications, the following Resolution as an Ordinary Resolution but in the event of the provisions of Section 224A of the Companies Act, 1956 becoming applicable to the Company on the date of holding of this meeting, the same will be proposed as a Special Resolution:  
"RESOLVED THAT Messrs. Dalal & Shah, Chartered Accountants, be and are hereby reappointed Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on a remuneration of Rs.27.50 lakhs plus service tax as applicable and reimbursement of actual travel and other out-of-pocket expenses."

**SPECIAL BUSINESS:**

To pass with or without modifications, the following resolutions:

**As a Special Resolution :**

7. "RESOLVED THAT pursuant to the provisions of Sections 198, 309 (4) and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, the consent of the Company be and is hereby accorded to the payment of commission of a sum not exceeding 1% of the annual net profit of the Company computed in accordance with the provisions of Sections 198, 349 and 350 of the said Act, subject to an overall ceiling of Rs.25 lakhs (Rupees Twenty Five Lakhs only) to such Directors of the Company (other than the Chairman and Managing Director and Wholtime Director) in such proportion and manner as may be directed by the Board of Directors, for a period of three (3) years and such payment shall be made in respect of the profits of the Company for the financial years commencing from April 1, 2008 to March 31, 2011."

By Order of the Board  
For Raymond Limited

Registered Office :  
Plot No. 156/H. No.2  
Village Zadgaon  
Ratnagiri 415 612 (Maharashtra)

Dated : April 29, 2008

**R. Narayanan**  
Director – Legal  
& Company Secretary

**Notes :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. The Explanatory Statement setting out the material facts concerning Special Business in respect of Item No. 7 of the accompanying Notice as required by Section 173 of the Companies Act, 1956, is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from June 3, 2008 to June 18, 2008 (both days inclusive) in connection with the Annual General Meeting.
5. The dividend as recommended by the Board, if declared at the meeting, will be paid on or after June 19, 2008 to those members whose names appear on the Company's Register of Members on June 18, 2008. In respect of the shares in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited as on June 2, 2008 for this purpose.
6. Members are requested to notify immediately any change in their address/bank mandate to their respective Depository Participants (DPs) in respect of their electronic share accounts and to the Registrar and Share Transfer Agent of the Company at Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078, Maharashtra, in respect of their physical share folios, if any.
7. Dividend for the Financial Year ended March 31, 2001, which remains unpaid or unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government later this year, pursuant to the provisions of Section 205C of the Companies Act, 1956.

Members, who have not yet encashed their dividend warrants for the Financial Year ended March 31, 2001 or any subsequent Financial Years are requested to lodge their claims with the Company/Intime Spectrum Registry Limited, without delay. Members are advised that no claims shall lie against the said Fund or the Company for the amounts of dividend so transferred to the said Fund.

8. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to Intime Spectrum Registry Limited will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company/Intime Spectrum Registry Limited will not entertain any direct request from such members 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 the dividend paid on shares in electronic form. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend, directly to their Depository Participants.
9. Reappointment of Directors :

At the ensuing Annual General Meeting Shri P.K. Bhandari, Shri U.V. Rao and Shri Nabankur Gupta, retire by rotation and being eligible, offer themselves for reappointment. Pursuant to Clause 49 (VI) (A) of the Listing Agreement relating to the Code of Corporate Governance, the particulars of the aforesaid Directors to be reappointed are given below :

**Profile of Directors retiring by rotation :**

- a) **Shri P. K. Bhandari**, aged 50 years is a commerce and law graduate from the University of Kolkata and a Fellow Member of the Institute of Chartered Accountants of India and an Associate Member of the Institute of Company Secretaries of India and has over 24 years of experience in the field of project finance, industry, business and corporate management.

Shri P. K. Bhandari, who joined the Company on August 27, 1989 played a key role in strategising and implementing the Company's restructuring program, which included hiving off its non-core businesses in steel, cement and synthetics and consolidating its core - textile, garment and files businesses through merger and acquisitions.

Shri Bhandari joined the Board of Directors of the Company as Wholetime Director on April 24, 2003. Shri P. K. Bhandari was Group President of the Company from April 1, 2005 to January 30, 2008. Shri P. K. Bhandari is a member of the Shareholders'/Investors' Grievances Committee of the Board of Directors of the Company. Shri Bhandari was honoured with a 'Special Commendation' for his outstanding performance in the mergers and acquisitions category of the "CFO of the Year" award instituted by The Economist in association with American Express.

The other Directorships/Committee memberships of Shri P. K. Bhandari are as follows :

Name of the Company	Board Position held	Committee Memberships
Colorplus Fashions Limited	Director	Chairman – Audit Committee
J. K. Ansell Limited	Director	–
J. K. Investors (Bombay) Limited	Director	–
Pashmina Holdings Limited	Director	–
Peoples Investments Limited	Director	–
Polar Investments Limited	Director	–
Radha Krshna Films Limited	Director	Chairman – Audit Committee
Raymond Apparel Limited	Director	Member – Audit Committee
Raymond Zambaiti Private Limited	Director	–
Silver Spark Apparel Limited	Director	Member – Audit Committee
Smart Investments Private Limited	Director	–
Tiger Travels and Tours Limited	Director	–
J. K. (England) Limited	Director	–
Regency Texteis Portuguesa, Limitada	Director	–
P. T. Jaykay Files Indonesia	Member	Board of Commissioners
Raymond UCO Denim Private Limited	Director	–
Blueocean Capital and Advisory Services Pvt. Ltd.	Director	–

- b) **Shri U. V. Rao**, aged 78 years, an electrical engineer joined the Board of Directors of the Company on September 29, 1994. Shri Rao has also participated in Advanced Management programme from Harvard University. Shri Rao has had over 43 years of experience in business and industry besides project experience. He was the Chief Executive & Managing Director of Larsen & Toubro Limited.

The other Directorships/Committee memberships of Shri U. V. Rao are as follows :

Name of the Company	Board Position held	Committee Memberships
Ring Plus Aqua Limited	Chairman	–
TIL Limited	Director	Chairman – Audit Committee Member – Remuneration Committee
Usha Martin Limited	Director	Member – Audit Committee Chairman – Remuneration Committee
Kirloskar Oil Engines Limited	Director	Chairman – Audit Committee
Kirloskar Brothers Limited	Director	Member – Audit Committee
Dickinson Fowler Private Limited	Alternate Director	–
John Fowler (India) Private Limited	Director	Member – Audit Committee

- c) **Shri Nabankur Gupta** aged 59 years is a graduate from IIT, Delhi in Electrical & Electronics Engineering. Shri Gupta joined the Company as Group President on August 1, 2000 and was co-opted on the Board of Directors of the Company as Wholetime Director effective January 15, 2001. Shri Gupta relinquished his position as Wholetime Director and Group President of the Company with effect from April 1, 2005.



Shri Gupta possesses vast, rich and varied experience of over three decades in project management and marketing of consumer durable. Shri Gupta pioneered the concept of sub-branding and subsequently, multi-branding in the area of consumer durable for the first time in India.

Shri Gupta was the first Indian to receive recognition by the Advertising Age International, New York, in 1995 with the title of 'Marketing Superstar'.

The other Directorships/Committee memberships of Shri Nabankur Gupta are as follows :

Name of the Company	Board Position held	Committee Memberships
Colorplus Fashions Limited	Director	–
J.K. Investo Trade (India) Limited	Director	Chairman Audit Committee Member Remuneration Committee Member Shareholders'/Investors Grievance Committee
J.K. Helene Curtis Limited	Director	–
Cravatex Limited	Director	–
e, Lexicon Public Relations & Corporate Consultants Limited	Director	–
Pritish Nandy Communications Limited	Director	Member – Audit Committee
B.P. Ergo Limited	Director	–
P.T. Jaykay Files, Indonesia	Board of Commissioner	–
Quantum Advisors Private Limited	Director	–
PNC Wellness Private Limited	Director	–
Blueocean Capital and Advisory Services Private Limited	Director	–

#### ANNEXURE TO THE NOTICE

##### *Explanatory Statement as required by Section 173 of the Companies Act, 1956 ('the Act')*

The following Explanatory Statement relating to Special Business at Item No.7 of the accompanying Notice sets out all material facts as required under Section 173 of the Act.

##### **Item No.7**

At the Annual General Meeting of the Company held on June 18, 2007, the shareholders had accorded their consent to the Board of Directors of the Company to pay commission not exceeding 1% of the Annual Net Profit of the Company subject to an overall ceiling of Rs.25 lakhs to be distributed amongst Non-Wholetime Directors of the Company for the Financial Years 2006-07 & 2007-08.

It is now proposed that the Non-Wholetime Directors be paid the same level of commission not exceeding 1% of the Annual Net Profit of the Company computed in accordance with the provisions of Sections 198, 349 and 350 of the said Act, subject to an overall ceiling of Rs.25 lakhs for further period of three (3) Financial Years commencing from April 1, 2008 to March 31, 2011.

The Board commends the Special Resolution set out at Item No.7 of the accompanying Notice.

Shri Gautam Hari Singhania being relative of Dr. Vijaypat Singhania, and all the Non-Wholetime Directors of the Company, may be deemed to be concerned or interested in the aforesaid resolution to the extent of the commission that may be received by them.

By Order of the Board  
For Raymond Limited

Registered Office :  
Plot No. 156/H. No.2  
Village Zadgaon  
Ratnagiri 415 612 (Maharashtra)

Dated : April 29, 2008

**R. Narayanan**  
**Director - Legal**  
**& Company Secretary**

#### BOARD OF DIRECTORS

DR. VIJAYPAT SINGHANIA, Chairman Emeritus  
GAUTAM HARI SINGHANIA, Chairman & Managing Director  
B. K. KEDIA  
NANA CHUDASAMA  
ANANT SINGHANIA (upto 29.03.2008)  
B. V. BHARGAVA  
U. V. RAO  
I. D. AGARWAL  
NABANKUR GUPTA  
P. K. BHANDARI (Wholetime Director - upto 23.04.2008)

#### MANAGEMENT EXECUTIVES

GAUTAM HARI SINGHANIA, Chairman & Managing Director  
DEEPAK KHETRAPAL, Chief Operating Officer  
ANIRUDDHA DESHMUKH, President – FMCG & Retail  
HARSHAL JAYAVANT, President – Engineering Business  
K. A. NARAYAN, President – HR  
ROBERT LOBO, President – Shirting Fabric Business  
SHREYAS JOSHI, President – Group Apparel  
S. K. SINGHAL, President – Textiles  
H. SUNDER, President – Finance, Chief Financial Officer

#### DIRECTOR - LEGAL & COMPANY SECRETARY

R. NARAYANAN

#### BANKERS

BANK OF INDIA  
BANK OF MAHARASHTRA  
BANK OF AMERICA  
CENTRAL BANK OF INDIA  
CITIBANK N.A.  
HDFC BANK LIMITED  
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED  
STATE BANK OF INDIA  
STANDARD CHARTERED BANK LIMITED

#### AUDITORS

DALAL & SHAH  
Chartered Accountants

#### INTERNAL & OPERATIONAL AUDITORS

MAHAJAN & AIBARA  
Chartered Accountants

#### REGISTERED OFFICE

PLOT NO. 156/H. NO. 2, VILLAGE ZADGAON  
RATNAGIRI, 415 612 (MAHARASHTRA)

#### REGISTRAR & SHARE TRANSFER AGENT

INTIME SPECTRUM REGISTRY LIMITED  
C-13, PANNALAL SILK MILLS COMPOUND, L. B. S MARG.  
BHANDUP (WEST) MUMBAI - 400 078

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## DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

### TO THE MEMBERS

Your Directors have pleasure in placing before you their 83<sup>rd</sup> Annual Report and Accounts for the year ended March 31, 2008.

#### 1. FINANCIAL HIGHLIGHTS

During the year, the gross turnover, net of returns and discounts was higher by 3% at Rs.1322.51 crores as compared to Rs.1284.19 crores in the previous year.

Profit before tax, prior period adjustments and exceptional items was Rs.86.15 crores as against Rs.156.99 crores in the previous year.

Net profit, after exceptional items, prior year adjustments, provision for taxes was Rs.72.42 crores as against Rs.202.12 crores last year (including surplus on divestment of the denim division – Rs.88.09 crores).

#### 2. APPROPRIATIONS

An amount of Rs. 6.61 crores (Previous Year: Rs.40.00 crores) is credited to the General Reserves. Out of the amount available for appropriation, your Directors recommend a dividend of 25% (50%) on Equity Shares. The dividend tax on the proposed dividend will be Rs.2.61 crores (Previous Year: Rs.5.22 crores).

#### 3. ECONOMY OVERVIEW

India has been on a high growth path for some years now. However, during the past few months, worrying developments like the housing crisis in USA, high inflation – especially in food, fuel and commodities – have emerged. This could increase costs of operations, dampen consumer sentiment and moderate growth going forward.

#### 4. SEGMENT ANALYSIS AND REVIEW

The key business segments of the Company are Textile and Files & Tools Divisions. The erstwhile denim division of the Company was combined with the denim business of UCO NV, Belgium, to form a 50:50 joint venture from August 1, 2006. Consequently the current year ending March 31, 2008 financials are not strictly comparable with the previous year ending March 31, 2007.

#### A. TEXTILE DIVISION

##### Industry Conditions

The textiles and apparels sector is a major contributor to the Indian economy in terms of foreign exchange earnings and employment. Moreover certain natural advantages including domestic cotton availability and external factors including progress on WTO, have fueled the growth of this industry in India with a clear competitive edge. The domestic textiles and apparels market in India is witnessing strong growth owing to a young spending population and a rapid increase in organised retail. Consumer preferences are also undergoing a metamorphosis as never seen before. The change being witnessed can be attributed to several factors including increasing purchasing power of the masses, shifts in the buying behavior, demography dynamics, and growing urbanisation, opening up of the retail segment to private and foreign players and changing trends/lifestyle. Investments in the textile sector have increased significantly over the last three to four years. Going forward, by 2012, investment in the textiles and clothing industry is estimated to touch US \$ 38.14 billion.

Continuing the robust growth of the organised retail in India, according to the Credit Rating and Information Services of India Ltd., the industry raked in US \$ 25.44 billion turnover in 2007-08 as against US \$ 16.99 billion in 2006-07, a whopping growth rate of 50 per cent.

Consequently prospects for this sector in India continues to be buoyant.

##### Opportunities and Challenges

The opportunities thrown open by the buoyant market for textiles in India is good for those companies, such as yours that are geared with strong brand positioning, fully integrated production facilities, and the technical and innovation capabilities to deliver the kind of patterns, weaves and designs that are demanded by the growing consumer class.

On the exports side, the soaring value of the rupee, took textile exporters in India by surprise in 2007. The rupee rose more than 10% against the US dollar on an average during the year, resulting in many smaller units facing difficulties.

Apart from the escalating rupee, textile firms also had to cope with higher interest rates, high raw material prices especially wool, and continued lack of infrastructure.

Delay in processing and disbursements of TUF loan subsidies also hamper investment in the sector and drives up the cost of funds.

##### Overview

The Company is a market leader in the textiles sector in India, has a powerful brand 'Raymond' and strong retail presence in the form of 'The Raymond Shop' ('TRS') domestically. While focusing on its vision of being the leader in fashion and lifestyle segment your Company is now also establishing itself as a preferred supplier of value-added premium fabric in the international markets.

The Company continues to focus on the booming retail sector and is now concentrating on penetrating into the Tier 3 and 4 towns of the country. The Company has also forayed into the women's wear segment with offerings in the corporate and smart clothing category. The Company is on its way to become a lifestyle solution for discerning customers with an offering of a range of fabrics, garment and accessories in a premium shopping environment.





The Company plans to invest significantly in the coming years in expanding its state of the art manufacturing capacities, strengthening and extending the product offerings under its brand and expanding its marketing and distribution network.

To cater to the growing domestic and export markets, the Company has undertaken the following initiatives:

- Implementation of ERP in textile division;
- Addition of a manufacturing facility at Vapi with latest machinery which became fully operational, and providing efficient and cost effective production lines.
- Setting up a suit plant at Bangalore to cater to the growing demand.

#### **Performance Highlights**

Despite fierce competition in domestic and international markets and inspite of the challenges faced including teething issues in the ERP implementation, the Company witnessed an increase in net revenues. The net sales of the textile division grew from Rs.992.22 crores to Rs.1133.85 crores, an increase of 14%. The growth in revenues was largely due to an increase in volumes. High wool prices, employment cost increases and issues in the ERP implementation however resulted in a decline in profit before interest and tax of the division from Rs.228.44 crores to Rs.166.37 crores.

#### **Market Share and Retail Network**

The Company is the acknowledged market leader in India. The ambition to retain market leadership through the Retail Shop network continues unabated. The Company has retail presence by way of its Exclusive Brand Shops (The Raymond Shop) and is further exploring new retail formats by establishing presence in Malls. In this scenario of an unprecedented boom in the retail industry, your Company holds a respectable 1 million sq. ft. of retail space including the 50 shops that were added during the course of the year. However cost of retailing, especially cost of space, continue to spiral in India resulting in pressure on retailing margins.

#### **Export**

Textile exports for the year under review were Rs.114 crores, a growth of 4% over previous year, inspite of rupee appreciation.

#### **Raw Material**

Wool prices have remained at a high level throughout the year due to a severe drought in Australia. Alternate vendors have been developed in other countries like South Africa to mitigate the risk of higher price. Polyester fibre prices are presently stable.

#### **Production**

The Company has a total production capacity of 31 million metres of worsted fabric distributed at Thane, Chhindwara, Jalgaon and Vapi. Your Company's third phase of expansion at Vapi is now in progress which will add another 7 million metres capacity of worsted fabric.

## **B. FILES & TOOLS DIVISION**

The division is engaged in manufacture and marketing of Steel Files, HSS Cutting Tools (mainly drills) & Merchandising activities mainly in Hand Tools. During the year under review, the division further consolidated its position in Cutting Tools and Hand Tools segments.

#### **Industry Outlook**

The demand for files is moving towards the Eastern part of Europe, Asia and other developing countries in Africa and Latin America. The division has been able to make significant inroads in these regions during the course of the year. The HSS Cutting Tools business is internationally a growing business.

#### **Opportunities and Challenges**

The economy has been witnessing a high inflationary situation together with steep rises in prices of steel in the last quarter of the year due to increased inputs costs like coke, iron ore. Consequent input price increases for the division during the year is a likely scenario.

With constraints on passing on especially the full burden of rising input costs, due to stiff competition from unorganised sector players, there is big challenge for the Division going forward.

#### **Division Overview**

The division endeavors to counter the National/International competition through cost reduction and up-gradation of the manufacturing process/practices by value engineering.

The division's endeavor to expand and consolidate its presence in International market continues. It has made an entry into some new markets, notable ones being Russia, Czech Republic and Poland. The business presence has been further strengthened in USA as well.

#### **Performance and Review of Operations**

The division continues to remain a market leader in the files segment and the largest producer of files in the world. The overall performance of the division was good. The division recorded an all time high sales volume of files in international market during the year under review. The rupee appreciation against US Dollar has impacted the realisation and has resulted in overall Export sales lower by around 10% compared to the previous year. The division reported net sales of Rs.177 crores (Previous Year: Rs.168 crores) and PBT of Rs.1.61 crores versus Rs.3.28 crores during the previous year.

## **5. FINANCE AND ACCOUNTS**

The observations made by the Auditors in their Report have been clarified in the relevant notes forming part of the Accounts, which are self explanatory.

## 6. PERFORMANCE OF SUBSIDIARY COMPANIES

### Domestic

#### Raymond Apparel Limited

The gross turnover, net of discounts of the Company was higher by 47.60% at Rs.349.95 crores (Previous Year: Rs.237.09 crores). Profit after tax was lower at Rs. 7.84 crores (Previous Year: Rs. 10.54 crores).

During the year under review, the Company continued to focus on expansion of retail space through its exclusive branded stores. These stores have enhanced the brand image and uplifted the Brand positioning. The Company continued to lay emphasis on product innovation. 'Park Avenue' and 'PARX' brands of the Company continue to attain the leadership positions in their respective segments.

During the year, Company launched "Raymond" Brand under ready to wear premium segment and also launched Brand Extension of 'Park Avenue' in women's wear. 'ZAPP' a premium range brand in kids wear has got positive response in the market and increased the distribution width. The popular price brand 'Notting Hill' is getting good size and being widely distributed.

With all these developments, this year has seen a spectacular growth in the branded apparel business of the Company with high growth rates being sustained quarter after quarter. In the coming years, the Company plans to increase its distribution reach further.

#### Colorplus Fashions Limited

The gross turnover of the Company was higher at Rs.147.89 crores (Previous Year: Rs.120.94 crores). Profit before tax and exceptional items was lower at Rs.10.76 crores (Previous Year: Rs.19.63 crores). Net profit, after provision for taxes, was lower at Rs. 6.71 crores (Previous Year: Rs.13.15 crores).

Colorplus in its endeavor to maintain its prime position in the premium casual wear is constantly innovating in terms of style as well as through improved fabric construction in order to set higher benchmark levels. The Company extended the brand to women's wear space during the course of the year.

#### Silver Spark Apparel Limited

The gross turnover of the Company was Rs.88.07 crores (Previous Year: Rs.72.59 crores). The Company had a Profit after tax of Rs.7.39 crores (Previous Year: Rs.2.65 crores) during the year under review.

The Company has shown excellent performance during the year despite the unfavorable exchange rate through improved efficiencies and premium segment targeting. During the year, the Company installed another jacket line. The Made-to-measure facility has been fully commissioned.

#### Everblue Apparel Limited

The Company earned a profit of Rs.1.49 crores (Previous Year: Loss of Rs.5.49 crores) during the year under review.

#### Celebrations Apparel Limited

The gross turnover of the Company was Rs.8.97 crores (Previous Year: Rs.5.27 crores). The Company incurred a loss of Rs.0.10 crores (Previous Year: Loss of Rs.0.91 crores).

During the year the Company has increased its shirts manufacturing capacity from 3000 shirts to 4000 Shirts per day.

#### Hindustan Files Limited

The gross turnover of the Company (including sales & services) was higher at Rs.37.98 crores (Previous Year: Rs.31.32 crores). Profit before Tax was at Rs.1.95 crores (Previous Year: Rs.2.76 crores). Profit after Tax was at Rs.2.15 crores (Previous Year: Rs.2.44 crores). The internal control measures, monitoring and process improvement strategy significantly contributed to the profitability.

#### JK Talabot Limited

The Company manufactures files and rasps at its plant located at Chiplun in Ratnagiri District, in the State of Maharashtra. Although the operations stabilised earlier, the year under review was the first full year of operations for the Company. During the year under review, Company recorded production of Rs.42.60 lakhs files, including semi finished files of Rs.32.77 lakhs, reaching around 60% of capacity utilisation. The gross turnover of the Company was at Rs.13.94 crores (Previous Year: Rs.2.18 crores). The Company recorded profit before tax of Rs.0.09 crores (Previous Year: Loss of Rs.2.72 crores) during the period under review.

#### Scissors Engineering Products Limited

The Company incurred a loss of Rs.0.36 lakhs (Previous Year: Loss of Rs.0.45 lakhs) during the year under review.

#### Ring Plus Aqua Limited

The gross turnover of the Company was higher by 5% at Rs.76.51 crores (Previous Year: Rs.72.69 crores). Profit before tax was at Rs.11.22 crores (Previous Year: Rs.12.62 crores). Net profit, after prior year adjustments and provision for tax was marginally higher at Rs.7.27 crores as against Rs.7.22 crores for the previous year.

The performance of Starter Gear Division showed an impressive growth of 24% during the year under review. The sales volume of gears increased from 13.92 lakhs nos. to 17.29 lakhs nos.

The performance of Shaft Bearings Division was lower during the year under review. The sales of the division reduced from 21.80 lakhs nos. to 19.56 lakhs nos., valued at Rs.20.53 crores as against Rs.23.96 crores in the previous year.

Export constituted 59% (Previous Year: 59%) of the total sales for both the divisions.

#### Pashmina Holdings Limited

The Company incurred a Loss of Rs.8.72 lakhs (Previous Year: Loss of Rs.2.09 lakhs) during the year under review.