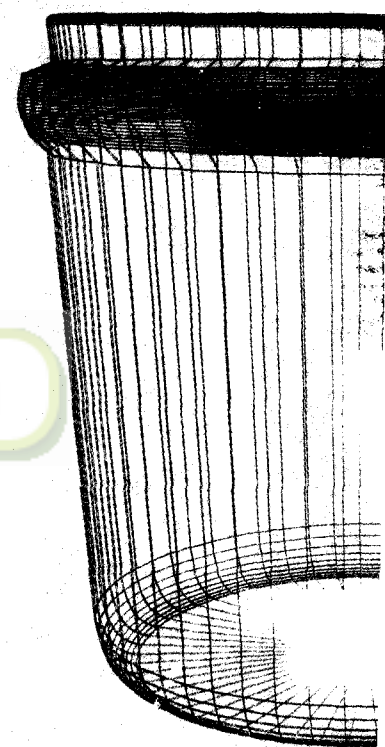


Sintex Industries Limited
Annual Report 2004-05



CONTENTS

Corporation Information	1
Ten years at a glance	2
Directors' Report	3
Management Discussion and Analysis	9
Report on Corporate Governance	14
Auditors' Report	22
Accounts Section	25

Corporate Information

SINTEX INDUSTRIES LIMITED

BOARD OF DIRECTORS :

Shri Dinesh B. Patel, *Chairman*
 Shri Arun P. Patel, *Vice chairman*
 Shri Ramnikbhai Ambani
 Shri Ashwin Lalbhai Shah
 Shri Rooshikumar Pandya
 Smt. Indira J. Parikh
 Dr. Rajesh B. Parikh
 Dr. Lavkumar Kantilal
 Shri Pulak Chandan Prasad, (w.e.f.25-4-2005)
 Shri Rahul A. Patel, *Managing Director*
 Shri Amit D. Patel, *Managing Director*
 Shri S.B. Dangayach, *Managing Director*

MANAGEMENT TEAM :

Shri Rahul A. Patel, *Managing Director*
 Shri Amit D. Patel, *Managing Director*
 Shri S.B. Dangayach, *Managing Director*
 Shri L.M. Rathod, *President – Corporate Finance & Com. Sec.*
 Shri S. Vekatachalam, *President – Opr (Plastic Div.)*
 Shri B.R. Jayswal, *President – Fin. & Acc. (Plastic Div.)*
 Shri Sanjib Roy, *President – Marketing (Plastic Div.)*
 Shri Rajan Gulabani, *Vice President – Marketing (Plastic Div.)*
 Shri S.M.Anerao, *Vice President – Marketing (Plastic Div.)*
 Shri A.C.Saxena, *Vice President – Marketing (Plastic Div.)*
 Shri Ashoke Maitra, *President – Opr. (Textile Div.)*
 Shri A. Vaitheeswaran, *President – Admn. (Textile Div.)*
 Shri R.A. Sharma, *President – Proc. (Textile Div.)*
 Shri Shashidhar B.C., *President – Marketing. (Textile Div.)*

COMPANY SECRETARY :

Shri L.M. Rathod

AUDITORS :

C.C. Chokshi & Co.
 Chartered Accountants
 Ahmedabad

REGISTERED OFFICE :

Near Seven Garna
 Kalol (N.G.) 382721
 Tel (91-2764) 223731 (6 Lines), 220246 & 220793
 Fax : (91-2764) 220436, 222868
 E-mail : bvm@sintex.co.in

REGISTRAR & SHARE TRANSFER AGENT

Pinnacle Shares Registry Pvt. Ltd.
 Nr. Ashoka Mills, Naroda Road,
 Ahmedabad – 380 025

BANKERS :

State Bank of India
 Bank of Baroda
 IDBI Bank Ltd.

MANUFACTURING FACILITIES AT:

- **Kalol**
 Nr. Seven Garna
 Kalol – 382 721, (N.G.), Dist: Gandhinagar,
 Gujarat State, India.
- **Bangalore**
 61-C, Bommasandra Ind. Estate
 Hosur Road, Bommasandra – 562 158
 Karnataka State, India.
- **Kolkata**
 Plot No. 40 & 41,
 Uluberia Growth Center,
 Nr. Birsipur Railway Station,
 Dist. Howrah, West Bengal State, India.
- **Daman**
 Plot No. 34,39 & 40, Survey No. 168
 Dabhel Ind.Co. Op. Society Ltd.
 Dabhel, Daman (Union Territory), India.
- **Baddi**
 Pillanvali Road,
 Nr. Raja Forging Gears Ltd.
 Dist : Solan, Himachal Pradesh, India.
- **Nagpur**
 Plot No : B/124 Batti-Bori
 MIDC, Batti-Bori,
 Dist Nagpur, Maharashtra, India.
- **Salem**
 131, Sandhiyur Attayampatti,
 Behind S.V.T. School, Via-Mallur,
 Trichy Main Road, Salem - 636 203.

Ten years at a glance

	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Fixed Assets (Net)	5023.26	5917.19	9431.32	8931.27	14973.62	38170.72	37882.29	36486.64	48025.14	49344.11
New Project Expenses	116.73	73.51	44.76	7164.03	5124.80	5644.42	5522.87	12148.88	1833.20	2962.47
Investments	466.69	398.65	836.40	1081.40	1368.83	1129.09	3106.85	1152.69	5686.22	16746.75
Net Current Assets	4852.40	5384.07	8252.87	8887.44	8507.09	13134.86	10079.45	12278.81	13604.50	21992.10
Misc. Exp. (Not Written off)	61.20	30.89	203.84	257.25	262.45	191.19	406.87	351.47	319.89	610.28
Total Assets (Net)	10520.28	11804.31	18769.19	26321.39	30236.79	58270.28	56998.33	62418.49	69468.95	91655.71
Borrowings	6149.72	7056.04	6685.16	12478.47	14976.66	24567	21715.43	25032.93	29857.72	33840.92
Preference Share Capital	0.00	0.00	0.00	1000.00	1500.00	1500.00	1500.00	1500.00	0.00	0.00
Equity Share Capital	446.04	446.04	1456.17	1456.17	1456.17	1456.17	1456.17	1456.17	1456.17	1847.67
Share Warrants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1392.12
Reserves & Surplus	3924.52	4302.23	10627.86	11386.75	12303.96	30747.11	31691.18	33523.12	33742.01	48871.44
Deferred Tax Liability	0.00	0.00	0.00	0.00	0.00	0.00	635.55	906.27	4413.05	5703.56
Total Capital Employed	10520.28	11804.31	18769.19	26321.39	30236.79	58270.28	56998.33	62418.49	69468.95	91655.71
Debt/Equity Ratio	1.4:1	1.5:1	0.5:1	1:1	1.1:1	1.6:1	1.3:1	1.35:1	1.59:1	0.95:1
Sales & Other Income	14739.56	14805.84	15832.85	18363.72	20965.76	29628.33	37655.91	44700.68	54727.09	68797.83
Raw Materials	6665.88	5945.89	5372.23	6955.76	8210.75	10621.75	14513.42	19651.22	25437.04	31814.72
Salaries & Wages	1100.69	1197.12	1429.94	1632.29	1788.48	2107.85	2158.52	2325.46	2646.22	3055.00
Operations & Other Expenses	4824.52	5243.34	6070.38	6735.01	7211.53	10940.28	14392.95	14224.66	16834.96	21556.76
Interest	947.49	1018.62	851.20	675.64	979.20	1929.43	2157.07	2849.44	2623.68	2485.26
Gross Profit (Loss)	1200.98	1400.87	2109.10	2365.02	2775.80	4029.02	4433.95	5649.90	7185.19	9886.09
Depreciation	586.60	680.56	858.83	1077.03	1291.57	1808.03	2268.29	2206.57	2263.45	2825.03
Profit/(Loss) before Taxes	614.38	720.31	1250.27	1287.99	1484.23	2220.99	2165.66	3443.33	4921.74	7061.06
Taxes	19.00	90.00	120.00	121.00	155.00	181.00	243.26	1048.72	1540.10	2049.01
Profit/(Loss) after Taxes	595.38	630.31	1130.27	1166.99	1329.23	2039.99	1922.40	2394.61	3381.64	5012.05
Extra ordinary items	0.00	0.00	-90.35	-112.93	-12.57	373.74	0.00	0.00	-15.51	378.63
Net Profit	595.38	630.31	1039.92	1054.06	1316.66	2413.73	1922.40	2394.61	3366.13	5390.68
Dividend	172.26	156.12	179.74	235.20	359.86	405.92	405.92	478.73	563.39	739.07
Tax on Dividend	0.00	15.61	17.97	25.71	39.59	64.66	19.12	57.00	72.17	96.60
Retained Earnings	1009.72	1139.14	1701.04	1870.18	2208.78	3751.18	3765.65	4065.45	4994.02	7380.04
Earning per Equity Share Rs.	13.35	14.13	7.76	7.24	9.04	16.58	11.78	14.84	22.14	35.71
Book Value per Equity Share Rs.	98	106	83	88	94	221	232	246	272	313
Dividends per Equity Share %	35	35	15	15	15	15	15	20	30	40

Directors' Report

Dear Shareholders,

Your Directors have the pleasure of presenting the 74th Annual Report and audited accounts for the financial year ending March 31, 2005.

Financial results

The financial performance of your Company for 2004-05 is given below.

(Rs in lacs)

	2004-05	2003-04
Gross profit	9886.09	7185.19
Deductions:		
(a) Depreciation	2825.03	2263.45
Profit before tax	7061.06	4921.74
Less : Provision for taxation - current tax	758.50	545.00
- deferred tax	1290.51	995.10
Profit/(Loss) after tax before prior period items	5012.05	3381.64
Add/(Less): Short provisions for taxation of earlier years	378.63	(15.51)
Profit after tax	5390.68	3366.13
Balance of profit of previous year	7533.10	7302.53
Profit available for appropriation	12923.78	10668.66
Appropriations		
General reserve	1000.00	1000.00
Proposed dividend on equity shares	739.07	436.85
Interim dividend paid on preference shares	0.00	126.54
Tax on dividend	96.60	72.17
Capital redemption reserve	0.00	1500.00
Balance carried to balance sheet	11088.11	7533.10
Total	12923.78	10668.66

Your Company has recommended a dividend of Rs 4 per equity share on a face value of Rs 10 each.

Review of operations

Your Company recorded an impressive performance during the year under review reflected in a 25.71% increase in its total income to Rs 687.98 cr, achieved by the following factors:

- 34.22% growth in textile division revenues to Rs 194.91 cr in 2004-05.
- 22.63% growth in plastics division revenue to Rs 493.06 crore in 2004-05, its profitability affected by spiraling crude prices.

Despite a significant rise in raw material costs, your Company performed creditably to report an increase in its EBIDTA margin by five basis points to 18.26%, and the highest EBIDTA in its existence at Rs 123.71 cr during the year under review.

Concurrently, your Company reduced its interest outflow by 5.28%, rationalised its average cost of debt by 145 basis points and strengthened its interest cover from 2.87 to 3.99.

As a result, profit after tax grew 60% to Rs 53.90 cr in 2004-05.

Dividend

In view of this improved performance, your Company has recommended a dividend of Rs 4 per equity share on a face value of Rs 10 each (previous year Rs 3 per equity share on a face value of Rs 10 each on 145,61,664 equity shares) on the enhanced capital of 184,76,664 equity shares for the year ending March 31, 2005, for your approval and subject to the approval of the financial institutions and banks.

Operational highlights

Plastics division

This division continued to be your Company's mainstay, accounting for 72% of the turnover in 2004-05. This segment recorded another

impressive year: Sintex continued to be the brand of choice for millions of discerning consumers and increased its market share in several regions.

Water tank segment: The Reno brand generated an unmistakable value-for-money identity as a result of which the product was received favourably in Rajasthan and Gujarat in its first year of existence. It contributed 18% to the revenue from the plastic division. It is expected to provide a larger business in the years to come.

Vaccine carriers and boxes: Your Company reported a significant breakthrough following the receipt of a WHO approval leading to registrations with UNICEF and other reputed healthcare organisations. In doing so, your Company emerged among the 10 global companies to have successfully addressed these demanding quality specifications, leading to a growing international presence. To cater to comprehensive user requirements, your Company expanded its range of vaccine carriers and boxes from three to fifteen varieties.

Prefabricated buildings: This business segment has contributed more than 48% to the divisional income, up from 37% in the previous fiscal. It grew appreciably as its acceptance extended across school buildings, army shelters, remote housing, BT shelters and toilet blocks. Your Company also successfully exported prefabricated BT shelters and toilet blocks to neighbouring countries, establishing the Sintex brand beyond the domestic frontier.

Lightweight technical engineering products: Your Company was identified by Cummins Inc. USA as its sole Asian outsourcing partner for products that find an application in generators and fuel injection systems. In view of the attractive potential, your Company developed and manufactured three parts in-house while seven are in various development stages. This exclusive nine-year Rs 124 cr outsourcing arrangement is expected to lead to similar arrangements with other large customers.

Insulated boxes and pallets: Your Company has been a dominant player in specialty products like insulated boxes and pallets. Your Company expanded its product range, offering boxes with capacities of up to 1,000 litres, which plugged real needs in food processing, fisheries, ice-cream, soft drinks and related industries.

Meter boxes, loop-in loop-out boxes and distribution boxes: Your Company extended its reach across geographies and executed contracts for various power sector utilities in Tamil Nadu, Andhra Pradesh, Chattisgarh, Delhi, Rajasthan and Madhya Pradesh. It was also awarded its first order for distribution boxes from a power utility in Maharashtra.

Factory-made doors / plastic boards: Your Company altered its designs and enhanced its product mix (plastic boards in several widths and various factory made doors) to address evolving preferences, which strengthened its market share, and enhanced your Company's competitive edge against the unorganised manufacturer and imports.

Textile division

This division increased its turnover by 30% to Rs 194.44 cr in 2004-05, accounting for 28% of the Company's turnover. For the division, this was a remarkable year for the following reasons: it was the first full year of working of the expanded capacity of 18 mn metres per annum and the business arrangement with Canclini Tessile S.p.A, the only such association within the industry with a reputed international textile company. As a result, your Company serviced brand-enhancing customers like Van Heusen, Louis Phillipe, Allen Solly, Peter England, Park Avenue and Pantaloons with larger volumes.

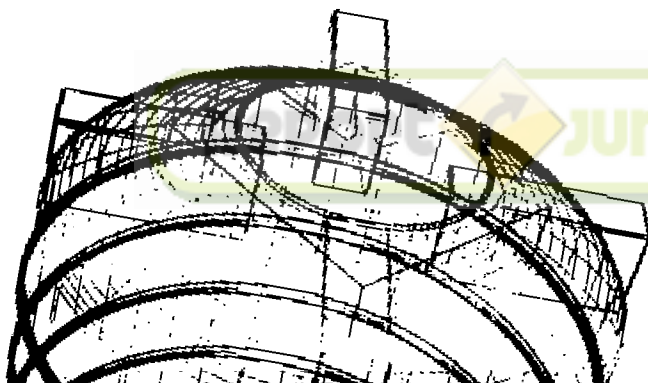
The marketing and technical collaboration with Canclini Tessile S.p.A resulted in a number of benefits:

- Proficiency in double yarn manufacture leading to the ability to produce different weave types (herringbone, moleskin, honeycomb, diamond, huck-a-back, mock-leno and pique).
- Sizeable exports through Canclini Tessile S.p.A. was derived from about 15% of operational capacity.

the Company the only one in India to possess them but also lead to attractive opportunities.

FRP pipes: These cost effective maintenance-free pipes used to carry petroleum products across the world are being positioned as a substitute for SAW, ductile iron and other metal pipes. With more than 12,000 kms of pipeline projects being planned over the next five years, your Company is attractively positioned to benefit from this venture. The manufacturing facility at Bhachau (Kutch, Gujarat) will be commissioned by end- 2005-06.

Acquisition of Zeppelin: Your Company initiated talks with Zeppelin Mobile Systems India Ltd (ZMSIL) for the acquisition of a 74% plus stake in the latter. Zeppelin Mobile System GmbH, the parent company, possesses more than 100 years of experience in designing and commissioning internationally benchmark shelters. ZMSIL designs and commissions sophisticated polyurethane foam-based shelters and structures for the telecom sector, mobile hospitals, refrigerated bodies and other multipurpose shelters. It features among the top two



Your Company also approached United Laboratories (USA) for relevant product clearance, which when received will not only make the Company the only one in India to possess them but also lead to attractive opportunities.

- Increased offtake from a number of domestic brands and exporters.

In 2004-05, your Company strengthened its competitive edge through the following initiatives:

- Investment: Investment in a Rs 4 crore facility comprising state-of-the-art Japanese equipment to manufacture design blankets.
- Value addition: Introduction of value-added products (structured fabrics with higher thread counts in the shirting segment, yarn-dyed corduroy shirting and Pima cotton yarn-based corduroy fabric in the corduroy segment).

New projects**Plastics division**

Underground FRP tanks: The projects to manufacture underground fuel tanks were completed in March, 2005 (Commercial production from June, 2005). Your Company also approached United Laboratories (USA) for relevant product clearance, which when received will not only make

telecom shelter manufacturers in India, enjoys a market share of about 25% and supplies to leading Indian telecom players like Bharti, Reliance, Hutchison, BPL and TATA Indicom, among others.

Monolith construction: Your Company designed an entirely new housing solution - Monolith Construction - to address mass and low cost needs. The product comprised the following unique features:

First-ever fabrication with a unique work system.

Casting of all four walls and slab together.

The facility to use in single or multistoried construction.

Ideal for use in slum redevelopment, the product will drive the offtake of doors manufactured by your Company, Two thousand such units were commissioned for the government of Gujarat in 2004-05 and with the Ministry of Urban Development earmarking a budget of Rs. 2500 crores for the upliftment of urban India. The potential for this product is attractive.

Waste management system: Your Company is venturing into waste management solutions, an unstructured and unorganised business. In keeping with your Company's first-mover advantage, it tied up with the well-known SULO Corporation (130-years of experience, turnover 800 mn euro), a leader in waste management systems. SULO markets and manufactures composite waste management products leading to complete waste management solutions. This collaboration will enable your Company access to the latest technology for segregation, recycling and disposal of waste.

Bunk houses: Prefab bunk houses are best suited for all types of housing and commercial applications. They are fully furnished and equipped with modern facilities for housing and commercial application. These pioneering bunk houses are ideal as project offices, site offices and residential units for long-gestation projects, namely power, infrastructure, large civil projects and mega industrial projects.

Expansion plan: To strengthen its pan India presence, your Company is

capacity from the current 18 mn meters to 24 mn meters per annum.

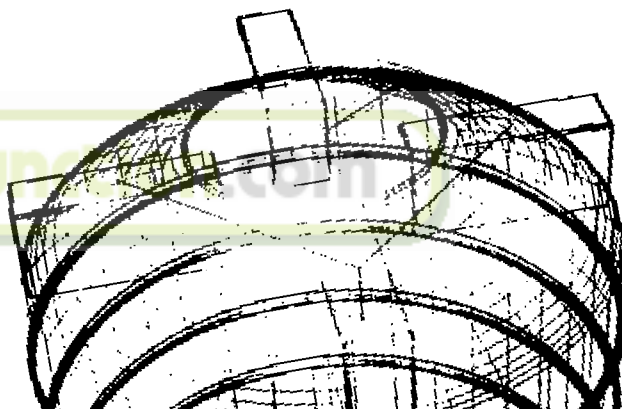
Value addition to the product mix: Your Company is targeting the high-margin high-growth segments of jacquards, cotton silk and cotton linen fabrics in the current year. This is expected to have a two-pronged impact on your Company. On the one hand, this larger product basket will enable your Company to cater to a larger section of international and domestic brands. On the other hand it will improve the brand of your Company as being among the few textile units with varied capabilities across demanding fabrics and weaves.

Preferential allotment to foreign investors & promoters

According to your approval in the Extraordinary General Meeting (EGM) held on December 29, 2004, your Directors have allotted 30,00,000 equity shares on preferential basis to a foreign investor, the Warburg Pincus Group ("Warburg") at a price of Rs.280.10 per share (inclusive of a premium of Rs. 270.10 per share).

Your Directors have also allotted 29,00,000 optionally convertible

Your Company is expanding the textile division capacity from the current 18 mn meters to 24 mn meters per annum.



setting up three manufacturing facilities at Salem, Secunderabad and at Bhachau, Kutch Gujarat.

The plant at Salem, comprising the roto-molding facility for the manufacture of containers, has commenced production. Your Company's prefab unit at Salem, to meet the growing demand for these products in South India, is expected to commence production by December, 2006.

The Secunderabad facility will be solely dedicated to the manufacture of prefabricated products, servicing the demands of prefabs in Delhi, Uttar Pradesh, Bihar and Orissa. This unit is expected to commence operation by December, 2006.

The Bhachau unit will manufacture underground FRP tanks, FRP pipes and PVC/HDPE pipes and house facilities for PVC profiles, doors and windows, BT shelters, SMC products, roto-molded and blow-molded products. This plant is expected to be operational by end-2005.

Textile division

Capacity Expansion: Your Company is expanding the textile division

warrants to Warburg and 12,00,000 optionally convertible warrants to Mr. Dinesh B. Patel, Mr. Arun P. Patel, Mr. Rahul A. Patel, Mr. Amit D. Patel, BVM Finance Limited, Opel Securities Private Limited, Kolon Investment Private Limited (collectively the 'Promoter Group') on a preferential basis at a price of Rs. 280.10 per warrant with 10% of the consideration payable up front.

The warrants are optionally convertible into equity shares of Rs 10 each within 18 months from the date of allotment. Up to the financial year ending March 31, 2005, your Directors have also allotted 9,15,000 equity shares at a price of Rs. 280.10 per share (inclusive of a premium of Rs. 270.10 per share) to Warburg on its exercise of the option for conversion of 9,15,000 warrants.

The full conversion of all warrants into equity shares and the fresh infusion of equity will result in the increase in net worth by Rs. 198.87 crores, which will make a significant positive impact on the capital structure of the Company.

Captive power

All the three captive power plants, which have an aggregate capacity of 14,250 KVA, are running successfully without any interruption and generate quality power at a very low cost. As of now, the Company enjoys 100% self-sufficiency in quality power.

Investment in Company

In view of the emerging trend in the international market, the Company is in the process of making a direct investment in a joint venture abroad under the automatic route, to acquire 75% equity shares of Tintofilo Tessile SRL, Italy. The Company has remitted euro 11,150, equivalent to Rs. 6,53,390, towards the equity contribution of the Company.

In light of the above, the Company has now decided not to pursue the proposal for wholly-owned subsidiary Sintex Overseas (Mauritius) Ltd., and withdraw the application made for regulatory approval. The Company will repatriate the advance amount of Rs. 500 lacs.

Directors

Pursuant to Article 154 of the Articles of Association of the Company read with provisions of Section 256 of the Companies Act, 1956 Directors Shri Ramnikbhai Ambani and Smt. Indira Parikh retire by rotation at the ensuing Annual General Meeting of the Company, but being eligible offer themselves for re-appointment.

Shri Gaurav Mathur would have retired by rotation at the ensuing Annual General Meeting if he had continued as a Director. As such Shri Rajesh Parikh will hold office till the ensuing Annual General Meeting but the Company has received notice from a shareholder for his re-appointment.

According to your approval in EGM dated March 7, 2005 Mr. Pulak C Prasad has been appointed (nominated by Lightwood Investment Ltd.) as the non-retiring non-executive Director with effect from April 25, 2005 i.e. the date of receipt of the written confirmation from their merchant banker in respect of completion of all the formalities relating to the open offer made by Lightwood Investment Ltd. under the Takeover Regulation.

Pursuant to the approval by the Board of Directors in their meeting held on October 27, 2004, Shri Dinesh B. Patel and Shri Arun P. Patel, the earlier Chairman and Managing Director and Managing Director respectively have been re-designated as Chairman and Vice-Chairman respectively for their remaining terms, similarly Shri Rahul A. Patel, Shri Amit D. Patel and Shri S.B. Dangayach, the earlier wholetime Directors have been re-designated as Managing Directors.

For the kind perusal of the shareholders, brief resume of each of them, the nature of their expertise and the name of the Companies in which they hold directorship and the details of membership of the committees of the Board are enclosed. Your Directors recommend their appointment.

Fixed deposits

Presently, your Company does not have any deposit scheme.

Listing of shares

The names and addresses of the stock exchanges where the Company's shares are listed are given below:

- The Stock Exchange Ahmedabad, Kamdhenu Complex, Panjrapole, Ahmedabad -- 380 015
- The Stock Exchange Mumbai, Phiroze Jeejeebhai Towers, Dalal Street, Mumbai -- 400 001
- The National Stock Exchange of India Ltd, Exchange Marg, Plot No. C-1, G Block, IFB Centre, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051

The Company has paid listing fee to all the above stock exchanges for the financial year 2005-06.

Corporate governance

As per the amended Listing Agreement with the stock exchanges, the Company has complied with the requirements of Corporate governance. A report on Corporate governance is attached.

Corporate development

Your Company proposes to examine the proposal to de-merge the textile business of the Company for betterment of that division and to initiate various processes for the same, including the appointment of consultants to undertake valuation and to examine the proposal to de-merge the textile business of the Company.

Directors' responsibility statement

To the best of their knowledge and belief and according to the information obtained by them, your Directors make the following statement in terms of Section 217 (2AA) of the Companies Act, 1956:

1. That in the preparation of the annual accounts for the year ending March 31, 2005, the applicable accounting standards have been followed and there have been no material departures.
2. 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 and of the profit of the Company for that period.

The Company has three captive power plants, which have an aggregate capacity of 14,250 KVA, which are running successfully and generate quality power at a very low cost.

3. That 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 frauds and other irregularities.

4. That the annual accounts for the year ending March 31, 2005, have been prepared on a going concern basis.

Information regarding conservation of energy etc. and employees

Information 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 the Board of Directors) Rules, 1988 and information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, as amended from time to time, form a part of this report. However, as per the provisions of Section

have informed the Company that they do not wish to seek re-appointment at the ensuing Annual General Meeting. The Company has, thereafter, received a notice from a member proposing the appointment of M/s. Deloitte Haskins & Sells Chartered Accountants, Ahmedabad in place of the retiring auditors.

The observations made in the Auditor's Report are self explanatory and do not call for any further comments under Section 217 of the Companies Act, 1956.

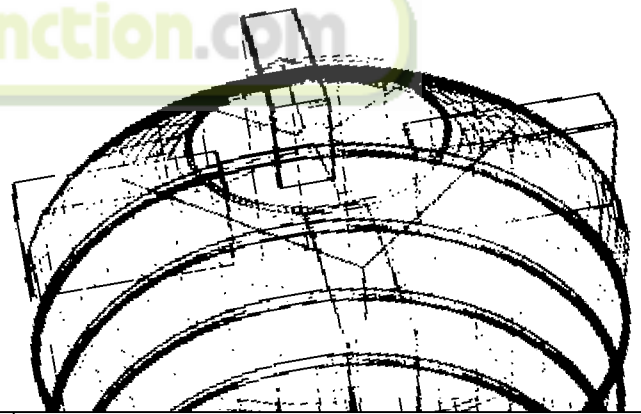
Cost accounting records

As required under the order made by the Central Government, the Company is maintaining necessary cost accounting records in respect of cotton textiles.

Acknowledgements

Your Directors place on record their deep appreciation for the continued co-operation, assistance and guidance provided by financial

The Company is in the process of making a direct investment in a joint venture abroad under the automatic route, to acquire 75% equity shares of Tintofilo Tessile SRL, Italy.



219(1)(b)(iv), the report and accounts are being sent to all the shareholders of the Company excluding the information relating to conservation of energy, technology, absorption and foreign exchange earning and outgo, and the statement of earning of employees. Any shareholder interested in obtaining such particulars may inspect the same at the registered office of the Company or write to the Company Secretary for a copy.

Insurance

All the insurable interests of the Company, including plant and machinery, stocks, loss of profits, standing charges and the insurable interest, are adequately insured.

Auditors

The retiring auditors, M/s C.C. Chokshi & Co, Chartered Accountant,

institutions, banks, investors, customer, supplier, shareholders, dealers and other stake holders of the Company.

Your Directors also place on record their deep appreciation for the dedicated services by employees towards the Company's performance.

On behalf of the Board

Place: Kalol (North Gujarat)

Dated: April 30, 2005

(Dinesh B. Patel)

Chairman