

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on code of governance:

Company's Philosophy on Corporate Governance envisages striving for excellence in all its facets of its operations through socially and environmentally acceptable means. The Company wants to be a responsible corporate citizen and share the benefits with society and also will make its customers, employees, suppliers and shareholders feel proud of their association with the Company through highest level of transparency in its dealings.

2. Board of Directors:

The Board of Directors consists of 13 directors. The Company is being managed and controlled by the Board of Directors. More than 50% of the Board is comprised of independent Directors. The members of the Board are well-experienced professionals and industrialists. The day-to-day management affairs is managed by the Chairman & Managing Director subject to the supervision, control and direction of the Board of Directors and is assisted by the Executive Director and President & Chief Operating Officer.

a. Composition and category of Directors and attendance of each Director at the Board Meetings, last Annual General Meeting and Number of other Directorship and Chairmanship / Membership of Committee of each Director in various Companies:

Name of the Director	Category	Attendance Particulars		No. of Directorships in other Companies			No. of Committee positions held in other Companies	
		Board Meeting	Last AGM	Public Company	Private Company	Foreign Company	Member	Chairman
Mr. L. Lakshman	Non-Executive - Independent	5	—	10	—	—	5	4
Mr. Suresh Jagannathan	Non-Executive - Independent	5	—	3	2	—	2	—
Mr. C.R. Swaminathan	Non-Executive - Independent	5	—	4	3	—	1	—
Mr. D. Sarath Chandran	Non-Executive - Promoter	4	—	6	—	1	2	—
Mr. Shinji Shirasaki	Non-Executive - Independent	1	—	—	—	3	—	—
Mr. Haruo Ishida (Alternate Director to Mr. Shinji Shirasaki) Upto 30th October 2007	Non-Executive - Independent	1	—	2	1	—	—	—
Mr. Yuzuru Doi (Alternate Director to Mr. Shinji Shirasaki) from 30th October 2007	Non-Executive - Independent	2	—	2	1	—	—	—
Mr. C.N. Srivatsan	Non-Executive - Independent	4	✓	4	2	—	2	—
Mr. V. Ramakrishnan	Non-Executive	5	—	—	—	3	—	—
Mr. R. Vidhya Shankar	Non-Executive - Independent	5	—	1	—	—	—	—
Dr. Kalyani Gandhi	Non-Executive - Independent	2	—	1	—	—	1	—
Mr. M. Lakshminarayan	Non-Executive - Independent	2	—	1	2	—	—	—
Mr. K. Udhaya Kumar (President & Chief Operating Officer) From 1st June 2008	Executive	—	—	—	—	1	—	—
Mrs. Vanitha Mohan (Executive Director)	Executive - Promoter	5	—	5	2	—	—	—
Mr. Vijay Mohan (Chairman & Managing Director)	Executive - Promoter	5	✓	11	1	—	2	—

Mr. Vijay Mohan, Mrs. Vanitha Mohan and Mr. D. Sarath Chandran are relatives. Mr. D. Sarath Chandran is Mr. Vijay Mohan's brother and Mrs. Vanitha Mohan is Mr. Vijay Mohan's wife. No other directors are relatives to each other.



REPORT ON CORPORATE GOVERNANCE (Contd..)

b. No. of Board Meetings held and the dates on which held:

Number of Board meetings held	Five
Dates on which held	29th May 2007, 31st July 2007, 30th October 2007, 30th January 2008 & 31st January 2008 and 28th March 2008

The maximum time gap between any two meetings was not more than four months.

Brief note on Directors seeking appointment / re-appointment at the ensuing AGM:

Mr. C.R. Swaminathan, B.Sc., (Agri), MBA, 60 years of age, is presently the Chief Executive of PSG Industrial Institute, Coimbatore, who has put in over 38 years of service in PSG Institutions. He is a Director of the Company since 25th December 1990. He is also a Director on the Board of Gangotri Textiles Limited, Udhaya Semiconductors Limited, Stillwater Enterprises (I) Limited, Micro Instruments Limited, Chandra Textiles Pvt Limited, Pongalur Pioneer Textile Pvt. Limited and K.Sivasubramaniam Spinners Pvt. Limited. He is a member of the Audit Committee and Remuneration Committee of Pricol Limited and Gangotri Textiles Limited.

He is the Deputy Chairman of Confederation of Indian Industry - Southern Region. He is the President of Residents Awareness Association of Coimbatore. He was the President of The Southern India Engineering Manufacturers Association, Association of Jute Entrepreneurs of Southern India, Solar Energy Society of India – Coimbatore Chapter, Tamilnadu Private Professional Colleges Association – Health Sciences and The Coimbatore Club. He is the Vice President of The Indian Chamber of Commerce and Industry, Coimbatore, Coimbatore District Basket Ball Association and Advisory Committee, Kovai Aid for Rehabilitation and Motivation - a Charitable Trust. He is the Joint Secretary of Indian Council for Child Welfare, Coimbatore District Council, All India Board of Technician Education, Regional Direct Taxes Advisory Committee, Coimbatore District Juvenile Justice Board, Department of Social Welfare & Nutritious Meal Programme, Government of Tamilnadu and Board of Apprenticeship Training (SR), Government of India, Chennai.

Mr. C.N. Srivatsan, B.Com., C.A., CISA, 51 years of age, is a leading management consultant specialised in Information Systems audit, Operations audit, Business Process Re-engineering, Cost Reduction and Cost Control techniques, implementation of IT Governance & MIS and development of Real time Processing Systems and Web applications. He is a Director of the company since 24th October 2001. He is also a Director on the Board of Precot Meridian Limited, Elgitread (India) Limited, Astral Consulting Limited, Kar Mobiles Limited, Astral Autoprint Business Solutions (P) Ltd and SKP Astral Consulting (P) Ltd. He is Chairman of the Audit Committee. He is also a member of Audit Committee of Precot Meridian Limited and Kar Mobiles Limited and member of the Shareholders / Investors Relations Committee of the company.

Mr. Suresh Jagannathan, B.S. (USA), 51 years of age, is a leading Industrialist and Managing Director of Kovilpatti Lakshmi Roller Flour Mills Limited. He is also a director in Elgitread (India) Limited, Precot Meridian Limited, Cape Flour Mills Private Limited and Chempaka General Finance Private Limited. He is a member of the Audit committee of Elgitread (India) Limited and Investors Grievance Committee of Kovilpatti Lakshmi Roller Flour Mills Limited.

Mr K. Udhaya Kumar, B.E. (Mech.), 58 years of age, underwent practical training for an year and half in an industry in Coimbatore and joined Pricol in February 1976. Over the last 32 years of service in Pricol, due to his diligent work he has risen to the rank of Senior Vice President and next in line to the CEO. He has rich experience in all the areas of Production, Materials, Quality, Product Development Engineering, Customer Relations etc. He has been all along a key member of the core team responsible for all improvement activities. Over the last 5 years, he has been a Member of the Apex Council, the Top Management in Pricol. He is also a Director in PT Pricol Surya, Indonesia.



REPORT ON CORPORATE GOVERNANCE (Contd..)

3. Audit Committee:

a. Composition, name of members & chairperson, meetings and attendance during the year.

Name of the member	Category	Attendance
Mr. C.N. Srivatsan (Chairman)	Non-Executive - Independent	4
Mr. C.R. Swaminathan	Non-Executive - Independent	4
Mr. R. Vidhya Shankar	Non-Executive - Independent	4
Mrs. Vanitha Mohan	Executive - Promoter	4

b. No. of Audit Committee Meetings held and the dates on which held:

Number of Audit Committee meetings held	Four
Dates on which held	23rd May 2007, 24th July 2007, 22nd October 2007 and 24th January 2008.

c. Brief description of terms of reference.

- Reviewing the internal business process and profitability.
- Reviewing of statutory and regulations audit in conformity with the requirements of Companies Act, SEBI regulations and Listing Agreement, in terms of Clause 49.

4. Remuneration Committee:

a. Composition, name of members & chairperson, meetings and attendance during the year.

Name of the member	Category	Attendance
Mr. C.N. Srivatsan (Chairman)	Non-Executive - Independent	1
Mr. C.R. Swaminathan	Non-Executive - Independent	1
Mr. R. Vidhya Shankar	Non-Executive - Independent	1

b. No. of Remuneration Committee Meetings held and the dates on which held :

Number of Remuneration Committee meeting held	One
Date on which held	23rd May 2007

c. Brief description of terms of reference:

To determine and recommend to the Board the remuneration including commission, perquisites and allowances payable to the whole-time directors based on overall performance and financial results of the Company during the relevant financial year and in consonance with the existing industrial practice.

d. Remuneration to Directors:

The Company pays remuneration to Chairman & Managing Director by way of salary and perquisites (Fixed Component) and 1.50% commission on Net Profit (Variable Component) as approved by the shareholders of the Company.

The Company pays remuneration to the Executive Director by way of Salary (Fixed Component) and 0.75% Commission on Net Profit (Variable Component) as approved by the shareholders of the Company.

REPORT ON CORPORATE GOVERNANCE (Contd.)

The Company fixes remuneration to the President & Chief Operating Officer by way of Salary & Perquisites (Fixed Component) and 0.50% commission on Net Profit (Variable Component) subject to the approval of the shareholders.

It has been decided in the 35th Annual General Meeting to pay commission to Non-Whole Time Directors not exceeding one percent of the Net Profit of the Company per annum. The commission will be distributed broadly on the basis of Board Meetings and Committee Meetings attended by the Non-Whole Time Directors.

- e. Details of remuneration paid / payable to all directors during the year ended 31st March 2008 are given below :

Name of the Director	Rs. Million		
	Salary & Perquisites	Commission	Total
Mr. L. Lakshman	NA	0.200	0.200
Mr. Suresh Jagannathan	NA	0.200	0.200
Mr. C.R. Swaminathan	NA	0.370	0.370
Mr. D. Sarath Chandran	NA	0.200	0.200
Mr. Shinji Shirasaki	NA	0.160	0.160
Mr. C.N. Srivatsan	NA	0.330	0.330
Mr. V. Ramakrishnan	NA	0.200	0.200
Mr. R. Vidhya Shankar	NA	0.370	0.370
Dr. Kalyani Gandhi	NA	0.080	0.080
Mr. M. Lakshminarayan	NA	0.080	0.080
Mrs. Vanitha Mohan (Executive Director)	0.791	1.730	2.521
Mr. Vijay Mohan (Chairman & Managing Director)	2.960	3.460	6.420

The Company does not have any Stock option scheme.

Shares of the Company held by Non-Executive Directors: Mr. D. Sarath Chandran holds 45,000 shares, Mr. Suresh Jagannathan holds 26,985 shares and Mr. C.R. Swaminathan holds 1,995 shares.

5. Shareholders / Investors Relations Committee:

The committee comprises of Mr. Vijay Mohan, Mr. D. Sarath Chandran, Mrs. Vanitha Mohan, Mr. C.R. Swaminathan, Mr. C.N. Srivatsan and Mr. R. Vidhya Shankar. During the year 4 meetings were held. Mr. D. Sarath Chandran, Non-Executive Director chaired the committee meetings. Mr. T.G. Thamizhanban, Company Secretary is the Compliance Officer.

During the year, 39 letters were received from the investors regarding non-receipt of dividend warrants / annual reports / share certificates etc., and all of them were replied / resolved to their satisfaction. No transfer / dematerialisation of shares is kept pending.

6. General Body meetings:

- a. Location and time, where last three Annual General Meetings held

Year	Location	Date	Time
2005 33rd AGM	Ardra Conferencing Centre, 9, North Huzur Road, Near Codissia Towers, Coimbatore - 18	05.08.2005	4.30 p.m.
2006 34th AGM	Ardra Conferencing Centre, 9, North Huzur Road, Near Codissia Towers, Coimbatore - 18	04.08.2006	4.30 p.m.
2007 35th AGM	Nani Palkhivala Auditorium, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 37	03.08.2007	4.30 p.m.



REPORT ON CORPORATE GOVERNANCE (Contd..)

b. Whether any special resolutions passed in the previous 3 AGMs : Yes.

Year	Details of Special Resolution
2005 - 33rd AGM	Nil
2006 - 34th AGM	Nil
2007 - 35th AGM	Commission payable to Non-whole time Directors of the Company.

- c. Whether special resolutions were put through postal ballot last year? If yes, details of voting pattern : No.
- d. Person who conducted the postal ballot exercise : Not Applicable.
- e. Whether any special resolution is proposed to be conducted through postal ballot : No.
- f. Procedure for postal ballot : Not applicable.

7. Disclosures:

- a. The Company has not entered into any materially significant related party transactions that may have potential conflict with the interest of Company at large.
- b. Details of non compliance by company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any authority, on any matter related to capital markets during last 3 years – NIL.
- c. The Company does not have any Whistle Blower Policy. However, no person has been denied access to the Audit Committee of the Company.
- d. The Company has complied the following non-mandatory requirement :
Remuneration Committee of the Board of Directors of the Company has been set up and the particulars of the committee are given in this report itself.
The Company has not complied with any other non-mandatory requirement.

8. Means of communication:

- a. In which newspapers quarterly results are normally published. : The Hindu, Business Line & Dinamani.
- b. Any website where results or official news are displayed : www.sebidifair.nic.in, www.nseindia.com, www.bseindia.com & www.pricol.com
- c. Presentation made to Institutional Investors or to the analysts : Nil.
- d. Whether Management Discussion & Analysis is part of Annual Report or not : It is a part of Annual Report.

9. General Shareholder information:

- a. AGM : Date : 8th August 2008.
: Time : 4.30 p.m.
: Venue : Nani Palkhivala Auditorium,
Mani Higher Secondary School,
Pappanaickenpalayam, Coimbatore - 641 037.
- b. Financial Year : 1st April 2007 to 31st March 2008.
- c. Date of Book Closure : 26th July 2008 to 8th August 2008.
- d. Dividend Payment Date : 9th August 2008.
- e. Listing on Stock Exchanges : National Stock Exchange of India Limited
and Bombay Stock Exchange Limited.
- f. Stock Code : National Stock Exchange : PRICOL
Bombay Stock Exchange : 526109
- g. International Security Identification Number (ISIN) : INE605A01026



REPORT ON CORPORATE GOVERNANCE (Contd..)

h. Stock Market Data :

Month	National Stock Exchange				Bombay Stock Exchange			
	Price (Rs.)		CNX 500 (Points)		Price (Rs.)		BSE - 500 (Points)	
	High	Low	High	Low	High	Low	High	Low
April-07	34.50	31.05	3453.40	2997.85	34.40	31.40	5451.33	4732.42
May-07	34.95	31.50	3578.60	3318.45	35.00	31.55	5674.28	5230.55
June-07	34.00	29.50	3626.10	3413.05	33.85	29.75	5783.39	5417.54
July-07	40.45	29.15	3883.90	3615.65	34.15	28.15	6217.40	5785.60
August-07	30.75	26.00	3793.85	3362.80	30.20	26.00	6077.57	5390.71
September-07	32.40	27.55	4202.95	3713.10	32.40	28.20	6788.10	5961.64
October-07	32.00	22.25	4843.65	4129.75	32.20	22.15	7842.22	6655.49
November-07	37.45	23.00	5020.00	4512.20	37.50	23.40	8057.52	7296.63
December-07	45.80	32.50	5364.00	4895.85	45.35	32.20	8616.65	7907.29
January-08	45.60	22.20	5563.50	3744.45	45.00	22.50	8991.42	6124.82
February-08	28.40	22.70	4639.95	4044.75	28.85	23.00	7589.57	6603.60
March-08	25.45	17.50	4262.25	3603.45	25.00	17.50	6991.67	5773.51

i. Registrar and Transfer Agents:

For Physical transfer and Dematerialisation of shares:

The company has appointed M/s. Integrated Enterprises (India) Limited, 2nd Floor, 'KENCES' Towers, No.1, Ramakrishna street, North Usman Road, T. Nagar, Chennai - 600 017 as Common Transfer Agent for both physical and electronic transfer of company's shares.

j. Share Transfer System:

Certain directors and executives of the company are severally empowered to approve the transfers and dematerialisation. The Company co-ordinates with the Common Transfer Agent to ensure that the transfers and dematerialisation of shares are processed and completed within the stipulated time if the documents are complete in all respects. The Company obtains from M/s. S. Krishnamurthy & Co., Company Secretaries, Chennai half-yearly certificate of compliance with the share transfer formalities as required under clause 47(c) of the listing agreement with stock exchanges and files a copy of the certificate with the stock exchanges.

k. Shareholding pattern as on 31st March 2008

Shares held by	No. of Shares	% to Total Paid-up capital
Promoters & Associates	32,272,445	35.86
Foreign Collaborator - DENSO Corporation, Japan	11,250,000	12.50
Non-Resident Indians	420,429	0.47
Foreign Institutional Investors	228,117	0.25
Banks	147,150	0.16
Indian Financial Institutions / Insurance Companies	494,716	0.55
Bodies Corporate	4,905,159	5.45
Mutual Funds	8,271,894	9.19
Public	32,010,090	35.57
Total	90,000,000	100.00



REPORT ON CORPORATE GOVERNANCE (Contd..)

i. Distribution of Shareholding as on 31st March 2008.

Shareholding (Range)	No. of holders	% of holders	No. of shares	% of shares
Upto 500	20,766	70.11	4,306,159	4.78
501 to 1000	3,530	11.92	2,982,502	3.31
1001 to 2000	2,252	7.60	3,479,654	3.87
2001 to 3000	1,044	3.53	2,657,139	2.95
3001 to 4000	407	1.37	1,432,333	1.59
4001 to 5000	436	1.47	2,012,885	2.24
5001 to 10000	622	2.10	4,544,329	5.05
10001 and above	562	1.90	68,584,999	76.21
Total	29,619	100.00	90,000,000	100.00

m. Dematerialisation of shares and liquidity as on 31st March 2008.

Shares of the Company can be held and traded in Electronic form. SEBI has notified inclusion of our company's shares for compulsory demat trading by all the categories of the investors with effect from 28th August 2000.

Extent of Dematerialisation:

Name of the Depository	No. of shares	% to total paid-up capital
a. National Securities Depository Limited	44,549,696	49.50
b. Central Depository Services (India) Limited	5,135,127	5.71
Total	49,684,823	55.21

The company's shares are regularly traded on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

n. Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on equity : Nil

o. Address for correspondence

Pricol Limited,
Secretarial Department,
702/7, Avanashi Road,
Coimbatore - 641 037, India.
Phone : 0422-4336238, 4336272
Fax : 0422-4336299
E-mail : cs@pricol.co.in

REPORT ON CORPORATE GOVERNANCE (Contd.)

COMPLIANCE CERTIFICATE FROM AUDITORS OF THE COMPANY (Under Clause 49 of the Listing Agreement)

To the Members of Pricol Limited

We have examined the compliance of conditions of corporate governance by PRICOL LIMITED, for the year ended on 31st March 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

Coimbatore
29th May 2008

For Suri & Co.,
Chartered Accountants
C.S. Sathyanarayanan
Partner
Membership No.28328

DECLARATION

All the Board members and senior management personnel affirmed compliance with the code of conduct of the company for the financial year ended 31st March 2008.

Coimbatore
29th May 2008

Vijay Mohan
Chairman & Managing Director



TEN YEARS PERFORMANCE AT A GLANCE

Rs. Million

OPERATING RESULTS

Year ended 31st March	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Net Sales & Service Charges										
— Domestic	1,223.27	1,791.05	2,258.87	2,273.91	2,635.61	3,295.05	3,891.32	4,217.01	4,809.48	4,803.69
— Export	188.98	221.96	274.94	187.22	348.38	409.24	598.36	599.87	1,024.35	1,260.94
Total Net Sales	1,412.25	2,013.01	2,533.81	2,461.13	2,983.99	3,704.29	4,489.68	4,816.88	5,833.83	6,064.63
Gross Surplus from Operation	256.29	400.19	466.23	430.00	542.71	785.61	890.31	778.13	954.17	763.11
Other Income	19.03	12.71	32.02	6.74	8.24	11.91	19.45	29.30	30.36	69.41
Depreciation (a)	103.61	128.42	151.83	171.97	188.83	205.47	218.90	256.60	295.92	327.19
Interest & Finance Charges (b)	72.24	96.81	120.71	134.77	105.13	80.02	68.33	121.87	180.48	287.00
Profit Before Tax (PBT) (c)	99.47	187.67	225.71	130.00	256.99	512.03	622.53	428.96	508.13	218.33
Tax Provision incl.										
Deferred Tax	35.02	50.00	63.00	39.50	105.00	176.00	210.00	125.87	146.00	27.50
Profit After Tax (PAT) (d)	64.45	137.67	162.71	90.50	151.99	336.03	412.53	303.09	362.13	190.83
Dividend (including Tax) (e)	19.98	26.64	26.45	21.00	40.61	60.92	102.62	102.62	105.30	63.18
Retained Profit	44.47	111.03	136.26	69.50	111.38	275.11	309.91	200.47	256.83	127.65

As at 31st March	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
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SOURCES OF FUNDS

Share Capital	60.00	60.00	60.00	60.00	60.00	60.00	90.00	90.00	90.00	90.00
Reserves & Surplus	690.83	801.87	938.13	924.94	899.20	918.96	1,163.81	1,394.06	1,650.89	1,778.54
Network (f)	750.83	861.87	998.13	984.94	959.20	978.96	1,253.81	1,484.06	1,740.89	1,868.54
Deferred Tax Liability	—	—	—	87.19	110.19	103.19	93.19	87.19	67.19	37.19
Borrowed Funds (g)	670.52	822.66	1,156.93	1,128.70	1,194.32	1,152.34	1,558.71	2,334.16	2,979.65	3,250.60
Total Capital Employed (h)	1,421.35	1,684.53	2,155.06	2,200.83	2,263.71	2,234.49	2,905.71	3,905.41	4,787.73	5,156.33

APPLICATION OF FUNDS

Gross Fixed Assets	1,273.51	1,512.73	1,747.17	1,977.80	2,250.45	2,538.82	3,130.38	3,505.33	4,186.60	4,741.85
Depreciation	446.88	568.35	688.79	860.11	1,044.06	1,241.42	1,326.63	1,502.76	1,794.99	2,119.56
Net Fixed Assets	826.63	944.38	1,058.38	1,117.69	1,206.39	1,297.40	1,803.75	2,002.57	2,391.61	2,622.29
Investments	76.10	126.10	125.50	126.69	80.15	76.50	49.83	277.74	243.74	182.91
Net Current Assets	518.62	614.05	971.18	956.45	977.17	860.59	1,052.13	1,625.10	2,152.38	2,351.13
Net Assets Employed	1,421.35	1,684.53	2,155.06	2,200.83	2,263.71	2,234.49	2,905.71	3,905.41	4,787.73	5,156.33

PERFORMANCE INDICATORS

Equity shares (Nos. in Mn) (i)	6.00	6.00	6.00	6.00	6.00	6.00	@90.00	90.00	90.00	90.00
Earnings per share (EPS) (Rs.) (d/i)	10.74	22.95	27.12	15.08	25.33	56.01	#4.58	3.37	4.02	2.12
Dividend per share (Rs.)	3.00	4.00	4.00	3.50	6.00	9.00	1.00	1.00	1.00	0.60
Network per share (NWPS) (Rs.) (f/i)	125.14	143.65	166.35	164.16	159.87	163.16	#13.93	16.49	19.34	20.76
Return on Average Network (RONW) (%) *	8.85	17.07	17.50	9.13	15.64	34.68	36.95	22.14	22.46	10.57
Return on Average Capital Employed (ROCE) (%) **	13.18	18.32	18.04	12.16	16.22	26.32	26.88	16.17	15.84	10.16
Total Debt to Network (g/f)	0.89	0.95	1.16	1.15	1.25	1.18	1.24	1.57	1.71	1.74
Interest Coverage Ratio (a+b+c)/b	3.81	4.27	4.13	3.24	5.24	9.97	13.32	6.63	5.46	2.90

@ Increase in the Equity shares is on account of Bonus issue in the ratio 1:2 and splitting of the equity shares from the face value of Rs.10/- per share to Re.1/- per share on 15th July 2004.

Earnings per Share and Network Per Share have been calculated on the enhanced Equity Capital on account of the Bonus Issue and enhanced number of Equity Shares due to Stock Split.

* RONW = $\frac{[PAT / \{(Previous Year Network + Current Year Network) / 2\}]}{2} \times 100$

** ROCE = $\frac{[(PBT + Interest) / \{(Previous Year Capital Employed + Current Year Capital Employed) / 2\}]}{2} \times 100$