

## **CORPORATE ANNOUNCEMENT**

This announcement is being made to put to rest unfounded rumors been floated in the market.

The Company made a Corporate Announcement on 21st September, 2011, advising approval of the restructuring of the loans by CDR Cell on various terms and conditions. The restructuring package is being implemented by the Banks. The Company is facing liquidity constraints on account of delay in the tie up of the funds However, despite the above constraints, all the three plants are operational and there is an improvement in the capacity utilization from November 2011 onwards. It is expected that the capacity utilization will improve on the month to month basis. The Company is also in the process of raising resources from FII's, HNI, OCB's as approved under CDR package which may take sometime and will be utilized for shoring up core working capital.

The Company floated a Fixed Deposit Scheme for general public in September, 2010. The Company has serviced quarterly interest on all fixed deposits for the quarter ended 30th November, 2011. There is some back-log of fixed deposit maturity payments which will be serviced and cleared latest by 30th September, 2012. A few depositors have made reference to the Company Law Board and the Company is putting forward its action plan to the Company Law Board.