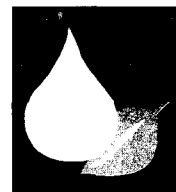


31st ANNUAL REPORT AND ACCOUNTS

2006 - 2007



**PUNJAB CHEMICALS
AND
CROP PROTECTION LIMITED**

उद्यमेन हि सिध्यन्ति
कार्याणि न मनोरथैः



20.7.1932-18.12.1997

S D SHROFF
(Known to all as 'Sasubhai')

*He dared.
He cared.
He shared.*

His vision to grow the company remains.....

**BOARD OF DIRECTORS**

G. Narayana, Chairman
Shalil Shroff, Managing Director
Capt. S.S. Chopra (Retd.)
Atul G Shroff
Mukesh D Patel
Vijay Rai
Jagdish R Naik
Ajit R Sanghvi
Jai Parkash Bhambhani
Avtar Singh, Director (Operations & Business Development)
Shiv Shanker Tiwari, Whole Time Director
Rupam Shroff, Whole Time Director

**VICE PRESIDENT
(FINANCE) & SECRETARY**

Punit K Abrol

CHIEF FINANCIAL OFFICER

Vipul Joshi

AUDITORS

S.V. Ghatalia & Associates, Chartered Accountants, Mumbai
J.R. Khanna & Co., Chartered Accountants, Chandigarh
(Branch Auditor)

BANKERS

State Bank of India
UTI Bank Ltd.
Bank of Baroda
HDFC Bank Ltd.
IDBI Bank Ltd.

REGISTERED OFFICE

SCO: 417-418, Sector-35C
Chandigarh-160 022.
Ph.: 0172-2600955, 2603120
Fax : 0172-2603621
E-mail: info@chd.pccplsts.com

CORPORATE OFFICE

Plot No.: 645-646, 4th/5th Floor
Oberoi Chambers II
New Link Road, Andheri (W)
Mumbai-400 053, Tel.: 022-2674 7900 (30 lines)
Fax: 022-2673 6013, 2673 6193
E-mail: stschem@bom3.vsnl.net.in

OTHER OFFICES**NEW DELHI**

1012, Ansal Bhawan
K.G. Marg, New Delhi-110 001
Ph.: 011-23314867, 23312406
Fax: 011-23314890
E-mail: pccpldel@satyam.net.in

AHMEDABAD

Supath-II Complex
Ashram Road,
Near Vadaj Bus Terminus
Ahmedabad.
Cell : 09898892994

HYDERABAD

414, Navketan Complex
Opp. Clock Tower
52, S.D. Road, Secunderabad
Tel.: 040-27805662
Fax: 040-27805663
E-mail: punjabcrop@sify.com

MANUFACTURING SITES

Agro Chemicals Division - PCCPL - Derabassi
Pharma Division - Alpha Drug - Lalru
Industrial Chemical Division - Excel Phospho Chem I - Tarapur
Industrial Chemical Division - Excel Phospho Chem II - Pune

**PUNJAB CHEMICALS AND CROP PROTECTION LIMITED****INFORMATION FOR SHAREHOLDERS****Share Transfer System**

Share transfer would be registered and returned within a period of 30 days from the date of receipt, if the documents are in order in all respects.

Assistance

For assistance regarding share transfers and transmission, change of address, duplicate/missing share certificates and other matters, please write to Regd. Office or Corporate Office of the Company.

31st Annual General Meeting

Thursday, the 30th August, 2007 at 11.30 A.M.

at Conference Hall of Kisan Bhawan,

Sector 35-A, Chandigarh

Book Closure Dates

21st August, 2007 to 30th August, 2007

Registrar and Share Transfer Agent

Alankit Assignment Ltd.

RTA Division

2E/21, Anarkali Market

Jhandewalan Extension

New Delhi-110 055.

Shares of the Company are listed on Ludhiana, Mumbai, National and Delhi Stock Exchanges and the listing fees has been paid.

The trading in the equity shares of the Company is compulsorily in dematerialised form since 28th August, 2000. Therefore, the same should be got dematerialised, if not done so far.

Website: www.punjabchemicals.com



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A REQUEST

We are sure you will read with interest the Annual Report for the year 2006-07. You may desire to have some clarification or additional information at the ensuing Annual General Meeting. We shall very much appreciate, if you will kindly write to us atleast ten days in advance in order to enable us to keep the information ready for you at the Meeting. We solicit your kind co-operation.



PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

Regd. Office: SCO: 417-418, (1st and 2nd Floor), Sector-35C, Chandigarh-160 022

NOTICE

Notice is hereby given that the 31st Annual General Meeting of the members of Punjab Chemicals and Crop Protection Limited will be held on Thursday, 30th August, 2007, at Kisan Bhawan, Sector - 35A, Chandigarh at 11.30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account of the Company for the financial year ended 31st March, 2007, the Balance Sheet as at that date, and the Reports of the Directors and the Auditors Report thereon.
2. To declare a dividend.
3. To appoint a Director in place of Cap. S S Chopra (Retd.), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Jagdish R Naik, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Vijay Rai, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

7. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Anil Khanna, Proprietor M/s J.R. Khanna & Co., Chartered Accountants, Chandigarh be and is hereby appointed as the Branch Auditors of the Company under Section 228 of the Companies Act, 1956, to audit the accounts of the Agro Chemicals Division Derabassi, Pharma Division - Alpha Drug, Lalru and the Registered Office of the Company at Chandigarh for the financial year 2007-08, at such remuneration as agreed upon by the Board of Directors and the Branch Auditors in addition to reimbursement of service tax and all out of pocket expenses in connection with the audit of the Accounts of the Company's Branches for the year ending 31st March, 2008."

8. To consider and, if thought fit, to pass with or without modification, the following resolution, as a Special Resolution :

"RESOLVED THAT pursuant to the provisions of Section 309 (4), Section 314 and other applicable provisions of the Companies Act, 1956, and subject to the approval of the Central Government, if and when required, payment of commission to the Directors of the Company other than the Managing and Whole-Time Directors, be and is hereby authorised and sanctioned for a further period of each of the five years, namely, financial years 2007-08 to 2011-12, provided that the commission so payable to all the eligible Directors put together shall not exceed one percent of the net profits of the Company for the respective financial year.

RESOLVED FURTHER THAT the quantum of commission so payable for each year (subject to the limit of one percent of net profits) and the amount of such commission payable to each eligible Director and the particular Director to whom it shall be paid or not paid and the manner of payment thereof shall be such as may be determined and decided by the Chairman of the Company from time to time.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take such steps as may be necessary, desirable or expedient to give effect to this resolution."

9. To consider and, if thought fit, to pass with or without modification, the following resolution, as a Special Resolution:

- (a) "RESOLVED THAT pursuant to Section 81(1A) and all other applicable provisions of the Companies Act, 1956 (including any modification or re-enactment thereof, for the time being in force), subject to all applicable laws and in accordance with all relevant provisions of the Memorandum and Articles of Association of the Company and the listing agreements entered into by the Company with the stock exchanges where the Company's shares are listed and subject to any necessary approval, consent, permission and/or sanction of the Central Government, Reserve Bank of India, Ministry of Finance and/or any other appropriate authorities, including banks, financial institutions or other creditors, and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, or sanction, and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board") and/or duly authorised persons thereof for the time being exercising the powers conferred by the Board by this resolution, the Company issue, offer and allot, in the course of an international offering to eligible foreign investors (whether or not such investors are members of the Company), by way of circulation of an offering circular or prospectus or by way of Private Placement, Foreign Currency Convertible Bonds/Global Depository Receipts/American Depository Receipts/Private Equity/Structured Debt/QIP/Other debt instruments for an aggregate amount not exceeding Rupees four hundred crores (Rupees 400 crores only) including a green shoe option, in one or more tranche or tranches (hereinafter referred to as "Securities"), to be subscribed in foreign currency to such Foreign/Non-Resident(s) and/or Domestic Institution(s), Foreign Institutional Investor(s)/off shore fund(s), Bank(s)/Multilateral & Bilateral Financial Institution(s)/Indian Mutual Fund(s)/ Company(ies)/Individual(s)/Promoters/Employees of the Company /other investor(s), whether or not members of the Company, as may be deemed appropriate by the Board and permitted under applicable laws, within and under the limits permitted under law, for an aggregate amount not exceeding Rs. 400 Crores or equivalent thereof in one or more foreign currency and/or rupees (inclusive of such premium as may be fixed on the securities) by offering the securities in one or more countries through public offer and/or offer Letter and/or Circular and/or on private placement basis, as may



be deemed appropriate by the Board, and such offers, issue and allotment to be made, at such time or times, at such price or prices, and at market price (s) or at a discount or premium to market price(s) and in such manner and on such terms and conditions, as the Board may in its absolute discretion think fit, with powers to settle details as to the form and terms of the issue of the securities, and all other terms, conditions and matters connected therewith and to accept any modifications in the proposal as may be required by the authorities / parties involved in such issues but subject to such conditions as the Reserve Bank of India, Securities and Exchange Board of India or such other appropriate authorities, may impose at the time of according their approvals, consent, permissions and sanctions and as agreed to by the Board.

- (b) RESOLVED FURTHER that without prejudice to the generality of the above and subject to all applicable laws, the aforesaid issue of Securities may have all or any terms or combination of terms in accordance with international practices including but not limited to conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever, and all such terms as are provided in issue of securities of this nature internationally including terms for issue of equity shares upon conversion of the Securities or variation of the conversion price of the Securities during the term of the Securities and the Company is also entitled to enter into and execute all such arrangements/agreements as the case may be with any lead managers, managers, underwriters, advisors, depositaries and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate all such agencies including the payment of commissions, brokerage, fees or the like, and also to seek the listing of any or all of such Securities or securities representing the same in one or more stock exchanges outside India.
- (c) RESOLVED FURTHER that the Securities issued in foreign markets shall be deemed to have been made abroad and/or in the international market and/or at the place of issue of the Securities in the international market and may be governed by foreign laws, as the Board of Directors may in its discretion decide.
- (d) RESOLVED FURTHER that the Company may enter into any arrangement with any agency or body authorised by the Company for the issue, upon conversion of the Securities, of equity shares of the Company in registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradeability or free transferability thereof as per the international practices and regulations, and under the forms and practices prevalent in the international markets.
- (e) RESOLVED FURTHER that Board/ the individuals mentioned hereinbelow/ any committee constituted by the Board be and is hereby authorised to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any Securities referred to in paragraph (a) above or as may be necessary in accordance with the terms of the offering, all such equity shares being pari passu with the then existing equity shares of the Company in all respects.
- (f) RESOLVED FURTHER that the Board be and is hereby authorized to accept any modifications in the proposal as may be required by the agencies involved in such issues but subject to such conditions as the Reserve bank of India, Securities and Exchange Board of India or such other appropriate authorities may impose at the time of their approval and as agreed to by the Board.
- (g) RESOLVED FURTHER that without prejudice to the generality of the above, issue of securities mentioned hereinabove, may have all or any term or combination of terms in accordance with international practice including but not limited to conditions in relation to payment of interest, additional interest, premium, or redemption, prepayment or any other debt services payment, voting rights and dividend and all such terms as are provided in offering of this nature including terms for issue of additional Equity Shares or variation of the conversion prices of securities during the duration of the securities.
- (h) RESOLVED FURTHER that the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any securities referred to hereinabove, as may be necessary in accordance with the terms of the offering, all such shares to have such rights as may be provided, under the terms of the issue and offering document.
- (i) RESOLVED FURTHER that for the purpose of giving effect to any issue or allotment of Securities or securities representing the same or equity shares, as described herein above, Shri Shalil Shroff, Managing Director, Smt. Rupam Shroff, Whole Time Director, Shri Avtar Singh, Director (Operations & Business Development), Shri S.S. Tiwari, Whole Time Director, Shri Vipul Joshi, Chief Financial Office, Shri Punit K Abrol, V.P. (Finance) & Secretary be and are hereby authorised severally on behalf of the Company to do all such acts, deeds, matters and things as it may at their discretion deem necessary or desirable for such purpose, including without limitation the utilization of issue proceeds, entering into of underwriting, and marketing arrangements, and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its absolute discretion deem fit."

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT subject to approval of Central Government, Reserve Bank of India and other statutory regulatory bodies if required, consent of the Company be and is hereby accorded for investment in foreign currency by foreign / non-resident(s) and/or domestic Institution(s), Foreign Institutional Investor(s)/off shore fund(s), Bank(s)/ Multilateral & Bilateral Financial Institution(s) / Indian Mutual Fund(s) / Company(ies) /Individual(s) Promoters /Employees of the Company /other investor(s), in the equity share capital of the company, either by direct investment or by purchase or otherwise by acquiring from the market under portfolio investment scheme on repatriation basis (including by way of subscription to or acquisition of ADR/GDRs/Private Placement/Foreign Currency Convertible Bonds, etc.) subject to the condition that such investment together with their existing holdings shall not exceed in aggregate of 49% of the paid up equity capital of the company or such other limit as may be prescribed from time to time by the Central Government and/or Reserve Bank of India or any other related authority."

11. To consider and, if thought fit, to pass with or without modification, the following resolution, as a Special Resolution:

"RESOLVED THAT subject to the provisions of the Companies Act, 1956,(including any statutory modification(s) or re-enactments thereof for the time being in



force and as may be enacted hereinafter), Securities Contract (Regulation) Act, 1956, and the rules framed thereunder, listing agreement, Clause 4.1(a) & 5.2 of Securities of Exchange Board of India (Delisting of Securities) Guidelines, 2003 (issued under section 11(1) of SEBI Act, 1992, read with sub section 2 of Section 11A of SEBI Act) and subject to such approvals, permissions and sanctions, as may be necessary, the Board of Directors of the Company be and is hereby authorised to seek voluntary delisting of its equity shares listed at Ludhiana stock exchange Ltd. (LSE), & Delhi Stock Exchange Assn. Ltd. (DSE);

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all necessary steps including approval from such stock exchange/SEBI and to comply with all the legal & procedural formalities laid down by the Stock Exchange and SEBI to give effect to the above said resolution."

12. To consider and, if thought fit, to pass with or without modification, the following resolution, as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 314(1B) and other applicable provisions of the Companies Act, 1956, consent of the Company be and is hereby accorded to the appointment of Shri Mahadev Suvarna, as the General Manager of the Company, a relative of Shri G. Narayana, Chairman, holding office or place of profit in the Company w.e.f. 1st April, 2007 on a monthly remuneration with a basic pay of Rs.29,500 plus perquisites and other allowances as per the terms and conditions of the employment.

RESOLVED FURTHER THAT the Managing Director of the Company be and are hereby further authorized to alter and vary the terms and conditions of the appointment, including increase in remuneration and change in designation and pay scale, etc. as mentioned above from time to time subject to the approval of the Central Government under Section 314(1B) of the Companies Act, 1956 and Directors' Relatives (Office or Place of Profit) Rules, 2003, if and when required."

13. To consider and, if thought fit, to pass with or without modification, the following resolution, as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 314(1B) and other applicable provisions of the Companies Act, 1956, consent of the Company be and is hereby accorded to the payment of the monthly remuneration within the limit prescribed under section 314 (1B) of the Companies Act, 1956 to Mrs. Ravinder Kaur, Senior Programmer of the Company, a relative of Shri Avtar Singh, Director (Operations & Business Development) for holding office or place of profit during the course of her employment in the Company on the terms and conditions of appointment as decided by the Managing Director of the Company from time to time.

RESOLVED FURTHER THAT the Managing Director of the Company be and is hereby also authorized to alter and vary the terms and conditions of the appointment, including increase in remuneration and the pay scale and change of designation etc. as mentioned above from time to time subject to the limit under section 314 (1B) of the Companies Act, 1956 and approval of the Central Government, whenever required under Section 314(1B) of the Companies Act, 1956 and the Directors Relatives (Office or Place of Profit), Rules, 2003."

14. To consider and if, thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 314 of the Companies Act, 1956 and the Directors Relatives (Office or Place of Profit), Rules 2003, consent of the Company be and is hereby accorded to the appointment of Mr. R S Tiwari, as a consultant in the Company, who is a relative of Mr. S S Tiwari, Whole-Time Director of the Company at a monthly remuneration of Rs. 19,500 with effect from 1st April, 2007.

RESOLVED FURTHER THAT the Managing Director the Company be and is hereby further authorized to alter and vary the terms and conditions of the appointment, including increase in remuneration from time to time subject to the approval of the Central Government under section 314 (1B) of the Companies Act, 1956 and the Directors Relatives (Office or Place of Profit) Rules, 2003."

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. The instrument appointing proxy should be deposited at the Registered Office of the Company not later than forty eight (48) hours before the commencement of the meeting.
3. Members, who hold shares in dematerialised form are requested to bring their Client ID and DPID numbers for easy identification of attendance at the meeting.
4. Members desiring any information on the business to be transacted at the Meeting are requested to write to the Company at least 10 days in advance to enable the Management to keep the information, as far as possible, ready at the Meeting.
5. Members are requested to notify immediately any change in their addresses to their depository participants (DPs) in respect of their electronic share accounts quoting Client ID No. and to the Company in respect of their physical shares quoting Folio No. and giving complete address in block capitals with pin code of the postal address.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from 21st August, 2007 to 30th August, 2007 (both days inclusive).
7. Payment of dividend, as recommended by the Board of Directors, if declared at the meeting, will be made on or after 30th August, 2007, to those members, whose names stand on the Register of Members on 30th August, 2007 and in respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per the details furnished by NSDL and CDSL at the close of business hours on 20th August, 2007.
8. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, the amounts of dividends remaining unclaimed for a period of seven years



from the date they become due for payment are required to be transferred to Investors Education & Protection Fund.

The details of dividend declared/paid from the year 1999-2000 of PCCPL on standalone basis are given hereunder :

| FINANCIAL YEAR | DIVIDEND %AGE | TYPE | DATE OF DECLARATION | DUE DATE OF TRANSFER |
|----------------|---------------|-------|---------------------|----------------------|
| 1999-2000 | 15 | Final | 22-08-2000 | 02-10-2007 |
| 2000-01 | 12.5 | Final | 25-09-2001 | 24-10-2008 |
| 2001-02 | Nil | - | - | - |
| 2002-03 | 25 | Final | 08-09-2003 | 07-10-2010 |
| 2003-04 | 50 | Final | 18-08-2004 | 17-09-2011 |
| 2004-05 | 40 | Final | 28.12.2005 | 27.01.2013 |
| 2005-06 | 40 | Final | 07.09.2006 | 06.10.2013 |

9. The dividend remained unpaid / unclaimed in the accounts of erstwhile STS Chemicals Limited, which has been amalgamated with the Company, for the year 2002-03, 2003-04, 2004-05 shall be transferred to Investors Education and Protection Fund on the due dates.
10. **The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the Special Business to be transacted at the meeting is annexed hereto. (Annexure I)**
11. Information and Disclosures pursuant to Clause 49 IV (G) of the Listing Agreement for the Directors who are being appointed / re-appointed is annexed as Annexure II to this notice.

By order of the Board

Place : Chandigarh
Date : 26th July, 2007

Punit K Abrol
V.P. (Finance) & Secretary

Report  junction.com



ANNEXURE I

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

ITEM NO. 7

Appointment of Branch Auditors of the Company

The activities of the Company have been divided into various divisions. Therefore, for the purpose of convenience and better control, it has been considered to appoint the Branch Auditors also. Accordingly, for Agro Division - Derabassi, Pharma Division - Alpha Drug, Lalru, and the Registered Office of the Company will now be treated as branches for the audit purpose separately. Mr. Anil Khanna, Proprietor M/s J.R. Khanna & Co., Chartered Accountants, Chandigarh has been proposed to be appointed as the Branch Auditor in this Annual General Meeting pursuant to Section 228 of the Companies Act, 1956 at such remuneration as agreed upon by the Board of Directors and the Branch Auditors in addition to reimbursement of service tax and all out of pocket expenses.

Mr. Anil Khanna, Proprietor, M/s J.R. Khanna & Co., Chartered Accountants, Chandigarh, who are being proposed for the appointment as the Branch Auditor has given his consent.

Further, your Board of Directors feel that this arrangement will be beneficial for the Company and therefore, the resolution at Item No. 7 of the Notice is recommended for approval of the members.

ITEM NO. 8

Approval for the payment of commission to Non-Executive Directors

Having regard to the responsibility shouldered by your Company's Non- Executive Directors and the time devoted by them, the Company in the Annual General Meeting held on 30th July, 2002 had authorized the payment of Commission to them for a period of 5 (Five) years from 2001-02 to 2006-07 and the said payment was duly approved by the Central Government under the provisions of the Companies Act, 1956. It is recommended that the payment of Commission to the Non-Executive Directors be continued in future also and hence approval and authorization of members is being sought as stated in the resolution as per Item No. 8 of the Notice.

It will be noted that the proposal is to pay commission not exceeding in the aggregate 1% of the net profits of the Company computed in the manner laid down under Section 198 of the Companies Act, 1956, for a further period of five years, namely 2007-08 to 2011-12 and the Chairman is authorized to determine the amount payable and to distribute amongst the Directors of the Company or some of them excluding the Managing Director and Whole Time Directors as may be decided and in the proportion and manner as the Chairman may decide from time to time.

The Commission will be paid in addition to the sitting fees paid/to be paid for attending the Board Meetings and Committee Meetings of the Board of Directors. The permission of the Central Government will be obtained, if required.

All Non-Executive Directors shall be deemed to be interested to the extent of their respective amount of Commission received by them.

Shri Shaili Shroff, Managing Director and Smt. Rupam Shroff, Whole Time Director, both being relative of Capt. S.S. Chopra (Retd.) may be deemed to be concerned or interested in this resolution.

ITEM NO. 9

Approval for the issue of FCCB/GDR/ADR, etc.

The shareholders have passed the similar resolution in their Extra Ordinary General Meeting held on 30th May, 2006. Since this resolution was not acted upon in the previous year, therefore, to fix up the relevant date, a new resolution for issue of FCCBs/GDRs/ADR/Private Equity/Structured Debt/other Debt instruments, etc. is proposed. For organic and inorganic growth of the Company and in order to part fund the capital expenditure including the enhanced working capital requirements and possible acquisition opportunities that the Company may wish to pursue, the Board of Directors of the company has considered various options to issue fresh capital including but not limited to Foreign Currency Convertible Bonds/Global Depository Receipts/American Depository Receipts/ Private Equity / Structured Debt / QIP/Other debt instruments, in one or more ways and in one or more trenches (hereafter referred to as "instruments") for an amount not exceeding Rs. 400 Crores as may be permitted under applicable laws and regulations.

Section 81(1-A) of the Companies Act, 1956 provides, inter alia, that whenever it is proposed to increase the subscribed capital of the company by allotment of further shares, such shares will be offered to persons, who at the date of the offer are the holder of the equity shares of the Company, in proportion to the capital paid up on those shares at that date. However, notwithstanding anything contained in sub-section (1), the further shares as mentioned, may be offered to any person (whether or not those persons are holder of equity shares at that date), in any manner whatsoever, if a special resolution to that effect is passed by the company in general meeting.

The consent of the shareholder is being sought, as required under Section 81(1-A) of the Companies Act, 1956, to offer issue and allot securities in accordance with the relevant guidelines.

Accordingly resolution set out under item no. 9 is recommended for approval of the shareholders.

All the Directors upto the extent of their shareholding in the Company may be deemed to be concerned or interested in the proposed resolution.