

उद्यमेन हि सिध्यन्ति का 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...



Chairman's Message

Dear Members,

Greetings.

It gives happiness to share with you the joy of witnessing the unprecedented success and growth of the Company in the year 2007-08. Your faith and confidence in the management and Team-PCCPL have been instrumental in this success story. The dream of late Shri "Sasubhai" (Shri S.D. Shroff) to put your Company on the international map has come true with the acquisition of manufacturing units in Argentina and The Netherlands. In addition, various registrations available with the subsidiary companies will help in expanding the business areas of the Company's products. Shri Shalil Shroff and his team have shown foresightedness by understanding the requirement of the business opportunities for the Company and have taken appropriate steps including consolidation of businesses at the proper time to match the world standards for enhancing the growth of the Company. The assets base, product base and manufacturing activities have shown considerable improvement.

The Company has successfully countered the unprecedented rise in raw material prices due to inflation and other reasons and recorded a significant growth of 42.27% in sales and 309.86% in profits during the year.

As it is said in Hitopadesha

"KRIYA SIDDHIH SATTVE BHAVATI MAHATAAM NOPAKARANE"

"The success of actions comes to great achievers not only because of equipments and material-assets but also because of their inner qualities and abilities."

Thus, the human dimension of business operations is very important.

Your Company has ensured that the great value of human resources is enhanced through empowerment and encouraging leadership abilities.

No doubt, this success and growth are to be sustained inspite of various challenges expected due to further rise in inflation, high cost of debt, rupee depreciation and liquidity crunch. International business milieu would also require systematic planning, strategic decisions and top class quality and timely delivery. We need to work more precisely with confidence and accuracy so that we can walk on the path of growth.

Your Company's activities are now diversified viz. crop protection agrochemicals for farmers, pharma business, speciality chemicals, phosphorus and sulphur-based chemicals for various uses. The versatility of the product range with assured quality would be the key parameter for sustained growth.

Happiness of all stakeholders is very important to your Company.

It is my pleasure to acknowledge with thanks your co-operation to the management of the Company for supporting the various proposals and continuously reposing your confidence.

On behalf of the Board of Directors, senior executives and employees at all levels in the Company, let me assure you that we will endeavour to continue to take your Company to new heights so that it becomes a true Indian global company in the near future.

With best wishes,

G. Narayana

Chairman



Managing Director's Message

Dear Shareholders

I have great pleasure in sharing with you the highlights of the year 2007-08. During the year, the Company has set new records of Turnover and Net Profit. The standalone Turnover risen to Rs. 460 crores (P.Y. Rs. 326 crores) and Consolidated Turnover with all the subsidiary companies to Rs. 591 crores (P.Y. Rs. 365 crores). The PAT was Rs. 30 crores on standalone basis against Rs. 7 crores of last year. PCCPL has emerged as one of the reliable upcoming Company to cater to the requirement of specialised Agro Chemicals, Speciality Chemicals and Pharma Intermediates.

The Company had acquired two companies in Argentina and the Netherlands through its Overseas Subsidiary Company. The manufacturing units of both these Companies are operating as per plans and increase in their turnover and profit will be seen in the near future. The second unit of the Sintesis Quimica, S.A.I.C., Argentina has commenced the production of formulated Agro Chemicals. The number of registrations with the Netherlands Subsidiary Company is expected to increase the business areas and generate more revenue and profit.

During the year, Indian operations of the Company have shown significant growth in all the divisions. The timely delivery, quality and R&D are given due priority to keep the products ahead of others. The Company's entry into Sulphur based Agro Chemicals and distribution of formulated Agro Chemicals will improve the turnover and the bottom line.

The steps taken by the Company will enhance its visibility and take the legacy of our beloved "Sasubhai" forward.

High cost of raw materials, debts and overall increase in the inflation of the country are some of the key factors which may affect the growth process. However, I am confident that the dedication, hard work of all the employees and your good wishes will help us to sustain the progress.

I am confident that PCCPL will formally establish itself as one of the versatile 'Agro Chemicals Producer and Distributor'.

I would like to express my deep gratitude to all the Directors for their unstint support, guidance and suggestions and thank all our Stakeholders viz Shareholders, Suppliers, Bankers and Employees who have reposed their trust in us and given constant support.

With best wishes,

Say EM

Shalil Shroff

Managing Director



COMPANY INFORMALTON

BOARD OF DIRECTORS

G. Narayana, Chairman

Shalil Shroff, Managing Director

Atul G Shroff

Capt. S.S. Chopra (Retd.)

Mukesh D Patel Jagdish R Naik Vijay Rai Aiit R Sanghvi

Jai Parkash Bhambhani

Avtar Singh, Director (Operations & Business Development)

Shiv Shanker Tiwari, Whole Time Director Rupam Shroff, Whole Time Director

Sr. V.P. (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

Axis Bank Ltd. Bank of Baroda HDFC Bank Ltd. Exim Bank IDBI Bank Ltd.

REGISTERED OFFICE

SCO: 417-418, Sector-35C Chandigarh-160 022.

Ph.:0172-2600955, 2603120

Fax: 0172-2603621

E-mail: info@chd.pcplsts.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: 022-26736178, 2673 6193 E-mail: enquiry@pcplsts.com

OTHER OFFICES

AHMEDABAD

Supath-II Complex Ashram Road,

Near Vadaj Bus Terminus, Ahmedabad

Cell: 09898892994

Tel.: 079-27552583, 27561127 E-mail: kalendu@chd.pcplsts.com

HYDERABAD

414, Navketan Complex Opp. Clock Tower

52, S.D. Road, Secunderabad

Tel.: 040-27805662 Fax: 040-27805663

E-mail: jose@chd.pcplsts.com

NEW DELHI

1012. Ansal Bhawan K.G. Marg, New Delhi-110 001 Ph.: 011-23314867, 23312406

Fax: 011-23314890

E-mail: rs@chd.pcplsts.com

MANUFACTURING SITES

Agro Chemicals Division - PCCPL - Derabassi

Pharma Division - Alpha Drug - Lalru

Industrial Chemical Division - Excel Phospho Chem 1 - Tarapur Industrial Chemical Division - Excel Phospho Chem II - Pune

Agro Formulation Division - IA & IC Chem - Chiplun



PUNJAB CHEMICALS AND CROP PROTECTION LIMITED INFORMATION FOR SHAREHOLDERS

32nd Annual General Meeting

Friday, the 29th August, 2008 at 3.30 P.M. at Conference Hall of Kisan Bhawan, Sector 35-A, Chandigarh

Book Closure Dates

22nd August, 2008 to 29th August, 2008



Registrar and Share Transfer Agent

Alankit Assignment Ltd.
RTA Division
2E/21, Anarkali Market, Jhandewalan Extension
New Delhi-110 055.

Tel.: 011-42541234, 23541234, Fax: 011-23552001

E-mail: ifno@alankit.com



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 the Registrar & Share Transfer Agent, Registered Office or Corporate Office of the Company.

CONTENTS

The state of the s	
Directors' Report	1-7
Management Discussion and Analysis	8-10
Corporate Governance Report	11-20
Auditors' Report	21-23
Balance Sheet	24
Profit & Loss Account	25
Cash Flow Statement	26-27
Schedules - 'A' to 'R' forming part of Accounts	27-38
Schedule 'S' - Notes on Accounts	38-52
Statement relating to Subsidiary Companies	53
Auditors' Report on Consolidated Financial Statements	54-55
Consolidated Balance Sheet	56
Consolidated Prófit & Loss Account	57
Consolidated Cash Flow Statement	58-59
Schedules - 'A' to 'P' forming part of Consolidated Accounts	60-66
Schedule 'Q' - Notes on Consolidated Accounts	66-73
Statement under section 212(8) of the Company Act, 1956, related to the Subsidiary Companies	74

A REQUEST

We are sure you will read with interest the Annual Report for the year 2007-08. 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.

Shares of the Company are listed on Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. 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



DIRECTORS' REPORT

TO THE MEMBERS.

Your Directors have pleasure in presenting the 32nd Annual Report and the Audited Statement of Accounts of the Company for the year ended 31st March 2008.

1. WORKING RESULTS

(Rs. in lacs)

. WOUNTING TIESOETS	T	(13.11 1403)			
		Consolidated*		Standalone	
·	2007-08	2006-07	2007-08	2006-07	
Sale of Products &					
Other Income (Net)	59159.33	36576.17	46039.82	32593.66	
Profit before					
Depreciation & Tax	6248.56	1957.65	5373.36	1823.61	
Less: Depreciation	1972.16	785.26	781.55	703.27	
Profit before Tax	4276.40	1172.39	4591.81	1120.34	
Less: Provision for Taxation					
Current year including FBT	1658.96	155.18	1640.10	56.37	
Deferred Tax	(33.70)	313.54	2.68	313.55	
Profit after Tax	2651.34	703.66	2949.03	750.42	
Minority Interest	(16.14)	(37.43)		-	
	2635.20	666.23	2949.03		
Add/(Less):					
Prior Period Adjustments	(228.20)	(59.26)	(21.44)	(63.15)	
Provision/Write back for Taxes of earlier years	81.70	(9.09)	79.84	(9.09)	
Net Profit	2488.70	597.88	3007.43	678.18	
Profit brought forward from previous year	482.00	576.95	866.08	880.73	
Adjustment on merger of the Companies	(37.89)	07 0.00	(545.79)	- 000.70	
Profit available for Appropriation	2932.81	1174.83	3327.72	1558.91	
Out of this, the Directors have					
made the following appropriations:]			
Proposed Dividend	· 263.72	164.82	263.72	164.82	
Tax on Dividend	44.82	28.01	44.82	28.01	
General Reserve	2000.00	500.00	2000.00	500.00	
Carried forward to next year	624.27	482.00	1019.18	866.08	

^{*} Consolidated financial statements for the year ended 31st March, 2008 form part of the Annual Report and accounts of its subsidiary companies. Figures for the previous year have been regrouped, wherever necessary to make them comparable with figures of the current year.

DIVIDEND

Your Directors are pleased to recommend a dividend of Rs. 4/- per equity share (40%) (previous year Rs. 2.50/- per equity share (25%)) on the Equity Share Capital of Rs. 659.29 lacs for the financial year 2007-08.

3. OPERATIONS

Yours Directors are happy to inform that the operations of the Company have registered an improved performance and the income of the Company on standalone basis at Rs. 460 crores against Rs. 326 crores in the previous year which grew by 41%. The profit after tax has increased by four times over the previous year and stood at Rs. 29.49 crores against Rs. 7.50 crores. The overseas market have contributed Rs. 168 crores of earning in foreign currency on stand alone basis as compared to Rs. 142 crores of last year. The Company has also been able to push the domestic sale in the over all percentage of the total sale, balancing the area of business. International Economic Scenario, timely purchase of raw materials and substantial favourable exchange fluctuation alongwith shifting of market scenario are some of the key parameters which improved the working results of the Company. However, your Directors are confident and would like to assure to continue to take required steps when and wherever required to sustain the growth of the Company.

Consolidated results reflect the accounts of Sintesis Quimica S.A.I.C., STS Chemicals (UK) Limited, SD Agchem (Europe) N.V., Agrichem B.V., Netherlands, SD Agchem, Netherlands B.V. and other subsidiary companies. Therefore, the consolidated figures of the current year are not comparable with those of the previous year because the results of previous year does not include the results of the few aforesaid subsidiary companies.

4. SUBSIDIARIES AND JOINT VENTURE:

In terms of approval granted by the Ministry of Corporate Affairs, Government of India, under section 212(8) of the Companies Act, 1956, vide order no. 47/305/2008-CL-111 dated 02.06.2008, the audited accounts of the subsidiary companies are not attached to this Annual Report, However, the

PCCPL



consolidated financial statements prepared in accordance with Accounting Standard 21 of the Institute of Chartered Accountants of India presented in this Annual Report include the financial information of subsidiary companies.

The Accounts of the subsidiary companies will be made available to the members upon receipt of request from them and shall be available for inspection at the registered office and also at the registered office of the concerned subsidiary companies. The statement pursuant to section 212 of the Companies Act, 1956 relating to the subsidiary companies is included in this annual report.

5. ACQUISITIONS AND JOINT VENTURE:

During the year, Company received the approval of the Jurisdictional High Courts for the scheme of amalgamation of IA & IC Chemicals Private Limited and Pauraj Chemicals Private Limited, both wholly owned subsidiaries with the Company w.e.f. 21.09.2007. Therefore, the accounts of the year under review include the financial results of both the Companies.

During the year under review, your Company through its wholly owned overseas subsidiary SD Agchem Europe (N.V) acquired 100% shareholdings in Pegevo Beheer BV ("Pegevo"), a Company incorporated under the laws of Netherlands through its stepdown subsidiary SD Agchem (Netherlands) II. B.V., an intermediate holding company on an Enterprise Value of about Euro 39.5 million. In mid November 2007, SD Agchem (Netherlands) II. B.V. merged with Pegevo Beheer B.V. and its Dutch subsidiaries. SD Agchem (Netherlands) II. B.V. became the acquiring company and after the merger, it was renamed into Agrichem B.V.

Agrichem B.V. undertakes substance formulation for crop protection. Its product range includes herbicides, insecticides and fungicides. The products of the company are registered in Netherlands, Belgium, UK, France, Germany, Ireland, Denmark, Italy, Slovakia, Hungary, Czech Republic, Poland, Belarus and Switzerland.

Agrichem B.V. has a well staffed crop protection registration department, in-house R&D and quality control facilities and has formulation facilities with its group companies which ensures continuous renewal of the range of crop protection agents to implement new scientific and environmental knowledge.

Accordingly, Company's list of subsidiary now includes (i)STS Chemicals (UK) Ltd., (ii)SD AgChem (Europe) NV, (iii)Sintesis Quimica, Argentina, (iv)Agrichem B.V., Netherlands, (v)N.V. Agricultural Chemicals, (vi)Agrichem Helvetia GmbH, (vii)PG Crop Protection Ltd. and (viii)SD Agchem Netherlands.

Source Dynamics, USA, Nedab DK, Denmark and Kapchem Ltd., Ireland were the joint ventures of 'Pegevo' and the same have also become the Joint Ventures of the Company.

6. FINANCE:

The subscribers to 8,03,175 Preferential Convertible Warrants issued on 19th June, 2006 did not exercise the option to convert the aforesaid Preferential Convertible Warrants to the shares during the validity period. Therefore, the issue was cancelled and ten percent (10%) amount deposited with the Company was forfeited.

Your Board members discussed the matter in detail and keeping in view the requirement of enhancement of equity base to meet out the business objectives of the Company, decided a new issue of Preferential Convertible Warrants (PCW) to the promoters and others.

Accordingly, 15,10,000 warrants converted into equity shares of the Company in one or more trenches, at the option of warrant holders, at a price of Rs.136/- (Including premium of Rs.126/-) were issued, offered and allotted subject to the lock-in period from the date of allotment as per the SEBI quidelines

Exim Bank, Mumbai vide letter no. CBG:EOU - 687: 487 dated 10th March, 2008 sanctioned the Working capital facilities of Rs. 85 crores which would be interchangeable in Working Capital Term Loan / Pre-cum Post Shipment Credit limit (Funded facility) and Non-funded facility, being availed by the Company. This working capital facilities will be swapped with the existing limits being availed by the company and will be in the interest of the Company being economical.

The Company for the organic and inorganic growth and in order to part fund the capital expenditure and possible acquisition opportunities may pursue various options to issue fresh capital including but not limited to FCCB/ADR/GDR/Private Equity/ Other debt investments, etc. in consultation with the Advisors in due course of time for which the approval has been given by the Members in the Annual General Meeting held on 30th August, 2007.

7. FIXED DEPOSITS

The amount of Fixed Deposits as on 31st March, 2008 was Rs.348.35 lacs (previous year Rs. 398.24 lacs). The deposit amounting to Rs. 1.12 lacs were unclaimed by 6 depositors as on 31st March, 2008 (previous year Rs. 1.05 lacs by 6 depositors). The Company has sent reminders to these depositors to complete the procedural formalities for repayment.

In terms of the provisions of Investors Education & Protection Fund (Awareness and Protection of Investors) Rules, 2001, Rs. 56,644.50 of unpaid/unclaimed dividend pertaining to the financial year 1999-2000 (Rs. 1,21,651 for the financial year 1998-99) was transferred during the year under review to the Investors Education & Protection Fund, upon the expiry of seven years.

8. LISTING WITH STOCK EXCHANGES

The Company has received approval of delisting of its equity shares from Ludhiana Stock Exchange Ltd. and Delhi Stock Exchange Association Ltd.

PCCPL



The equity shares of the Company continue to be listed on Bombay Stock Exchange Ltd and National Stock Exchange of India Limited having nation wide terminals. The requisite annual listing fees to these Stock Exchanges have been paid.

9. INSURANCE

The Company has taken the required insurance coverage for its assets against the possible risks like fire, flood, public liability, marine, etc.

10. ENVIRONMENT MANAGEMENT AND POLLUTION CONTROL

The efforts to create awareness among the employees on energy conservation, pollution control, value addition and reduction in waste generation are continued. The capacity of incinerator in the Agro division has been improved with the recycling of effluent water after treating it in MEE.

11. EMPLOYEES & INDUSTRIAL RELATIONS

The services of all categories of employees of all the Divisions are acknowledged. Their dedication and hard work continue to bring growth in the Company. The efforts to upgrade their skills through various training programmes are taken care. The actions to raise the standard of living of the employees to motivate them and to create a family culture are regularly taken.

12. SOCIAL RESPONSIBILITY

SDS Memorial Charitable Trust, under the direct supervision of the Company continue to arrange free general medical and eye check up camps in the surrounding villages and donating medicines to the needy people. The donation to the needy students and to the schools of the surrounding areas are also considered on case to case basis. Blood donation camp is organized on every 18th December in the memory of late Shri Shashikumar Devidass Shroff, who was the past Managing Director of the Company and the visionary for the PCCPL family.

13. RESEARCH & DEVELOPMENT

Research & Development (R&D) activities are carried out in the R&D Laboratories of different manufacturing units. R&D laboratories of Agro Chemicals and Pharma Division are recognized and approved by the Department of Scientific & Industrial Research, New Delhi. The required expansion of R&D laboratories of both the units has been undertaken.

14. QUALITY CONTROL

The Company is conscious to the quality of its products. Agro Chemical and Pharma Divisions are ISO 9001 and ISO 14001 certified. Other units are also following the same pattern w.r.t. documentation and procedures.

15. DIRECTORS

In accordance with Article 146 of the Articles of Association of the Company and the provisions of the Companies Act, 1956, Shri J.H. Bhambhani, Shri Ajit R Sanghvi and Shri Atul G Shroff, Directors of the Company, retire by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offer themselves for reappointment.

Your Board recommends their re-appointment for the approval of the members.

16. DEPOSITORY SYSTEM

Company's shares which are compulsorily tradable in the electronic form are being looked after by M/s Alankit Assignments Ltd., 2E/21, Anarkali Market, Jhandewalan Extension, New Delhi, being the common Registrar of the Company for the physical as well as demat shares. The members are requested to contact the Registrar directly for any of their requirements.

17. INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956.

(i) PARTICULARS REGARDING CONSERVATION OF ENERGY, ETC.

Particulars regarding conservation of energy, technology absorption, foreign exchange earnings and outgo as required under section 217(1)(e) of the Companies Act, 1956, are given in the Annexure to this Report.

(ii) PARTICULARS OF EMPLOYEES.

The information as required under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, is attached with this report.

(iii) RESPONSIBILITY STATEMENT

In terms of Section 217(2AA) of the Companies (Amendment) Act, 2000, your Directors state:

- a) that in the preparation of the annual accounts for the year ended 31st March,2008, the applicable accounting standards have been followed alongwith proper explanation relating to material departures; if any.
- b) that they have selected such accounting policies and applied them consistently and made judgements 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 as at 31st March, 2008 and of the profit of the Company for the year ended on that date.



- c) that proper and sufficient care has been taken 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 fraud and other irregularities;
- d) that the annual accounts have been prepared on a going concern basis.

(iv) CEO/CFO Certification

The CEO (Managing Director) and the CFO of the Company have certified to the Board in the manner required under Corporate Governance Code, concerning the annual financial statement.

18. COST AUDIT

The report of Mrs. Pushpa Khanna, Cost Accountant in respect of the audit of cost accounts of the "Insecticides" and of M/s Khushwinder Kumar & Co. as Cost Accountant in respect of the audit of cost accounts of the "Bulk Drugs" being manufactured by the Company for the year 2006-07 have been submitted by them directly to the Central Government.

19. AUDITORS REMARKS

The Auditors' Report contains a qualification that the Company has not made a provision for diminution in value of a long-term investment, the cost of which amounts to Rs. 237.63 lacs. Similar observation has been made by the Auditors' in their report on the Consolidated Financial Statements.

As stated in Note No. 10 of Schedule 'S' forming part of the Accounts, no provision has been made for the same, since in the opinion of the Board of Directors, the diminution in the value of long term investment is not of a permanent nature and accordingly no provision is considered necessary.

The Auditors in the audit report on the consolidated financial statements have qualified as under:

- i) 100% subsidiaries viz. N.V. Agricultural Chemicals, Agrichem Helvetia Gmbh, PG Crop Protection Ltd. have not been considered for the purpose of consolidated financial statements.
- ii) Effects of investment in associates on the financial position and operating results of the Group have not been considered in the consolidated financial statements.

The Board of Directors are of the opinion that the above subsidiaries and associates are dormant / do not have any significant operations. Therefore the above do not have any considerable impact on the consolidated financial results.

iii) In case of Sintesis Quimica, S.A.I.C., a subsidiary of the Company, the audited financial statements have been prepared only for the period from 1st July, 2007 to 31st March, 2008 and the unaudited financial statements for the period from 1st April, 2007 to 30th June, 2007, prepared by the management which reflect the total revenues of Rs. 1649.29 lacs for the period then ended, have been considered in the aforesaid consolidated financial statements.

The Board of Directors are of the opinion that in respect of aforesaid subsidiary the previous year ended on 30th June, 2007 as per the Argentina Laws. However, the Company has changed the accounting year to end on 31st March. Accordingly the said Company has prepared the unaudited accounts for the period 1st April, 2007 to 30th June, 2007 which have been considered for consolidated financial statements.

20. AUDITORS

M/s S.V. Ghatalia & Associates, Chartered Accountants, whose term of office as the Statutory Auditors' will expire at the conclusion of the ensuing Annual General Meeting of the Company being eligible, offer themselves for re-appointment as Auditors of the Company.

M/s J.R. Khanna & Co., Chartered Accountants, whose term of office as the Branch Auditors' will expire at the conclusion of the ensuing Annual General Meeting of the Company being eligible, offer themselves for re-appointment as Branch Auditors of the Company.

21. CORPORATE GOVERNANCE

To maintain the confidence of investors and other stakeholders good Corporate Governance has been made an integral part of the working of your Company. As per the Listing Agreement, a separate statement on Management Discussion and Analysis, Corporate Governance Report and the Auditors' Certificate regarding compliance of the same form part of this Annual Report.

22. ACKNOWLEDGEMENT

Your Directors place on record their appreciation to its stakeholders, bankers, government authorities and the business associates for their continuous guidance and support for the growth of the Company.

For and on behalf of the Board of Directors

G. NARAYANA Chairman

Place: Mumbai Date : 14th June, 2008