



ROSE ZINC LIMITED

***EIGHTEENTH ANNUAL REPORT
(2007-2008)***

BOARD OF DIRECTORS

Shri Pawan N. Mehta, Managing Director
 Shri Nagraj Mehta, Executive Director
 Shri Ashok Kumar Mehta, Whole time Director
 Shri Lalit Behari Baxi, Independent Director
 Shri Ranjeet Singh Saruparia, Independent Director
 Shri Gheesu Lal Chandaliya, Independent Director
 Shri Naval Singh Khamesra, Independent Director
 Shri Chakrapani Goswami, Independent Director

BANKERS

State Bank of Bikaner & Jaipur

COMPANY SECRETARY

Sudhir Mutha

AUDITORS

M/s Dhakar & Associates
 Chartered Accountants,
 73, Bhupalpura, Road No. A,
 Udaipur - 313 001 (Raj.)

REGISTERED OFFICE

505-508, S. M. Lodha Complex,
 Opp. Shastri Circle Post Office
 Udaipur - 313 001 (Raj.)

WORKS

Tulsi Das Ji Ki Sarai,
 Air Port Road, Post Gudli,
 Udaipur (Raj.)

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**NOTICE**

NOTICE is hereby given that the **Eighteenth Annual General Meeting** of the Members of **ROSE ZINC LIMITED** will be held at 505-508, S.M. Lodha Complex, Opp. Shastri Circle Post Office, Udaipur on Thursday, the 25th Day of September, 2008 at 11.30 A.M. to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited statement of accounts of the Company for the year ended 31st March, 2008 together with reports of the Directors and Auditors thereon.
2. To appoint Shri Chakrapani Goswami as Director of the Company eligible for retire by rotation.
3. To appoint Director in place of Shri Naval Singh Khamesra, who retires by rotation and being eligible offer himself for re-appointment.
4. To appoint Director in place of Shri Gheesu Lal Chandaliya, who retires by rotation and being eligible offer himself for re-appointment.
5. To appoint Dhakar & Associates, the retiring Auditors to hold office from the conclusion of this Annual General Meeting until conclusion of next Annual General Meeting and to authorise the Board to fix their remuneration.

By Order of The Board of Directors,
For Rose Zinc Limited,

Place : Udaipur

(Pawan N. Mehta)

Dated : 1st Sept., 2008

Managing Director

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/herself and the proxy need not be a member of the Company.
2. The proxy in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. - The Register of Members and the Share Transfer Books of the Company will remain closed from 24th Sept., 2008 to 25th Sept., 2008 (Both days inclusive).
4. Members are requested to intimate the change, if any, in their registered address immediately.

DIRECTORS' REPORT

To,

The Members,

Your Directors have great pleasure in presenting the 18th Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2008.

FINANCIAL PERFORMANCE

Particulars	Year Ended on 31.03.2008 (Rs. in Lacs)	Year Ended on 31.03.2007 (Rs. in Lacs)
Turnover	5837.96	5707.98
Other Income	18.59	10.23
Profit Before Dep., Preliminary Exp. W/off & Financial Charges	407.97	324.93
Financial Charges	232.01	210.34
Profit before Dep. & Preliminary Exp.	175.96	114.59
Depreciation	57.39	56.94
Preliminary Exp. W/off	5.60	5.60
Profit Before Tax	112.97	52.05
Income Tax and F.B.T.	14.18	28.54
Deferred Tax	18.48	(14.40)
Profit After Tax	80.30	37.91

The performance of the company showed considerable improvement as compared to previous year with increase in turnover by 2.28%. The total turnover of the company for the year under review was Rs. 5837.96 Lacs (previous year Rs. 5707.98 Lacs). Despite continuous increase in the input cost and resetting interest rates by banks resulted to additional interest burden, there is increase in profits before tax by 117.04% to Rs.112.97 Lacs which was Rs.52.05 Lacs in previous year.

PERFORMANCE HIGHLIGHTS

During the year under review production of Zinc Ingots has increased by 5.24%, Zinc Oxide by 92.58% and Zinc Sulphate Mono by 17.57%. Continuing efforts at a cost rationalization at plant level through production planning helped your company to post higher Profits.

DIVIDEND

Your directors consider it prudent not to recommend any dividend on the equity shares of the company to conserve the resources in order to meet future expansion needs and various commitments.

DIRECTORS

Shri Ramesh Chandra Mathur ceased to be director due to sad demise on 11th August, 2008. He was appointed as an additional director on the Board of Directors on 25th March, 2008. The Board places on record a deep sense of regret on his sad demise and appreciation for valuable guidance and contribution made by him.

Shri Chakrapani Goswami, who was appointed as an additional director under Section 260 of the Companies Act, 1956 on 1st September 2008, shall cease to be director at the date of ensuing Annual General Meeting. The Company has received notice in writing from a member under Section 257 of the Companies Act, 1956 signifying his intention to propose Shri Chakrapani Goswami's candidature for the office of Director of the Company, liable to retire by rotation.

Shri Naval Singh Khamesra retires by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment.

Shri Gheesu Lal Chandaliya retires by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment.

LISTING OF SECURITIES

Equity Shares of your company are listed at Bombay Stock Exchange, Mumbai which has got nationwide coverage.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956; your Directors confirm:

- i) that in preparation of annual accounts, the applicable accounting standards have been followed by your company along with proper explanation relating to material departures, if any.
- ii) that the Directors 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 and of the profit of the company for that period.
- iii) 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 fraud and other irregularities.
- iv) that the Directors have prepared the annual accounts on a going concern basis.

AUDITORS

M/s. Ajay Kumar Vijayvergia & Associates, Chartered Accountants, Jaipur has resigned as an auditor of the Company on 1st July 2008. The Members in their Extra Ordinary General Meeting held on 13th August 2008 have appointed M/s. Dhakar & Associates, Chartered Accountants, Udaipur to hold the office of Auditor till conclusion of ensuing Annual General Meeting of the Company.

M/s. Dhakar & Associates, Chartered Accountants, Udaipur, the Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

AUDITORS' REPORT

The Board has taken note on qualifications made by the auditors on account of Search & Seizure activity by Antivision Department of Sales Tax, Govt. of Rajasthan, Jaipur for which necessary clarification has been given in para no. 6 of Schedule 19 is self explanatory and do not call for any further clarifications.

Further the notes on the accounts referred to in the Auditor's Report are self explanatory and therefore do not call for any further comments.

ENVIRONMENT

Your company accord high priority to pollution control besides health and safety of the employees. All the pollution control measures taken by the company are operating effectively. Company is also member of the common hazardous waste treatment facility developed by the UCCI. We measure, monitor and record environmental performance to demonstrate our commitment to regulatory compliance.

MAINTENANCE OF COST RECORDS

Company is maintaining cost accounting records as required under Section 209 (1) (d) of the Companies Act, 1956.

CORPORATE GOVERNANCE

In compliance with clause 49 of Listing Agreement with the Stock Exchange, the management discussion and analysis report, a Corporate Governance Report, and a certificate regarding compliance of the conditions of Corporate Governance are made part of the Annual Report.

HUMAN RESOURCES & INDUSTRIAL RELATIONS

The human resource development functions of the company is guided by a strong set of values and policies and plays a pivotal



role in maintaining company's strength across all activity centers. The company maintains healthy, cordial and harmonious industrial relations at all levels. The enthusiasm and unstinting efforts of the employees enabled the company to remain at the forefront of its present business areas.

PARTICULARS OF EMPLOYEES

There were no employees whose remuneration were in excess of the limits prescribed under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

PUBLIC DEPOSIT

The Company has neither invited nor accepted any deposit from the public within the meaning of Section 58A & 58AA of the Companies Act, 1956.

COMPLIANCE OF COMPANY LAW MATTERS

Your Company has appointed a qualified Company Secretary on 18th July 2008.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

The utmost priority has been given for the conservation of energy in the plant and appropriate actions are being taken for the conservation of energy and effective absorption of technology.

The technology adopted by the company for extracting metals is environment friendly and cost effective.

FOREIGN EXCHANGE EARNING & OUT GO

a. Earnings	Rs. Nil
b. Out go	Rs. 2474.97 Lacs

ACKNOWLEDGMENT

The Board wishes to place on records its sincere appreciation for the continued assistance and support extended to the company by the customers, bankers and vendors, Government authorities and employees.

Your Directors acknowledge with gratitude the encouragement and support extended by our valued shareholders.

For and on behalf of the Board of Directors,

(Pawan N. Mehta)
Managing Director

(N.R. Mehta)
Executive Director

Place: Udaipur

Dated: 1st Sept., 2008

MANAGEMENT DISCUSSION AND ANALYSIS REPORT INDUSTRY STRUCTURE AND DEVELOPMENTS

Company operates in the field of zinc, brass and zinc sulphate and manufacturing unit is located at Udaipur. Regular Focus on trading activity of non ferrous metals contributed to great extent and company is exploring all possible combination in this regard. The demand of Zinc and brass will continue to grow in view of government policy for housing & power sectoral reforms, industrial growth and infrastructure development. Government recommendations are being implemented in the zinc deficient areas by applying zinc sulphate micronutrient.

OPPORTUNITIES, THREATS AND OUTLOOK

Company has been availing benefits of opportunities in metal sector and it is serving some of the major global players in agriculture field and demand of zinc will remain upsurged. Fuel and Sulphuric Acid prices continuous to be a big area of concern as these are widely used in the manufacturing, which have direct impact on total cost. Apart from this, international fluctuation in the raw material price with the change in Govt. policy may affect company's profitability.

Future of the Zinc & Brass industries in India is bright as both these elements are essential for crops and widely used in various field viz. galvanizing, automobile, defence, foundries. The Govt policy i.e. Shelter for each resident is encouraging housing sector resulting vigorous growth in this sector coupled with industrialization finding applications of zinc & brass in all areas. Company is exploring the export market of zinc sulphate and zinc oxide.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Your company has taken various steps to minimize the effect of the fluctuation in the raw material prices by efficient utilization and cost reduction measures. Profit before tax has increased to Rs. 112.97 Lacs in current year from Rs. 52.05 Lacs in previous year.

SEGMENTWISE AND PRODUCTWISE PERFORMANCE

Company's entire business is in the form of manufacturing and trading activities. The manufacturing segment has been further classified as metal segment and fertilizer segment. Both the segments show positive results.

INTERNAL CONTROL SYSTEM AND ADEQUACY

The company has an adequate system of internal control relating to purchase of raw materials, components, plant and machinery, equipment and other assets and for sale of goods commensurate with its size and the nature of its business. The Company has also adequate systems and controls for:

- Proper recording and safeguarding of assets.
- Maintaining proper accounting records and reliability of financial information.



ANNEXURE

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The philosophy of the Company on corporate governance envisages the attainment of the highest level of transparency, accountability, trusteeship, integrity and equity in all areas of its operations. Your company considers good corporate governance a pre-requisite for meeting the needs and aspirations of its shareholders. Company is committed to good corporate governance. The fundamental objective of the Company is enhancement of shareholder value, whilst taking into account the interest of all other stakeholders for wealth creation. Your company has made substantial disclosures on the Board, Board Committees as also on the financial and stock performance.

2. BOARD OF DIRECTORS

The Board of Directors is comprised of 8 Directors of which three are executive and five are non-executive independent Director. Your Board of Directors ensures legal and ethical code of conduct and fair financial reporting. It holds itself accountable to the shareholders for the long term health of the company :

S. No.	Name of Directors	Designation	Category of directorship
a.	Shri Pawan N. Mehta	Managing Director	Executive
b.	Shri Nagraj Mehta	Executive Director	Executive
c.	Shri Ashok Kumar Mehta	Whole Time Director	Executive
d.	Shri Lalit Behari Baxi	Independent	Non - Executive
e.	Shri Ranjeet Singh Saruparia	Independent	Non - Executive
f.	Shri Gheesulal Chandaliya	Independent	Non - Executive
g.	Shri Naval Singh Khamesara	Independent	Non - Executive
h.	Shri Chakrpani Goswami #	Independent	Non - Executive

Appointed as Additional Director on 01st September 2008.

As per law, Shri Naval Singh Khamesra and Shri Gheesu lal Chandaliya would retire by rotation on the date of this Annual General Meeting and, being eligible, have offered themselves for re-appointment. A brief profile of both of them is as follows:

Sr.	Name	Age	Qualification	Experience	Date of Appointment
1	Shri Naval Singh Khamesra	66 years	M.Sc. M.Tech	Retd. Additional Director of Mines & Geology, Govt of Rajasthan	5.12.2005
2	Shri Gheesu lal Chandaliya	63 years	B.Com, L.L.B	Retd. Manager Co-operative Bank.	5.12.2005

3. Details of Board Meetings, attendance at Board Meetings and last AGM and details of memberships in other Boards & Committees:

➤ Details of Board Meetings :

The Board met 8 times during the year on 28.04.2007, 28.07.2007, 03.09.2007, 29.09.2007, 31.10.2007, 15.01.2008, 30.01.2008 and 25.03.2008.

➤ Attendance and details of membership in other Board & Committees:

S. No	Name of Directors	No. of Board Meetings Attended	Whether Attended Last A G M	Category of Director	Director ship in other Boards	Comm- ittee Member
a.	Shri Pawan N. Mehta	08	Yes	Executive	-	1
b.	Shri Nagraj Mehta	08	Yes	Executive	-	1
c.	Shri Ashok Kumar Mehta	08	Yes	Executive	1	1
d.	Shri Lalit Behari Baxi	08	Yes	Independent Non-Executive	-	3
e.	Shri Ranjeet S. Saruparia	08	Yes	Independent Non-Executive	-	3
f.	Shri Gheesulal Chandaliya	08	Yes	Independent Non-Executive	-	3
g.	Shri Naval S. Khamesara	08	Yes	Independent Non-Executive	-	3
h.	Shri Ramesh Chandra Mathur *	01	N.A.	Independent Non-Executive	-	-

*Appointed as additional director on 25th March, 2008 and ceased to be director on 11th Aug.,2008 due to sad demise.

4. AUDIT COMMITTEE

The Audit committee met five times during the year on dated 28.4.07, 28.7.07, 03.9.07, 31.10.07, 30.1.08. It consists of the following members.

S. No.	Name	Designation	No. of meeting attended
a.	Shri Ranjeet Singh Saruparia	Chairman (Non - Executive Independent Director)	5
b.	Shri Lalit Behari Baxi	Member	5
c.	Shri Gheesu Lal Chandaliya	Member	4
d.	Shri Naval Singh Khamesra	Member	5
e.	Shri Pawan N. Mehta	Member	5

The scope of reference to the committee includes:

- Review of audit with Statutory Auditors.
- Review of accounts with Management.
- Review of annual financial statements with Auditors and Management before submission to the Board.

5. SHARE HOLDERS / INVESTORS GRIEVANCE /TRANSFER COMMITTEE

Share Holders/Investors Grievance/Transfer Committee consists of following members:

a.	Shri Lalit Behari Baxi	Chairman (Non-executive and independent Director)
b.	Shri Ranjeet Singh Saruparia	Member
c.	Shri Gheesu lal Chandaliya	Member
d.	Shri Naval Singh Khamesra	Member
e.	Shri Ashok Kumar Mehta	Member
f.	Shri Sudhir Mutha *	Compliance officer

* Appointed as Compliance Officer w.e.f. 28th July 2008.

This committee facilitates prompt and effective redressal of shareholders complaints and to look into their grievances. The Board has empowered this committee to approve transfer of shares etc. All the complaints were resolved to the satisfaction of the shareholders/Investors.



6. REMUNERATION COMMITTEE

The remuneration committee consisting of following members:-

a.	Shri Naval Singh Khamesra	Chairman (Non-Executive Independent Director)
b.	Shri Nagraj Mehta	Member
c.	Shri Lalit Behari Baxi	Member
d.	Shri Ranjeet Singh Saruparia	Member
e.	Shri Gheesu lal Chandaliya	Member

The details of remuneration of the managerial personnel for the year 2007-2008 are given in Note No. 17 of Schedule 19 in Notes to Accounts.

No sitting fee has been paid to any director for attending committee meetings.

7. DIRECTORS

Particulars about Directors who are retiring and are eligible for re-appointment have been given in the notice convening the Annual General Meeting.

8. GENERAL BODY MEETINGS

The last three Annual General Meetings:

Year & No. of Meeting	Date	Time	Venue
2004 - 2005 15th A.G.M.	30.09.2005	11.30 AM	ROSE ZINC LTD. 505-508 S.M. Lodha Complex, Opp. Shastri Circle P.O., UDAIPUR (Raj.)
2005 - 2006 16th A.G.M.	30.09.2006	11.30 AM	- do -
2006 - 2007 17th A.G.M.	29.09.2007	11.30 AM	- do -

There were no special resolutions passed through postal ballot during the financial year 2007-2008.

9. DISCLOSURES:

a. Disclosures on materially significant related party transactions i.e. transaction of the company in material nature with its Promoters, the Directors or the Management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the company at large;

➤ None of the related party transaction were in conflict with the interest of the company at large.

b. Details of non compliance by the company, penalties, strictures imposed on the company by Stock Exchange or Securities and Exchange Board of India or any Statutory Authority, on any matter related to capital markets during the last three years;

➤ No penalties/strictures have been imposed on the company by any regulatory authority for non compliance of any laws/regulations relating to capital market.

10. CODE OF INSIDER TRADING

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the company has adopted & Implemented a code of conduct for prevention of insider trading and required disclosure practices.

11. CAUTIONARY STATEMENT

Any statement made in the Management Discussion and Analysis Report relating to Company's objectives, projections, outlook, expectations, estimates etc. may constitute forward looking statements within the meaning of applicable laws and regulations. Actual result may differ from such expectations, projections etc., whether express or implied.

Several factors like climatic conditions, economic conditions, auction and private sale regulations, taxations, natural calamities, changes in tax laws might have an impact on the working of the Company.

12. MEANS OF COMMUNICATION

The quarterly results are published in the Rajasthan Patrika/ Jai Rajasthan and Business Standard. During the year there were no presentations made to Institutional Investors. As per the requirement of listing agreement, all the data relating to quarterly financial results, shareholding pattern etc. are provided to the Stock Exchange within the time prescribed in this regard.

13. GENERAL SHAREHOLDERS INFORMATION

a	Annual General Meeting	Thursday, 25th September, 2008. at 505-508 S.M.Lodha Complex, Opp. Shastri Circle Post Office, UDAIPUR (RAJ.)																																													
b	Book Closure	24.09.2008 to 25.09.2008 (Both days inclusive)																																													
c	Listing on Stock Exchange	Bombay Stock Exchange Ltd., Mumbai																																													
d	Stock Code																																														
	(i) Stock Code in the Bombay Stock Exchange Ltd, Mumbai	BSE - 530631																																													
	(ii) ISIN Number in CDSL & NSDL for equity Shares.	INE018F01013																																													
e	Listing Fee	Annual Listing fee for the year 2008-2009 has been paid.																																													
f	Share Price Data	<table> <tr> <th>Year/Month</th><th colspan="2">Mumbai Stock Exchange</th></tr> <tr> <th>2007</th><th>High</th><th>Low</th></tr> <tr> <td>April</td><td>6.30</td><td>4.50</td></tr> <tr> <td>May</td><td>5.95</td><td>4.51</td></tr> <tr> <td>June</td><td>5.14</td><td>4.40</td></tr> <tr> <td>July</td><td>6.74</td><td>4.83</td></tr> <tr> <td>August</td><td>6.99</td><td>5.34</td></tr> <tr> <td>Sept.</td><td>11.48</td><td>6.13</td></tr> <tr> <td>October</td><td>10.30</td><td>6.15</td></tr> <tr> <td>November</td><td>9.50</td><td>6.88</td></tr> <tr> <td>December</td><td>11.25</td><td>8.08</td></tr> <tr> <th>2008</th><td></td><td></td></tr> <tr> <td>January</td><td>18.30</td><td>10.66</td></tr> <tr> <td>February</td><td>12.95</td><td>9.20</td></tr> <tr> <td>March</td><td>12.89</td><td>7.89</td></tr> </table>	Year/Month	Mumbai Stock Exchange		2007	High	Low	April	6.30	4.50	May	5.95	4.51	June	5.14	4.40	July	6.74	4.83	August	6.99	5.34	Sept.	11.48	6.13	October	10.30	6.15	November	9.50	6.88	December	11.25	8.08	2008			January	18.30	10.66	February	12.95	9.20	March	12.89	7.89
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March	12.89	7.89																																													



ROSE ZINC LIMITED

g	Registrar & Transfer Agents	M/s System Support Services, (Unit Rose Zinc Limited) 209, Shivai Ind. Estate, Near Parke-Davis, 89, Andheri-Kurla Road, Saki Naka, Andheri (E), Mumbai - 400 072 Tel. : 022-28500835, Fax : 022-28501438 E-mail : sysss72@yahoo.com	
h	Share Transfer System	Shares transfer, where documents are found to be in order, were registered and returned in the normal course within a period of two weeks from the date of receipt of documents. Requests for dematerialization of shares were processed and confirmation was given to the respective depositories within time.	
i	Dematerialisation of Shares.	42,58,140 Shares representing 52.69% of total equity share capital were held in dematerialized form with the CDSL as on 31.03.2008.	
j	Plant Locations	Air Port Road, Post Gudli, Udaipur (Raj.)	
k	Address for correspondence	Company Secretary, M/s Rose Zinc Limited, 505-508 S.M. Lodha Complex, Opp. Shastri Circle Post office, Udaipur – 313 001 (RAJ.)	M/s System Support Services, (Unit Rose Zinc Ltd.) 209, Shivai Ind. Estate, Near Parke-Davis, 89, Andheri-Kurla Road, Saki Naka, Andheri (E) Mumbai - 400 072

l. Distribution of Equity Shareholdings as on 31st March, 2008

No. of share held	No. of shareholders		No. of Shares	
	Total	% of Share holders	Total	% to Share Capital
1 - 1000	4493	86.44	1836125	22.72
1001 - 2000	398	7.66	584500	7.23
2001 - 3000	112	2.16	285700	3.54
3001 - 5000	78	1.50	324200	4.01
5001 - 10000	61	1.17	440300	5.45
10001 - 20000	36	0.69	539500	6.67
Above 20001	20	0.38	4071795	50.38
TOTAL	5198	100.00	8082120	100.00

m. Pattern of Equity Share Holding as on 31st March, 2008

Sr. No.	Category	No. of Shares	% of Share Holding
1.	Promoters and Promoters Group	3464320	42.86
2.	Mutual Funds	--	--
3.	Bodies Corporate	535200	6.62
4.	Indian Public	3457600	42.78
5.	NRIs/OCBs	625000	7.74
	TOTAL	8082120	100.00

Corporate Compliance Certificate Under clause 49 of Listing Agreement

**To the Members of
Rose Zinc Limited,**

We have examined the compliance of conditions of Corporate Governance by Rose Zinc Limited during the year ended 31st March, 2008 as stipulated in Clause 49 of the listing Agreement of the said company with the stock exchange in India.

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 statement of the Company.

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

We state as per the records maintained by the company, no investor Grievance(s) is remaining unattended/pending for a period exceeding one month.

We further 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.

Place : Udaipur
Dated : 1st Sept., 2008

for K. K. SAHLOT & COMPANY,
Company Secretaries

(K.K. SAHLOT)
PROP.
Membership No. 14863.
C.P. No.4161

**AUDITOR'S REPORT**

To,

The Members of

ROSE ZINC LIMITED,

1. We have audited the attached Balance Sheet of Rose Zinc Limited as at 31st March, 2008, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 of India (The Act) and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit *subject to note no. 6 of notes on accounts of schedule 19* :
 - (ii) In our opinion, proper books of accounts as required by law have been kept by the company, so far as appears from our examination of those books.

- (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 of India (the "Act") to the extent applicable;
- (v) On the basis of written representations received from the directors, as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereto, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India.
 - (a) In case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2008.
 - (b) In the case of the Profit and Loss account, of the **profit** for the year ended on that date; and
 - (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Dhakar & Associates,
Chartered Accountants

Place : Udaipur
Dated : 1st Sept., 2008

Nirmal Dhakar
Proprietor
Membership No. 72847