

DIRECTORS' REPORT

TO,
THE MEMBERS OF
UNIPHOS ENTERPRISES LIMITED

Your Directors have pleasure in presenting their report and audited accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS

	Year ended 31 st March, 2009	(Rs. in lacs) Year ended 31 st March, 2008
Profit/(Loss) before taxation & exceptional Items	(760.78)	(485.95)
Exceptional Items	1386.36	-
Profit/(Loss) before taxation	625.58	(485.95)
Less: Provision for taxation	20.99	0.05
Profit/(Loss) after taxation	604.59	(486.00)
Add: Balance brought forward	(586.31)	(100.31)
Balance carried forward	18.28	(586.31)

OPERATIONAL PERFORMANCE

During the year there were no sales. Other income was Rs 410.71 lacs as compared to Rs. 369.36 lacs in the previous year.

The Company has earned profit of Rs. 604.59 lacs after tax as compared to loss of Rs. 486 lacs in the previous year. This is mainly on account of Profit on sale of property.

FUTURE OUTLOOK

The Company is ready to take advantage of the opportunity of trading in chemicals with the reduction in tariffs for imports.

DIVIDEND

Your Directors do not recommend any dividend for the year under review.

INSURANCE

All the properties of the Company have been adequately insured.

AUDITORS AND AUDITORS' REPORT

M/s. S. V. Ghatalia & Associates, Chartered Accountants, the Statutory Auditors are retiring at the ensuing Annual General Meeting and being eligible for re-appointment have expressed their willingness to continue, if re-appointed. Your Directors recommend their appointment as the Statutory Auditors and to fix their remuneration for the year 2009-2010.

The notes to the accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

DEPOSITORY SYSTEM

96.33 % of the total paid up equity shares of the Company are dematerialised as on 31st March, 2009.

DIRECTORS

In accordance with the Provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Jai R. Shroff, Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company, and being eligible, offers himself for re-appointment.

The brief resume of Mr. Jai R. shroff, Director of the Company as required by Clause 49 of the Listing Agreement with the Stock Exchanges, is provided in the notice convening the Annual General Meeting of the Company.

DIRECTORS' REPORT (Contd.)

INFORMATION REGARDING CONSERVATION OF ENERGY ETC.

Information required under Section 217 (1) (e) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, for the year ended 31st March, 2009 is furnished here below.

I. CONSERVATION OF ENERGY – Not Applicable

II. TECHNOLOGY ABSORPTION – Not Applicable

III. FOREIGN EXCHANGE EARNING AND OUTGO

	Rupees in Lacs.
(a) Foreign Exchange earned	-
(b) Foreign Exchange outgo	2.21

PARTICULARS OF EMPLOYEES

The Company has no employee who- (i) if employed throughout the financial year, was in receipt of remuneration, in aggregate, more than Rs. 24 lacs, or (ii) if employed for a part of the financial year, was in receipt of remuneration, in aggregate, more than Rs. 2 lacs per month. Hence, the information required to be given pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of employees) Rules, 1975, as amended from time to time, is not applicable.

DIRECTORS RESPONSIBILITY

Your Directors confirm the following Directors' Responsibility statements pursuant to provisions of Section 217(2AA) of the Companies Act, 1956:

- 1) in the preparation of Annual Accounts for the year ended 31st March, 2009, the Company has followed the applicable accounting standards with proper explanations relating to material departures, if any;
- 2) appropriate accounting policies have been selected and applied consistently and judgements and estimates are made prudently and reasonably so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2009 and of the profit of the Company for that year;
- 3) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with applicable provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) the annual accounts have been prepared on a going concern basis.

GROUP FOR INTERSE TRANSFER OF SHARES

As required under Regulation 3(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 persons constituting "Group" (within the meaning as defined in the Monopolies and Restrictive Trade Practices Act, 1969) for the purpose of availing exemption from applicability of the provisions of Regulation 10 to 12 of the aforesaid Regulations, are given in the Annexure attached herewith and forms part of this Annual Report.

CORPORATE GOVERNANCE

Your Company and its Board has been complying with Corporate Governance to the extent set out in this respect as a separate report, in pursuance of requirement of Clause 49 of the Listing Agreement. The Management Discussion and Analysis Report forms part of this Report. Auditors' Certificate regarding compliance of the conditions of Corporate Governance as stipulated under the said clause is also attached to this Report.

LISTING OF THE COMPANY'S EQUITY SHARES

The Equity Shares of your Company continue to be listed at the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. There is no default in paying annual listing fees.

ACKNOWLEDGEMENT

Your Directors take this opportunity in expressing their gratitude to the Government of India, the State Government of Gujarat, Financial Institutions and the Commercial Banks. The Board is also thankful to consumers, distributors, investors, etc. for their unstinted support to the Company.

Mumbai
25th April, 2009

On behalf of the Board of Directors

Registered Office:
11, G.I.D.C., Vapi,
Dist. Valsad, Gujarat, Pin - 396 195.

R.D. SHROFF
Non-Executive Chairman & Managing Director

DIRECTORS' REPORT (Contd.)**Annexure forming part of the Directors' Report**

"Group" for interse transfer of shares under Regulation 3(1)(e) of the Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

PROMOTER DIRECTORS:	
1. Rajnikant Devidas Shroff and Family	9. Bharuch Airport Infrastructure Pvt. Ltd.
2. Sandra R. Shroff and Family	10. Coimbatore Integrated Waste Management Co. P. Ltd.
3. Jaidev R. Shroff and Family	11. Daman Ganga Pulp & Papers Pvt. Ltd.
4. Vikram R. Shroff and Family	12. Demuric Holdings Pvt. Ltd.
RELATIVES OF PROMOTER DIRECTORS:	
1. Poonam J. Shroff and Family	13. Entrust Environment Ltd.
2. Namrata V. Shroff and Family	14. Enviro Technology Limited
3. Varun J Shroff and Family	15. Esthetic Finvest Pvt. Ltd.
4. Tania J Shroff and Family	16. Force Aviation Pvt. Ltd.
5. Rudritara J. Shroff and Family	17. Gharpure Engineering & Constructions P. Ltd.
6. Mekhala V. Shroff and Family	18. Heline Environment Pvt. Ltd.
7. Ranjit V. Shroff and Family	19. Isar Builders & Developers Pvt. Ltd.
8. Shilpa R Shroff and Family	20. Kerala Enviro Infrastructure Ltd.
9. Pradip Sagar and Family	21. Khagay Environment Pvt. Ltd.
10. Jyotsna Bhatt and Family	22. Khaline Environment Pvt. Ltd.
11. Jyotindra Bhatt and Family	23. Latur Water Supply Management Co. Ltd.
12. Shaila S Shroff and Family	24. Mrugal Properties Ltd.
TRUST:	
1. Jai Trust	25. Nerka Chemicals Pvt. Ltd.
PARTNERSHIP FIRMS:	
1. Akruiti Products	26. Nivi Trading Ltd.
2. Sarjan Chemicals	27. Praskand Environment Pvt. Ltd.
3. Prakriya Pharmachem	28. R. Shroff Consultants Pvt. Ltd.
4. Urja Chemicals	29. Sanguine Holdings Pvt. Ltd.
5. UPL India	30. Tatva Global Environment Ltd.
6. Pot Plants	31. Seiko Properties Pvt. Ltd.
7. Ultima Search	32. Sharvak Environment Ltd.
GROUP COMPANIES:	
1. Advanta India Ltd.	33. Shataraka Holdings Pvt. Ltd.
2. Agraja Properties Ltd.	34. Shivalik Solid Waste Management Ltd.
3. Agrinet Solutions Ltd.	35. Shroff Envirotral Pvt. Ltd.
4. Archana Overseas Pvt. Ltd.	36. Shroffs United Chemicals Ltd.
5. Bharuch Enviro Infrastructure Ltd.	37. SWAL Corporation (I) Ltd.
6. Bloom Industrial Plastics Pvt. Ltd.	38. United Phosphorus Ltd.
7. Bloom Packaging Pvt. Ltd.	39. Uniphos Agro Industries Ltd.
8. Bloom Seals and Containers Pvt. Ltd.	40. UPL Environmental Engineers Ltd.
	41. UPL Djai Power Ltd.
	42. Uniphos (Cyprus) Limited
	43. Timberlane PTE. Ltd.
	44. United Phosphorus (Cayman Islands)
	45. Uniphos (Cayman Islands)
	46. Uniphos Envirotronic Pvt. Ltd.
	47. Venture Drive Limited (Cayman Islands)
	48. Vyom Finvest P. Ltd.

and any body corporate and/or entity promoted / formed by any of the above.

"Family" – "Family" for this purpose includes spouse, dependent children and parent

CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Corporate Governance

The Company's philosophy on Corporate Governance relates to providing maximum service to all its stakeholders. It wants to enhance shareholder value with best practices of corporate governance. The high standard of corporate governance is maintained by being transparent, accountable and continuous interaction with shareholders, employees, lending institutions, banks, govt. agencies and all the dealers.

The Company is conscious of the fact that to achieve success very high ethical value of the management and the employees is inevitable.

2. Board of Directors

The Board of Directors consists of 6 directors.

During the year, six Board Meetings were held on 2nd May, 2008, 12th June, 2008, 24th July, 2008, 20th October, 2008 28th November, 2008 and 28th January 2009.

Composition and other details of Directors is as follows:

Name of the Director	Category	Attendance Particulars		No. of other directorships and Committee memberships/ chairmanships*		
		Board Meeting	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Mr. R. D. Shroff	Promoter & Non-Executive Chairman & Managing Director	6	Present	11	-	1
Mrs. S. R. Shroff	Promoter & Non-Executive Vice Chairman	6	Present	9	-	-
Mr. J. R. Shroff	Promoter & Non-Executive Director	6	Absent	14	1	-
Mr. A. C. Ashar	Independent & Non-Executive Director	6	Present	13	-	-
Mr. Pradeep Goyal	Independent & Non-Executive Director	6	Absent	7	2	-
Mr. Prakash Shah	Independent & Non-Executive Director	6	Absent	4	-	-

Notes: * Excludes Directorship in Private Limited companies & Foreign companies.

3. Information supplied to the Board

Following information was provided to the Board as part of the agenda papers in advance of the Board Meetings or presented at the time of the Board Meetings:

- Financial Results of the Company,
- Disclosure of the interest of the Directors,
- Material show cause notices, legal judgements, etc.,
- Review of the procedure for risk assessment and minimization,
- Approval for contracts entered into with parties covered in the register u/s. 301 of the companies Act, 1956,
- Consideration of any disclosure made by senior management relating to any transaction having potential conflict with interest of the Company,
- Investment / Disinvestment in shares and reclassification of investments,
- Sale of property,
- Closure of bank account for dividend and transfer of funds lying there to "Investors Education Protection Fund".

4. Disclosures

The particulars of transactions between the Company and related parties as per the Accounting Standards are mentioned separately in schedule "N" of the Annual Report. However these transactions are not likely to have any conflict with the Company's interest.

No strictures or penalties have been imposed on the Company by the Stock Exchange or The Securities and Exchange Board of India (SEBI) or any other regulatory body on any matter relating to capital markets in the last three years.

CORPORATE GOVERNANCE (Contd.)

The Securities and Exchange Board of India (SEBI) vide notification dated 20th February, 2002, has amended the SEBI (Insider Trading) Regulations, 1992. As per these regulations, the Company has appointed Mr. K. M. Thacker as a Compliance Officer, who will be responsible for formulating policies, procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre-clearance of trades, monitoring of trades and implementation of the Code of Conduct under the overall supervision of the Board. The Company also has framed its own code of internal procedure and conduct for prevention of Insider Trading which provides for "Trading Window" restrictions, disclosure requirements and also pre-clearance of trades in the Company's securities.

Shareholding of the Directors as on 31st March, 2009 was as under:

Name of the Director	Shareholding
Mr. R. D. Shroff	719966
Mrs. S. R. Shroff	485475
Mr. J. R. Shroff	552965
Mr. A. C. Ashar	20643
Mr. Pradeep Goyal	Nil
Mr. Prakash Shah	1000

5. Audit Committee

The Board of the Company has constituted an Audit Committee, comprising of three Independent & Non-Executive Directors viz. Mr. Pradeep Goyal, Chairman, Mr. Prakash Shah and Mr. A. C. Ashar. Four meetings of the Audit Committee were held on 2nd May, 2008, 24th July, 2008, 28th October, 2008 and 28th January, 2009.

Composition of members of Audit Committee is as follows:

Composition	Mr. Pradeep Goyal Chairman	Mr. Prakash Shah	Mr. A. C. Ashar
Meetings attended during the year	4	4	4

The constitution of Audit Committee also meets with the requirements under Section 292A of the Companies Act, 1956. Mr. A. C. Ashar has financial and accounting knowledge.

The role and terms of reference stipulated by the Board to the Audit Committee covers areas mentioned under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 besides other terms as may be referred by the Board of Directors.

6. Remuneration Committee

The Board of the Company has constituted a Remuneration Committee, comprising of three Independent & Non-Executive Directors viz. Mr. Pradeep Goyal, Chairman, Mr. Prakash Shah and Mr. A. C. Ashar.

The Remuneration Committee has been constituted to recommend/review the remuneration package of the Directors based on performance and defined criteria.

No meeting of the Remuneration Committee was held during the year.

Details of the remuneration to all the Directors for the year:

No Director was paid salary and/or perquisites for the year ended 31st March, 2009.

The Company has paid the sitting fees for the year ended 31st March, 2009 to two Independent & Non- Executive Directors for attending Board Meetings, Audit Committee Meetings and Shareholders'/ Investors' Grievances Committee Meeting as follows:

Mr. Pradeep Goyal Rs.17,000/- and Mr. Prakash Shah Rs.17,000/-.

7. Shareholders'/Investors' Grievance Committee

The Board of the Company has constituted a Shareholders'/Investors' Grievance Committee, comprising of three Independent & Non-Executive Directors to look into the Shareholders' and Investors' Grievances. One meeting of the Shareholders'/Investors' Grievance Committee was held on 28th January, 2009.

CORPORATE GOVERNANCE (Contd.)

Composition of members of Shareholders'/Investors' Grievance Committee is as follows:

Composition	Mr. Pradeep Goyal Chairman	Mr. A. C. Ashar	Mr. Prakash Shah
Meeting attended during the year	1	1	1

The Company also has its separate shares transfer committee consisting of Mrs. S. R. Shroff and Mr. A. C. Ashar, Directors and two other senior executives. This committee normally meets twice a month to approve transfer of shares, issue of duplicate certificates, etc. Share certificate submitted for dematerialisation and request for rematerialisation are also approved by the committee.

The total number of complaints received during the year under review were 16 and all the complaints were replied to the satisfaction of shareholders on or before 31st March, 2009.

No request for transfers of shares or dematerialisation of shares were pending for approval as on 31st March, 2009.

8. General Body Meetings

Location and time for last three Annual General Meetings were:

Year	AGM	Location	Date	Time
2005-2006	37 th AGM	Hotel Green View Hall N. H. No. 8, Vapi 396 195.	15/09/2006	10.00 a.m.
2006-2007	38 th AGM	11, G. I. D. C., Vapi, Dist. Valsad, Gujarat-396 195.	11/09/2007	9.00 a.m.
2007-2008	39 th AGM	11, G. I. D. C., Vapi, Dist. Valsad, Gujarat-396 195.	18/09/2008	9.00 a.m.

9. (a) Disclosures on materially significant related party transactions i.e. transactions of the Company of 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.

During the year, the Company had no materially significant related party transactions, which are considered to have potential 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 Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years.

None.

10. Means of communication

Half-yearly results for the half-year ended 30th September, 2008 were not sent to each household of shareholder.

The quarterly and annual results are published by the Company in the English and Gujarati editions of the 'Indian Express' and 'Financial Express'. The results are also displayed on corporate Website, www.uelonline.com. Official news releases are sent to the Stock Exchanges at Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd., where the equity shares of the Company are listed. During the year, no presentations were made to analysts or Institutional Investors.

The Management Discussion and Analysis (MD&A) forms a part of the annual report.

11. General Shareholder Information

11.1. Annual General Meeting :

- Date 18th September, 2009 at 9.00 a.m.
- Venue Registered Office of the Company at
11, G.I.D.C., Vapi, Dist. Valsad, Gujarat,
Pin- 396 195.

- 11.2. Financial Calendar :**
- Annual General Meeting –** 18th September, 2009
 - Results for quarter ending**
 - June 30, 2009-** Last week of July, 2009
 - Results for quarter ending**
 - September 30, 2009-** Last week of October, 2009

CORPORATE GOVERNANCE (Contd.)

Results for quarter ending December 31, 2009 - Last week of January, 2010
Results for quarter/ year ending March 31, 2010 - Last week of April, 2010/June 2010.

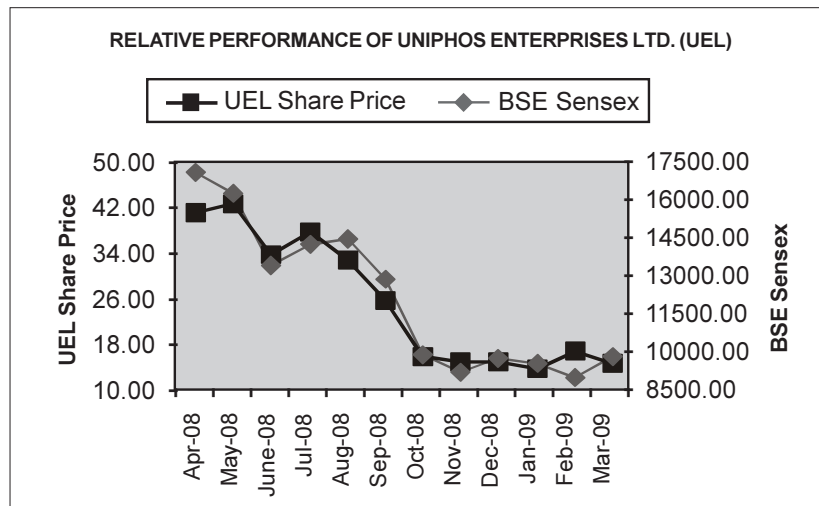
- 11.3. Book closure date** : 05/09/2009 to 18/09/2009
(Both days inclusive)
- 11.4. Dividend payment date** : Not Applicable
- 11.5. Listing of Equity Shares on Stock Exchanges at** : Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd.
- 11.6 (a) Stock Code** : **Bombay Stock Exchange Ltd.** : 500429
National Stock Exchange of India Ltd. : UNIENTER
- (b) Demat ISIN Number in NSDL & CDSL for Equity Shares** : INE037A01022

11.7. Stock Market Data

Month	Bombay Stock Exchange Ltd. (BSE)		National Stock Exchange of India Ltd. (NSE)	
	Month's High Price (In Rs.)	Month's Low Price (In Rs.)	Month's High Price (In Rs.)	Month's Low Price (In Rs.)
April 2008	44.10	35.55	45.50	35.05
May 2008	43.75	35.55	44.00	35.55
June 2008	47.65	33.95	48.40	34.30
July 2008	40.90	29.00	41.20	30.20
August 2008	41.25	32.55	40.30	32.55
September 2008	35.40	24.65	35.00	24.05
October 2008	27.00	15.50	26.50	14.45
November 2008	17.85	14.25	17.65	14.00
December 2008	16.51	13.88	16.70	14.00
January 2009	15.38	12.01	15.50	13.50
February 2009	18.49	12.30	18.00	12.30
March 2009	17.10	13.50	17.85	13.60

11.8. Share price performance in comparison to broad-based indices – BSE Sensex.

UEL share price performance relative to BSE Sensex based on share price during the year



CORPORATE GOVERNANCE (Contd.)

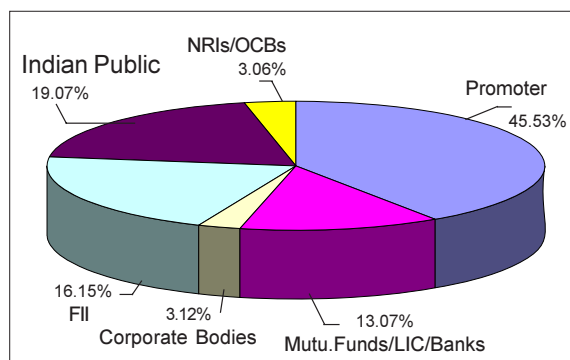
11.9.Registrar and Share Transfer Agent : Sharepro Services (India) Pvt. Ltd.
(Share transfer and communication regarding share certificate, dividends and change of address) Unit : Uniphos Enterprises Limited 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Andheri (E), Mumbai - 400 072.

Also, for the benefit of the Shareholders, the documents will continue to be accepted at the Secretarial Department of the Company : Uniphos Enterprises Limited Secretarial Department, 8, Shri Krishna Commercial Centre Ground Floor, Opp. Raheja Solitaire 6 Udyog Nagar, Off S. V. Road Goregaon (West), Mumbai 400 062.

11.10 Share Transfer System : Presently, the share transfers which are received in physical form are processed and the share certificates returned within a period of 15 days from the date of receipt subject to the documents being valid and complete in all respects.

11.11. Distribution of Shareholdings as on 31st March, 2009 :

Shareholding of Nominal Value of (Rs.)	Shareholders		Share Amount	
	Numbers	% of Total Nos.	In (Rs.)	% of Total Amt.
1 - 5,000	14608	98.20	3905018	15.33
5,001 - 10,000	127	0.86	471417	1.85
10,001 - 20,000	54	0.36	410699	1.61
20,001 - 30,000	14	0.09	180253	0.71
30,001 - 40,000	12	0.08	206283	0.81
40,001 - 50,000	9	0.06	203048	0.80
50,001 -1,00,000	15	0.10	603014	2.37
1,00,001 and above.	37	0.25	19494938	76.52
Total	14876	100	25474670	100

11.12. Shareholding pattern as on 31st March, 2009:


CORPORATE GOVERNANCE (Contd.)

11.13. Dematerialisation of Shares : 96.33 % of the outstanding equity shares have been dematerialised up to 31st March, 2009. Trading in Equity Shares of the Company is permitted only in dematerialised form w.e.f. 17th January, 2000 as per notification issued by the Securities and Exchange Board of India (SEBI).

Liquidity :

The shares of the Company are actively traded. Relevant data for the **average daily turnover** for the financial year 2008 – 2009 is given below:

	Bombay Stock Exchange Ltd. (BSE)	National Stock Exchange of India Ltd. (NSE)	BSE+NSE
In no. of shares	3401	7145	10546

(Source : This information is compiled from the data available from the websites of BSE & NSE)

11.14. Outstanding GDR/Warrants and Conversion date and likely Impact on the Equity : Outstanding GDRs as on 31st March, 2009 represent 80552 shares (0.32%). There are no further outstanding instruments, which are convertible into equity in the future.

11.15. Plant Locations : The Company has no manufacturing unit.

11.16. Address for Correspondence
(i) Investor Correspondence

For Shares held in Physical Form
Sharepro Services (India) Pvt. Ltd.
Unit : Uniphos Enterprises Limited
13AB, Samhita warehousing Complex,
Second Floor, Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road, Sakinaka,
Andheri (E), Mumbai 400 072.

Also, for the benefit of the Shareholders, the documents will continue to be accepted at the following office of the Company :

Uniphos Enterprises Limited
Secretarial Department,
8, Shri Krishna Commercial Centre
Ground Floor, Opp. Raheja Solitaire
6 Udyog Nagar, Off S. V. Road
Goregaon (West), Mumbai 400 062.

For Shares held in Demat form
To the Depository Participant(s)

(ii) Any query on Annual Report : Mr. K. M. Thacker
C/o. Uniphos Enterprises Limited
Secretarial Department
8, Shri Krishna Commercial Centre
Ground Floor, Opp. Raheja Solitaire
6 Udyog Nagar, Off S. V. Road
Goregaon (West), Mumbai 400 062.
E-mail : thackerkm@uniphos.com

(iii) Exclusive e-mail ID of the grievance redressal division : uel.investors@uniphos.com

On behalf of the Board of Directors

R. D. Shroff

(Non-Executive Chairman & Managing Director)

Mumbai
25th April, 2009

CORPORATE GOVERNANCE (Contd.)**DECLARATION**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct laid down by the Company for the year ended 31st March, 2009.

Mumbai
25th April, 2009

For Uniphos Enterprises Limited
R. D. Shroff
(Non-Executive Chairman & Managing Director)

CERTIFICATE

To The Members of
UNIPHOS ENTERPRISES LIMITED

We have examined the compliance of conditions of corporate governance by Uniphos Enterprises Limited for the year ended 31st March 2009, 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 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.

Mumbai
25th April, 2009

For **S.V. GHATALIA & ASSOCIATES**
Chartered Accountants
(Per Sudhir Soni)
Partner
Membership No. 41870

MANAGEMENT DISCUSSION AND ANALYSIS**INDUSTRY STRUCTURE AND DEVELOPMENT:**

The Company is engaged only in trading activities.

SEGMENTWISE PERFORMANCE:

The Company operates in a single segment, viz. trading activities.

BUSINESS OUTLOOK:

This has been dealt with in the Directors' Report.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The company has a proper and adequate system of internal controls to see that all its assets are safeguarded and protected against loss from any unauthorized use or disposition, and all financial records are maintained properly. The group has its own internal audit team.

FINANCIAL AND OPERATIONAL PERFORMANCE:

This has been dealt with in the Directors' Report.

HUMAN RESOURCES DEVELOPMENT:

The relationship with the employees continued to be cordial throughout the year.

CAUTIONARY STATEMENT:

Certain statements in this section relating to estimates, projections and expectations may be forward looking within the meaning of applicable laws and regulations. The actual results could differ materially from what the directors envisage in terms of the future performance and outlook. The factors that may affect the performance of the company will be drought or shortfall in rains, change in government policies, tariff barriers, delay in registrations, changes in local and overseas markets and the related factors.