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# Corporate Governance Report

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The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in clause 49 of the Listing Agreement is set out below:

## COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

At J.K. Cement, we view corporate governance in its widest sense, almost like trusteeship. The Company's philosophy on Corporate Governance is to enhance the long-term economic value of the Company, its stakeholders i.e. the society at large by adopting better corporate practices in fair and transparent manner by aligning interest of the Company with that of its shareholders/other key stakeholders.

Corporate Governance is not merely compliance and not simply creating checks and balances, it is an ongoing measure of superior delivery of Company's objects with a view to translate opportunities into reality.

In so far as compliance with the requirements of Clause 49 of the Listing Agreement with the Stock Exchange (s) is concerned, your Company is in full compliance with the norms and disclosures that have to be made.

## BOARD OF DIRECTORS

### i) Composition of the Board

In compliance with the corporate governance norms in terms of constitution of the Board, the Board is headed by its Non-executive Chairman, Dr. Gaur Hari Singhania. The Independent Directors on the Board are experienced, competent and highly reputed persons from their respective fields. The Independent Directors take active part at the Board and Committee Meetings, which adds value in the decision making process of the Board of Directors.

As on 31st March, 2008 the composition of the Board of Directors is given herein below:

- One Promoter, Non-Executive, Non Independent Director
- One Promoter, Executive, Non Independent Director
- Two Non-Executive, Non Independent Directors
- Seven Non-Executive, Independent Directors

### ii) Attendance of each Director at the Board Meetings and last Annual General Meeting

During the last financial year ended March 31, 2008, five Board Meetings were held on the following dates:

- i) May 12, 2007
- ii) July 28, 2007
- iii) August 25, 2007
- iv) October 26, 2007
- v) January 29, 2008



AT J.K. CEMENT, WE  
VIEW CORPORATE  
GOVERNANCE IN  
ITS WIDEST SENSE,  
ALMOST LIKE  
TRUSTEESHIP.

The attendance of each Director at Board Meetings and at the last Annual General Meeting (AGM) was as under: -

Name of Director	No. of Board Meetings attended	Attendance at last AGM
Dr. Gaur Hari Singhania	4	No
Shri Yadupati Singhania	4	Yes
Shri K.N. Khandelwal	5	Yes
Shri Alok Dhir\$	-	No
Shri A. Karati	3	No
Shri Ashok Sharma	5	Yes
Shri J.N. Godbole	5	Yes
Shri J.P. Bajpai	5	Yes
Dr.K.B.Agarwal#	2	N.A.
Shri R.K. Lohia	3	Yes
Shri Suparas Bhandari	5	Yes

# Appointed as Additional Director w.e.f. 25.08.2007.

\$ Resigned w.e.f. 12.05.2008.

iii) The number of Directorships on the Board and Board Committees of other companies, of which the Directors are members / Chairman is given as under:

Name of Director	Category	Inter-se relationships between Directors#		No. of other Directorships @	No. of Board Committees (Other than J.K. Cement Ltd.) in which**	
		Director with whom related	Relation		Chairman	Member
Dr. Gaur Hari Singhania <i>Chairman</i>	Promoter, Non-Executive, Non Independent	Yadupati Singhania	Son	5	-	-
Shri Yadupati Singhania <i>M.D &amp; CEO</i>	Promoter, Executive, Non Independent	Dr. Gaur Hari Singhania	Father	9	-	-
Shri K.N. Khandelwal	Non-Executive, Non Independent	Nil	NA	4	-	-
Shri Alok Dhir\$	Non-Executive, Non Independent	Nil	NA	1	-	-
Shri Achintya Karati	Non-Executive, Independent	Nil	NA	5	-	3
Shri Ashok Sharma	Non-Executive, Independent	Nil	NA	1	1	-
Shri J.N.Godbole	Non-Executive, Independent	Nil	NA	11	1	10
Shri J.P. Bajpai	Non-Executive, Independent	Nil	NA	4	-	-
Dr.K.B.Agarwal*	Non-Executive, Independent	Nil	NA	2	2	-
Shri R.K. Lohia	Non-Executive, Independent	Nil	NA	6	-	-
Shri Suparas Bhandari	Non-Executive, Independent	Nil	NA	1	1	-

# Disclosure of Inter-se relationship between directors as required under clause 49(IV)(G)(ia) inserted vide circular SEBI/CFD/DIL/CG/1/2008/08/04 dated 08.04.2008

\* Appointed as Additional Director w.e.f. 25.08.2007

\$ Resigned w.e.f. 12.05.2008.

@ Directorships on all public limited companies, whether listed or not, has been included and all other companies including private limited companies, foreign companies and companies under section 25 of the Companies Act has been excluded.

\*\* Chairmanship/ Membership of the Audit Committee and the Shareholders' Grievance Committee alone has been considered.

## AUDIT COMMITTEE

### i) Broad Terms of Reference

The terms of reference of Audit Committee cover the matters specified for Audit Committee under clause 49 of the Listing Agreement as well as under Section 292A of the Companies Act, 1956.

### ii) Composition of the Committee

As on 31.03.2008, the following Directors were the members of the Audit Committee:

- i) Shri Ashok Sharma (Chairman) : Independent, Non Executive Director
- ii) Shri R.K. Lohia : Independent, Non Executive Director

- iii) Shri A. Karati : Independent, Non Executive Director  
iv) Shri K.N. Khandelwal : Non Independent, Non Executive Director

All these Directors possess knowledge of Corporate Finance/ Accounts / Company Law/ Industry. Shri A.K.Saraogi, Chief Finance Officer regularly attends the meetings and Shri Anil Kumar Agrawal, Sr.V.P. (Fin. & Tax) and Compliance Officer acts as Secretary of the committee. The Statutory Auditors of the Company attend the meetings as special invitees.

### iii) Meetings and Attendance

During the financial year ended 31st March, 2008 four meetings were held on 12th May, 2007, 28th July, 2007, 26th October, 2007 and 24th January, 2008.

The attendance at the Committee Meetings was as under:

Name of Director	No. of Meetings attended
Shri Ashok Sharma	4
Shri A. Karati	4
Shri R.K. Lohia	2
Shri K.N. Khandelwal	4

## REMUNERATION COMMITTEE

### i) Broad Terms of Reference

- (a) To review and decide the policy on specific remuneration package of Managing Director and Non-executive Chairman of the Company.  
(b) To decide terms of remuneration of Non-executive Directors of the Company.

### ii) Composition of the Committee

Remuneration Committee of the Company as on 31.03.2008 comprised of:

- i) Shri Raj Kumar Lohia (Chairman) : Independent, Non Executive Director  
ii) Shri J.P. Bajpai : Independent, Non Executive Director  
iii) Shri Alok Dhir\$ : Non Independent, Non Executive Director  
iv) Shri A.Karati : Independent, Non Executive Director  
v) Shri Suparas Bhandari : Independent, Non Executive Director

\$ Resigned w.e.f. 12.05.2008.

Shri Anil Kumar Agrawal, Sr.V.P. (Fin. & Tax) and Compliance Officer acts as Secretary of the Committee.

### iii) Meetings and Attendance

During the financial year ended 31st March, 2008 one meeting was held on 3rd May, 2007.

The attendance at the above Meeting was as under: -

Name of Director	No. of Meetings attended
Shri Raj Kumar Lohia	1
Shri J.P. Bajpai	-
Shri Alok Dhir\$	-
Shri A.Karati	1
Shri Suparas Bhandari	1

\$ Resigned w.e.f. 12.05.2008

**iv) Remuneration Policy**

The Company's remuneration policy is based on the principles of (i) pay for responsibility (ii) pay for performance and potential and (iii) pay for growth. Keeping in view the above, the Remuneration Committee is vested with all the necessary powers and authorities to ensure appropriate disclosure on remuneration to the Managing Director including details of fixed components and performance linked incentives.

As for the Non-executive Directors, their appointment on the Board is for the benefit of the Company due to their vast professional expertise in their individual capacity. The Company suitably remunerates them by paying sitting fee for attending the meetings of the Board and various sub committees of the Board and commission on profits.

The number of Equity Shares of the Company held by **Non-Executive Directors** of the Company as on 31.03.2008 are as under:

Name of Director	No. of Equity Shares Held	Name of Director	No. of Equity Shares Held
Dr Gaur Hari Singhania	1041973	Shri Ashok Sharma	760
Shri J.P. Bajpai	100	Shri Achintya Karati	640
Shri K.N. Khandelwal	421	Shri J.N.Godbole	NIL
Shri Alok Dhir\$	NIL	Shri Suparas Bhandari	NIL
Shri R.K. Lohia	NIL	Dr.K.B.Agarwal	1010

\$ Resigned w.e.f. 12.05.2008

**v) Details of Remuneration to the Directors for the year ended 31st March, 2008**

Name of Director	Salary	Benefits	Commission	Sitting Fee	Total
Dr. Gaur Hari Singhania	--	--	3500000	145000	3645000
Shri Yadupati Singhania @	7200000	13399000*	35700000	--	56299000
Shri J.P. Bajpai	--	--	500000	180000	680000
Shri K.N. Khandelwal	--	--	500000	220000	720000
Shri Raj Kumar Lohia	--	--	500000	60000	560000
Shri Alok Dhir\$	--	--	200000	--	200000
Shri Ashok Sharma	--	--	500000	95000	595000
Shri A. Karati	--	--	500000	75000	575000
Shri J.N.Godbole	--	--	500000	50000	550000
Shri Suparas Bhandari	--	--	500000	55000	555000
Dr.K.B.Agarwal #	--	--	300000	20000	320000

\* Benefits do not include payment of contribution to Provident Fund, which is exempted perquisite under Para 2 Section II Part II of Schedule XIII of the Companies Act, 1956 but includes Performance incentive of Rs.36 Lacs.

@ Appointment of Managing Director & CEO is for a period of 5 years w.e.f. 01/04/2007 upto 31/03/2012.

# Part of the year.

\$ Resigned w.e.f. 12.05.2008

**SHAREHOLDERS' GRIEVANCE COMMITTEE****i) Composition**

The Committee as on 31.03.2008 comprises of:

- |                                |  |
|--------------------------------|--|
| i) Shri J.P. Bajpai (Chairman) | : Independent, Non Executive Director.     |
| ii) Shri K.N. Khandelwal       | : Non Independent, Non Executive Director. |
| iii) Shri Raj Kumar Lohia      | : Independent, Non Executive Director.     |

ii) **Mr. Anil Kumar Agrawal, Sr.V.P. (Fin. & Tax) is the Compliance Officer.**

**iii) Functions**

The Committee specifically looks into redressal of shareholders' and investors' complaints such as transfer of shares, non-receipts of shares, non-receipt of dividend declared and to ensure expeditious share transfer process and to review the status of investors' grievances, redressal mechanism and recommend measures to improve the level of investors' services. The Company received 438 complaints during the F.Y. 2007-08, and all the 438 complaints were redressed and there was no complaint pending as at 31.03.2008.

**iv) Meetings and Attendance**

During the financial year ended 31st March, 2008, four meetings were held on 12th May, 2007, 28th July, 2007, 26th October, 2007 and 29th January, 2008.

Name of Director	No. of Meetings attended
Shri J.P. Bajpai	4
Shri K.N. Khandelwal	4
Shri Raj Kumar Lohia	1

## CEO/CFO CERTIFICATION

The Managing Director & CEO and the CFO have certified to the Board, *interalia* the accuracy of financial statements and adequacy of Internal Controls for the financial reporting purpose as required under Clause 49(v) of the Listing Agreement, for the year ended 31.03.2008.

## GENERAL BODY MEETINGS

Dates, time and places of last three Annual General meetings held are given below: -

Financial Year	Date	Time	Place
2004 - 05	20th August, 2005	12.00 Noon	Auditorium of the Merchants' Chamber of U.P., Kanpur
2005 - 06	29th July, 2006	12.00 Noon	-do-
2006 - 07	25th August, 2007	12.00 Noon	-do-

Except two Special resolutions regarding payment of commission to the Managing Director & CEO and Non-executive Directors, which were passed in the Annual General Meeting of the Company held on 20.08.2005 no other special resolution was passed in the other two meetings.

There were no matters required to be dealt/ passed by the Company through postal ballot, in any of the aforesaid meetings, as required under the provisions of Section 192A of the Companies Act, 1956. There is no matter proposed to be dealt/ passed by the Company through postal ballot in the ensuing Annual General Meeting.

The Chairman of the Audit Committee was present at AGM held on 25th August, 2007 to answer the queries of the shareholders.

## DISCLOSURES

- i) There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, their Subsidiaries or relatives conflicting with Company's interest. Suitable disclosure as required by the Accounting Standard (AS18) has been made in the Annual Report.
- ii) No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during last three years.
- iii) The Company has complied with the mandatory requirements of Clause 49 of the listing Agreement. The Company has complied with the non-mandatory requirements relating to the remuneration committee to the extent detailed above.

## DISCLOSURES REGARDING APPOINTMENT OR RE-APPOINTMENT OF DIRECTORS

According to the Articles of Association of the Company three Directors Shri Raj Kumar Lohia, Shri Achintya Karati and Shri Ashok Sharma will be retiring by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for re-election. In addition the Company has received notice from shareholder u/s 257 of the Companies Act, 1956 in respect of Dr. K.B.Agarwal for appointment as Director on the Board of the Company. He was appointed as Additional Director of the Company during the year and hold office upto the ensuing Annual General Meeting. Given below are the brief resumes of the aforesaid Directors pursuant to clause 49 of the listing Agreement:

- (i) **Dr.K.B.Agarwal**, aged about 69 years, is M.Com. LL.B., Ph.D., AICWA and FCS. He has a vast experience in the fields of Finance, Accounts and Capital Market. He has been associated with several industry and trade associations and served Merchants' Chamber of Commerce and U.P.Stock Exchange Association Limited as their President. He had been actively associated with FICCI & ASSOCHAM and was actively involved with various Committees of Government. As on 31.03.2008 he was holding 1010 Equity shares of the Company.
- (ii) **Shri Raj Kumar Lohia** holds a Bachelor of Arts degree in Economics from Kanpur University. He has vast experience in the fields of Commerce and Industry spanning around 25 years. He has been a director of our Company since September 30, 2004. He is a leading industrialist of Kanpur and also serves as director on the board of number of other Indian Companies. He is the recipient of several awards including the Excellence Award 2005 for contribution in the field of entrepreneurship. As on 31.03.2008 he was holding no Equity share of the Company.
- (iii) **Mr. Achintya Karati** holds a Bachelor of Laws degree from Calcutta University. He has vast experience in the financial and legal fields spanning 33 years. He has worked in diverse areas of commercial, legal and secretarial matters. He retired as Country Head, Government and Institutional Solutions Group, ICICI Bank Limited (erstwhile, Industrial Credit and Investment Corporation of India Limited) in March 2004. During his association with ICICI Limited, he served in various capacities, including Deputy Zonal Manager (North) and Head of Major Client Group (North). Presently, he is a Senior Advisor to ICICI Securities Limited and is also associated with ICICI-Prudential Life Insurance Company Limited. He also heads the Government and Institutions group of NCDEX, India.
- (iv) **Shri Ashok Sharma** holds a Bachelor of Law degree from Kanpur University. He is a qualified Chartered Accountant from the Institute of Chartered Accountants of India, New Delhi. He has vast experience in the fields of finance and audit spanning 30 years. He is a practicing Chartered Accountant and handles the audit assignments of private sector organizations, banks, insurance companies and financial institutions. He is a director on the Board of Uttar Pradesh Stock Exchange Association Limited and Jaykaycem Limited. He has served on many Committees such as the Rehabilitation Committee for Uttar Pradesh Small Industries Corporation Limited, Corporate Committee of CIRC of ICAL, Indian Council of Arbitrators and Kanpur Income Tax Bar Association. As on 31.03.2008 he was holding 760 Equity shares of the Company.

## CODE OF CONDUCT

The Board of Directors has already adopted the Code of Ethics & Business Conduct for the Directors and Senior Management Personnel. This Code is a comprehensive code applicable to all Executives as well as Non-executives Directors, and members of the Senior Management. A copy of the Code has been put on the Company's website [www.jkcement.com](http://www.jkcement.com).

The Code has been circulated to all the members of the Board and Senior Management Personnel and compliance of the same has been affirmed by them. A declaration signed by the Managing Director & CEO in this regard is given below:

"I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management personnel of the Company, affirmation that they have complied with the code of Ethics and business conduct framed for Directors and Senior Management Personnel in respect of the financial year 2007-08.

**Yadupati Singhania**

*(Managing Director & CEO)*

## MEANS OF COMMUNICATIONS

The Annual, Half yearly and Quarterly results are submitted to the Stock Exchange(s) in accordance with Listing Agreement and the same are normally published in Business Standard, Economic Times, Nav Bharat Times, Dainik Jagran and Dainik Bhaskar newspapers. Management Discussion and Analysis forms part of Annual Report, which is posted to the Shareholders of the Company.

All vital information relating to the Company and its performance, including quarterly results etc. are simultaneously posted on Company's website **www.jkcement.com** and on the Electronic Data Information Filing and Retrieval (EDIFAR) website maintained by SEBI in association with the National Informatics Centre (NIC).

## GENERAL SHAREHOLDERS INFORMATION

### i) Annual General Meeting

Date Time : - July 26, 2008 at 12:00 Noon.  
Venue : - Auditorium of Merchants' Chamber of Uttar Pradesh, 14/76, Civil Lines, Kanpur.

### ii) Financial Calendar

(a) First Quarter Results -	By the end of July, 2008
(b) Second Quarter Results -	By the end of October, 2008
(c) Third Quarter Results -	By the end of January, 2009
(d) Results for the year ending 31st March 2009 -	By the end of June, 2009

### iii) Date of Book Closure

July 18, 2008 to July 26, 2008 (both days inclusive)

### iv) Dividend payment date

The Board of Directors of the Company have recommended a dividend of Rs.5/- per share. The dividend shall be payable on or after July 26, 2008

### v) Listing on Stock Exchanges

The Equity shares of the Company are listed with the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. and the listing fees has been duly and timely paid to both the Stock Exchanges for 2007-08.

### vi) Stock Code

BSE	532644
NSE	JKCEMENT
ISIN NUMBER	INE823G01014



**vii) Market Price Data**

Month	BSE			
	High	Low	Sensex High	Sensex Low
APRIL 2007	159.00	137.50	14,383.72	12,425.52
MAY 2007	168.00	150.05	14,576.37	13,554.34
JUNE 2007	162.00	136.40	14,683.36	13,946.99
JULY 2007	179.00	143.20	15,868.85	14,638.88
AUGUST 2007	181.95	148.00	15,542.40	13,779.88
SEPTEMBER 2007	182.50	166.00	17,361.47	15,323.05
OCTOBER 2007	204.00	164.00	20,238.16	17,144.58
NOVEMBER 2007	238.80	177.00	20,204.21	18,182.83
DECEMBER 2007	256.70	212.65	20,498.11	18,886.40
JANUARY 2008	224.80	132.00	21,206.77	15,332.42
FEBRUARY 2008	183.50	158.00	18,895.34	16,457.74
MARCH 2008	167.00	123.10	17,227.56	14,677.24

Month	NSE			
	High	Low	Sensex High	Sensex Low
APRIL 2007	158.00	136.00	5,043.03	4,379.37
MAY 2007	168.50	150.00	5,185.95	4,908.99
JUNE 2007	163.00	136.55	5,223.82	4,971.76
JULY 2007	177.80	145.15	5,593.96	5,218.32
AUGUST 2007	178.00	142.90	5,411.29	4,938.51
SEPTEMBER 2007	182.45	165.20	6,094.11	5,424.33
OCTOBER 2007	204.20	142.65	7,169.67	6,151.88
NOVEMBER 2007	239.00	175.10	7,209.99	6,701.81
DECEMBER 2007	252.90	210.00	7,479.08	6,972.75
JANUARY 2008	224.75	130.00	7,642.89	5,955.22
FEBRUARY 2008	185.80	156.10	6,672.07	5,886.53
MARCH 2008	169.80	123.25	6,027.69	5,517.59

**viii) Registrar/Transfer Agent**

M/s J.K. Synthetics Ltd. are Registrars and Share Transfer Agents of the Company for Physical and Demat segment. Their address for communication is as under:-

Mr. R.C.Srivastava  
D.G.M. (Shares)  
M/s J.K. Synthetics Ltd.  
(Unit J.K. Cement Ltd.)  
Kamla Tower,  
Kanpur – 208 001  
Telephone: (0512) 2371478 – 81; Ext: 322  
Fax: (0512) 2399854;  
email: jkshr@jkcements.com, rajeev@jkcements.com

**ix) Share Transfer System**

Share Transfer work of physical segment is attended to by the Company's Registrar & Share Transfer Agents within the prescribed period under law and the Listing Agreements with Stock Exchanges.

All share transfers etc. are approved by a Committee of Directors, which meets periodically.

**x) Distribution of Shareholding as on 31.3.2008**

No. of Equity Share held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 500	111711	98.18	4429932	6.34
501 to 1000	1285	1.13	953769	1.36
1001 to 2000	374	0.33	569494	0.81
2001 to 3000	113	0.10	280245	0.41
3001 to 4000	55	0.05	198419	0.28
4001 to 5000	49	0.04	232876	0.33
5001 to 10000	87	0.08	649794	0.93
10001 and above	110	0.09	62612721	89.54
<b>Total</b>	<b>113784</b>	<b>100.00</b>	<b>69927250</b>	<b>100.00</b>

**xi) Category of Shareholders as on 31st March 2008**

Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Promoters And Promoter Group	39	00.03	43048411	61.56
Mutual Funds / UTI	21	00.02	2710098	03.88
Financial Institutions / Banks	105	00.10	11429	00.02
Insurance Companies	6	00.01	3041929	04.35
Foreign Institutional Investors	36	00.03	10066561	14.39
Bodies Corporate	1153	01.01	3697297	05.29
Individuals	112271	98.67	6998332	10.00
Others	153	00.13	353193	00.51
<b>Total</b>	<b>113784</b>	<b>100.00</b>	<b>69927250</b>	<b>100.00</b>

**xii) Dematerialisation of Shares**

The Company's Equity shares have been allotted ISIN (INE823G01014) both by the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

3,72,92,683 Equity shares representing 53.33% of the paid up Equity Capital of the Company have been dematerialised till 31.03.2008.

Consequent to the follow-up offering of 2,00,00,000 Equity shares by the Company in February, 2006, 14,203,298 Equity shares representing 20.31% of the post issue paid up capital of the Company held by the promoters are locked-in for 3 years from the date of allotment i.e. till 12.03.2009 as per SEBI (DIP) Guidelines, 2000.

**xiii) The Company has not issued any GDRs/ADRs/warrants or any convertible instruments.**

**xiv) Plant Location**

Company has following plants (All located in Rajasthan):

Plant	Location
Grey Cement Plants	Kailash Nagar, Nimbahera, Distt. Chittorgarh Mangrol, Distt. Chittorgarh Gotan, Distt. Nagaur
White Cement Plant	Gotan, Distt. Nagaur
Thermal Power Plant (For captive consumption)	Bamania, Shambupura, Distt. Chittorgarh
Thermal Power Plant (For captive consumption)	Kailash Nagar, Nimbahera, Distt. Chittorgarh
Waste Heat Recovery Power Plant (For captive consumption)	Kailash Nagar, Nimbahera, Distt. Chittorgarh

**xv) Address for Correspondence**

J.K. Cement Ltd.,  
Secretarial Department,  
Kamla Tower, Kanpur – 208001.  
Telephone No.: 0512 2371478 – 81 Fax 2399854  
Email: jkshr@jkcements.com  
Website: www.jkcement.com

## CERTIFICATE

To the Members of

**J.K. CEMENT LIMITED.**

We have examined the compliance of conditions of Corporate Governance by J.K. CEMENT LIMITED as at 31st March, 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the 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 and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, no investor Grievances were 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.

For **P.L.TANDON & CO.,**  
*Chartered Accountants.*

**P.P. SINGH**  
*Partner*

Membership No.72754

Place: Kanpur.  
Dated: 20th May,2008