



## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 16<sup>th</sup> Annual General Meeting of Infotrek Syscom Limited will be held at 205, Centre Point, Next to Hotel Kohinoor, Andheri Kurla Road, Andheri East, Mumbai - 400 059 on Tuesday, December 28, 2010 at 5 p.m.

### Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2010, Profit and Loss Account for the Financial Year ended on that date and the Reports of the Auditors' and the Directors' thereon.
2. To appoint a Director in place of Deepak Nanda, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Vedula Vijay and Ramanathan as Statutory Auditors of the Company for the period commencing from the conclusion of this meeting until conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

### Special Business

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

"RESOLVED THAT pursuant to the provision of Section 269 of the Companies Act, 1956 Shri Brijkishor Soni be & is hereby re-appointed as Managing Director of the Company for a further period of five years with effect from 1st September 2010."

"FURTHER RESOLVED THAT in accordance with the provisions of Sections 198, 269 & 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the General Body be and is hereby accorded that Shri B. K. Soni be paid following remuneration and perquisites, w. e. f. 1st September, 2010, in consideration of performance of his duties as a Managing Director:

- (a) Basic Salary: Rs. 2,50,000 (Rupees Two Lac Fifty Thousand only) per month with such annual increments as considered by the board.
- (b) Commission : @ 1% (one percent) of the net profit of the Company in the financial year computed in the manner laid down in Sections 349 & 350 of the Companies Act, 1956 subject to a ceiling of 50% of the annual salary as defined in para (a) above.
- (c) Perquisites and Allowances: In addition to the salary and commission as outlined above, the Managing Director shall be entitled to perquisites/allowance as under:
  - (i) Housing : Free furnished residential accommodation or in case no accommodation is provided by the Company, reimbursement of actual expenditure incurred by the Managing Director on hiring accommodation shall be made by the company subject to the ceiling of 60% of the salary as defined in para (a) above. In addition, the expenditure incurred for utilities such as gas, fuel, electricity, water, furnishing, repairs/upkeep and maintenance of accommodation and servants' salaries shall be reimbursed on actual basis.
  - (ii) Medical Benefits: Payment/reimbursement of expenses incurred for self and family (including mediclaim/medical insurance premium) or medical allowance in accordance with the rules of the Company.
  - (iii) Leave Travel Allowance/Assistance: Once in a year on actual for traveling within the Country or once in a year on a foreign tour with family.
  - (iv) Club Fees: Payment/reimbursement of club fees for not more than two clubs in India, excluding admission and life membership fees.
  - (v) Personal Accident Insurance Premium: For a personal accident insurance cover not exceeding Rs.100 lacs.
  - (vi) Contribution to Provident Fund, Pension/Superannuation or Annuity Funds: As per the Rules framed under the Company's relevant scheme.
  - (vii) Gratuity: As per the Rules of the Company and applicable statutory provisions from time to time.



- (viii) Leave Encashment: Leave with full pay and allowance as per rules of the Company. Accumulation/encashment of unavailed earned or privilege leave will be permissible in accordance with the Rules specified by the Company.
- (ix) Car/Communication Facilities: The following shall not be included in the computation of perquisites-
  - (a) Provision of Company's car(s) with driver for the official use.
  - (b) Provision of free telephone(s) and/or other communication facilities or reimbursement of telephone/communication expenses at residence including payment of local calls and long distance official calls.

**Explanation(s):**

- (a) The said perquisites and allowances shall be evaluated at actual cost or if the cost is not ascertainable the same shall be valued as per the Income Tax Act, 1961 or any rules thereunder as are in force from time to time.
- (b) The Company's contribution to or provision for provident fund, pension/superannuation or annuity funds, to the extent these either singly or put together are not taxable under the Income Tax Act, and gratuity payable and encashment of leave at the end of the tenure, as per the rules of the Company, shall not be included in the computation of limits for the remuneration which includes salary, commission, perquisites and allowances.
- (c) For the purpose of gratuity, pension and other benefits, the services of Shri. B.K. Soni will be considered continuous service with the Company from the date he joined the services of sister concern(s) of this Company in any capacity from time to time and termination of the appointment or renewal(s) will not be considered as a break in service. However, in case of gratuity any benefit already obtained from such sister concern(s) or the Company shall be deducted from the final amount payable.
- (d) The Company shall reimburse travelling, entertainment and other business promotion expenses actually and properly incurred, by the Managing Director, in the course of the legitimate business of the Company in accordance with rules and regulations of the Company in force from time to time or as may be approved by the Board. Expenses relating to spouse accompanying on any official domestic and overseas trip or other trip or other facilities, if any, shall be dealt with in accordance with the practices and policies of the Company as applicable from time to time.

"FURTHER RESOLVED THAT the Board of Directors is entitled to revise the remuneration payable to the Managing Director at any time, such that the aggregate of the salary (inclusive of annual increments, if any) in any financial year shall not exceed ceiling laid down in Sections 198, 269, & 309 read with the Schedule XIII of the Companies Act, 1956, including any statutory modification(s), re-enactment thereof or any amendment thereto."

"FURTHER RESOLVED THAT notwithstanding the above, in the event of any loss or inadequacy of profits in any financial year of the company during the tenure of Shri. B. K. Soni as Managing Director of the Company, the remuneration payable to him shall be in accordance with the limits prescribed in Section II Part II of Schedule XIII to the Companies Act, 1956, as amended from time to time, subject to the compliance of provisions thereof but in any event shall not exceed the remuneration payable as provided above when the profits of the company are adequate."

"FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution or otherwise considered by it in the best interest of the Company."

Place: Mumbai

By order of the Board

Date : 02/12/2010

Chairman and Managing Director

Registered Office:

205, Centre Point, Next to Hotel Kohinoor,  
Andheri Kurla Road, Andheri East, Mumbai - 400 059



## Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and the proxy need not be a member of the Company. Under the Companies Act, 1956, voting is by a show of hands unless a poll is demanded by a member or members present in person, or by proxy, holding at least one-tenth of the total shares entitled to vote on the resolution or by those holding paid-up capital of at least Rs. 50,000. A proxy shall not vote except on a poll. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. Members /Proxies should bring duly-filled Attendance Slips sent herewith to attend the meeting.
3. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. The Register of Members and Share Transfer Books of the Company will remain closed from December 21, 2010 to December 28, 2010 (both days inclusive) for the purpose of Annual General Meeting.
6. Members holding shares in physical form and desirous of making change of nomination in respect of their shareholding in the Company, may send their request in the prescribed form to the Registrar & Transfer Agents of the Company.
7. Corporate Members are requested to send to the Company, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
8. Members desirous of obtaining any information on the Accounts and Operations of the Company are requested to write at least one week before the meeting so that the same could be compiled in advance.
9. Members are requested to notify changes, if any, in their registered addresses along with the pin code to the Company's Registrar and Share Transfer Agent.
10. Members are requested to bring their copy of Annual Report to the Meeting.
11. All documents referred to in the notice are open for inspection at the registered office of the Company between 10.30 A. M. and 1.00 P.M. on all working days up to the date of the Meeting.
12. Members whose shareholding is in electronic mode are requested to direct change of address notifications and updations of savings bank account to their respective Depository Participants.
13. Member are requested to address all correspondences, including dividend matters, to the Registrar and Share transfer Agents, M/s. Big Share Services Private Limited, E/2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai - 400 072 Tel No: +91 22 28470652/53, Fax No.: +91 22 28475207, Email: investor@bigshareonline.com
14. Members are requested to address all the correspondences to Register and Share Transfer Agents of the Company
15. As per the provisions of the Companies Act, 1956, facility for making nominations is available for shareholders, in respect of the shares held by them. Nomination forms can be obtained from the Registrar and Transfer Agents of the Company
16. Members seeking any information or clarifications on the Annual Report are requested to send in written queries to the Company at least one week before the meeting to enable the Company to compile the information and provide replies at the meeting.

# INFOTREK SYSCOM LTD.



e-waste to the best

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

The term of appointment of Shri Brijkishor Soni as Chairman and Managing Director of the Company expired on August 31, 2010. Shri Brijkishor Soni is the promoter of the Company and has given tremendous contribution of his experience and knowledge.

The Board of Directors of the Company at its Meeting held on December 2, 2010 has pursuant to the recommendation of the Remuneration Committee and subject to the approval of Members, approved the re-appointment and payment of remuneration to Shri Brijkishor Soni as set out in the resolution mentioned above.

Your approval is sought for the aforesaid resolutions.

The Directors of the Company are concerned or interested in the aforesaid resolutions to the extent of their Shareholding.

None of the Directors of the Company other than Shri Brij Kishor Soni & Smt. Anita Soni are in any way concerned or interested in passing of this resolution.

INFORMATION UNDER CLAUSE 49 (IV) (G) (I) AND CLAUSE 49 (IV) (E) (V) OF THE LISTING AGREEMENT REGARDING RE-APPOINTMENT OF DIRECTORS

Mr. Deepak Nanda:

Deepak Nanda is a Chartered Accountant with over 23 years of professional experience in Banking and Financial services and 11 years of professional experience in audit, taxation and management consultancy services and is currently working as the Chairman & Managing Director of Knightbridge Financial Services Pvt Ltd. (KFS), an Investment Bank based in Mumbai. He has worked with clients from USA, Europe and Asia buying into Indian companies. He has provided strategic advice, valuations and closed several equity and debt transactions in the media, telecommunications, IT, Retail, Real Estate, Internet, pharmaceuticals, engineering and other sectors of Indian industry. He has also advised Indian companies looking for foreign investors and / or investing in overseas companies and has arranged several joint ventures, tie ups, alliance takeovers over the past 23 years.

Before joining CEA, Deepak was Head of Corporate Finance at Hinduja Finance Ltd (currently called Hinduja TMT Ltd) for 3 years. In this role he structured and closed several transactions that raised US\$ 500 million in equity and debt financing for clients in the Indian capital markets and from overseas investors / markets. He was involved in raising equity funding through private equity transactions, IPOs (Initial Public Offerings) and GDR issues for Indian Corporates in overseas markets. Deepak was also the Chairman of the Finance Sub-Committee of the Entertainment Committee of FICCI for two years. He has made various presentations to the Information and Broadcasting Ministers and Finance Ministers for the media industry. He has also been involved in policy making for the media industry in India.

Shareholding of Mr. Deepak Nanda (both on or held by/for other persons on a beneficial basis) as on date is 13,000 shares.



## DIRECTORS' REPORT

The Members of  
INFOTREK SYSCOM LIMITED

Your Directors present with pleasure the Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 2010.

### 1. AMALGAMATION OF ECO RECYCLING LIMITED WITH THE COMPANY

Eco Recycling Limited has been amalgamated with the Company. The Scheme of Amalgamation was approved by the Hon'ble High Court of Judicature at Bombay vide Order dated October 29, 2010. The Scheme became effective on November 24, 2010, the Appointed Date of the Scheme being January 1, 2010.

The amalgamation of Eco Recycling Limited with the Company would result into carrying out the activities of recycling, refurbishing, refining, manufacturing, on and off site data destruction buying, selling, importing, & exporting, exchanging, transporting, warehousing, hiring & leasing of used, discarded, dismantled, scrap and new personal computers etc as adopting the activities of Eco Recycling Limited, the Transferor Company.

### 2. CHANGE IN NAME AND OBJECT PURSUANT TO AMALGAMATION

As envisaged in the Scheme of Amalgamation, the name of the Company would be changed from Infotrek Syscom Limited to Eco Recycling Limited. The Scheme of Amalgamation envisages the transfer and vesting of the entire business and undertaking including all its properties, immovable, and other trading assets of whatsoever nature, such as licences and quota rights, trade marks and other industrial property rights and all other interest rights, or powers of every kind and assets, liabilities and reserves of the erstwhile Eco Recycling Limited with the Company with effect from the appointed date i.e. 1st January, 2010.

### 3. FINANCIAL RESULTS

	(Rs. In Lakhs)	
	2009-2010	2008-2009
Total Income	587.18	1597.79
Profit before Interest, Depreciation and tax	26.47	8.68
Less: Depreciation	6.66	5.10
Profit before Interest and Tax	19.81	3.57
Interest	1.93	0.88
Profit before Tax	17.88	2.69
Less: Provision for Income Tax	3.43	0.28
Less: Fringe Benefit Tax	-	0.25
Profit after Tax	14.45	2.16
Add: Balance brought forward	233.85	230.26
Balance carried to Balance Sheet	191.59	233.85

### 4. OPERATIONS

Pursuant to amalgamation your company will carry on the activities of recycling, refurbishing, refining, manufacturing, on site and off site data destruction dealing, buying, selling, importing, & exporting, exchanging, transporting, warehousing, hiring & leasing of used, discarded, dismantled, scrap and new personal computers, cell phones, TVs, Fridges, other electrical & electronic equipments etc and the Business as an investment activities.

The turnover of the Company was Rs. 587.18 lacs for the year ended 31st March, 2010 as compared to Rs. 1597.79 lacs for the year ended 31st March, 2009.



## 5. CAPITAL

The Authorised Share Capital after the said Amalgamation is Rs. 30,00,00,000/- divided into 3,00,00,000 Equity Shares of Rs. 10/- each for the financial year ended 31st March, 2010 as compared to Rs. 10,00,00,000/- divided into 1,00,00,000 Equity Shares of Rs. 10/- each for the financial year ended 31st March, 2009.

The Paid up Capital of the Company for the financial year ended 31st March, 2010 is Rs. 15,94,25,000 divided into 1,59,42,500 Equity Shares of Rs. 10/- each as compared to year ended 31st March, 2009 being Rs. 6,81,00,000/- divided into 68,10,000 Equity shares of Rs.10 each and Rs.1,71,00,000 Convertible warrants partly paid-up.

## 6. DIVIDEND

In order to conserve resources, no dividend has been declared for the year 2009-2010.

## 7. TRANSFERS TO RESERVES

During the year, the Company proposes to transfer Rs. Nil to General Reserve.

## 8. FUTURE PLANS

We are pleased to inform you that your company's e-waste recycling facility was the first facility approved for registration by the Central Pollution Control Board and the first facility of Maharashtra. It is equally pleasant to inform you that this is the first company listed on any stock exchanges in the country dedicated to e-waste recycling activities in India. Your company is going for a major expansion of its capabilities including precious metal recovery. Presently your company is serving to more than 300 corporate entities across India and we hope to reach to 500 in the calendar year 2011. It may not be out of place to mention that presently e-waste recycling industry is of more than Rs. 3000 crores in India and has potential of more than 25% CAGR. As the pioneer of this activity in the country, your Directors envisage an extraordinary potential in the segment particularly in the wake of new e-waste Rules which has been proposed to be effective from 1st Jan, 2012.

## 9. DIRECTORS

In accordance with the Articles of Association of the Company and provisions of the Companies Act, 1956 at least two-thirds of our Directors shall be subject to retirement by rotation. One-third of these retiring Directors must retire from office at each Annual General Meeting of the Shareholders. The retiring Directors are eligible for re-election.

In accordance with the said provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Deepak Nanda, Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

## 10. AUDITORS

M/s. Vedula Vijay and Ramanathan., Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. The Company has received letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956. Your Directors recommend their re-appointment.

## 11. FIXED DEPOSIT

In terms of the provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposit Rules) 1975, the Company has not accepted any fixed deposits during the year and as such, no amount of Principal or Interest is outstanding as of the Balance sheet date.

## 12. SUBSIDIARY COMPANY

Eco Recycling Limited was the Subsidiary of your Company which has now amalgamated with the Company.

## 13. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956:

- (i) that in the preparation of the Annual Accounts for the year ended March 31, 2010; the applicable accounting standards



have been followed 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 judgments 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 ended March 31, 2010 and of the profit of the Company for that year.
- (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 for the year ended March 31, 2010, on a going concern basis.

#### 14. CORPORATE GOVERNANCE

As required under clause 49 of the Listing Agreement with the Stock Exchange, the report on Corporate Governance is furnished as a part of the Directors' Report and forms part of this report showing that the Company has taken appropriate steps and measures to comply with all the applicable mandatory provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges and section 292A of the companies Act 1956. Certificate from the Company's Auditors regarding compliance is annexed hereto and forms part of this report.

#### 15. COMPLIANCE CERTIFICATE:

As required under section 383 A (1) of the Companies Act, 1956, Compliance Certificate from Company secretary in whole time practice is attached herewith.

#### 16. PARTICULARS OF EMPLOYEES

Since none of the employees of the Company was drawing remuneration in excess of limits laid down pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, details therewith are not furnished.

#### 17. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) A rule, 1988 is not required as your company is not a manufacturing company..

For and on behalf of the Board of  
Directors

Place: Mumbai

Date: 02/12/2010

Registered Office: 205,

Centre Point,

2nd floor, J. B. Nagar,

Andheri - Kurla Road,

Andheri (East). Mumbai- 400 059

B. K. Soni  
Chairman and Managing Director



## CORPORATE GOVERNANCE REPORT:

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance means to steer an organization in the desired direction. It deals with laws, procedures, practices and implicit rules that determine a Company's ability to take informed managerial decisions vis-à-vis its claimants – in particular, its shareholders, creditors, customers, the State and employees. There is a global consensus about the objective of 'good' corporate governance: maximizing long-term shareholder value."

INFOTREK SYSCOM LIMITED believes that Corporate Governance brings about equilibrium between the expectations of the owners, employees, customers and all other stakeholders. It builds continuing bonds with shareholders, employees, investors, depositors, borrowers, suppliers, customers and business constituents.

The Company believes that its fundamental objective is not mere fulfillment of the requirements of law but in ensuring commitment of the Board in managing the Company in a transparent manner for maximizing stakeholder value.

Securities and Exchange Board of India (SEBI) incorporated Clause 49 in the Listing Agreement in February 2000, as part of its endeavour to improve the standards of Corporate Governance in line with the needs of a dynamic market. As a Company, which believes in implementing and adopting best-in-class corporate governance policies, INFOTREK SYSCOM LIMITED has adopted practices mandated in the revised Clause 49 and has established procedures and systems to be fully compliant with it.

Good governance is integral to the very existence of the Company. It seeks to achieve following objectives of the Company viz.

- A properly structured Board capable of taking independent and objective decisions;
- Adoption of transparent procedures and practices and to arrive at decisions on the strength of adequate information.
- To keep the shareholders informed of relevant developments impacting the Company.

Your Board of Directors presents the Corporate Governance Report for the year 2009-2010.

### 2. BOARD OF DIRECTORS

The Board of Directors is the core of our Corporate Governance practice and oversees how the Management serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure highest standards of Corporate Governance.

#### a) Size and Composition of Board

The Composition of Board of Directors is a combination of Executive and Non Executive Directors. The Board consists of 5 Directors, out of which 3 are Independent Non Executive Directors. The Composition of the Board and Category of Directors are as follows:

Category	Name of the Directors
Executive Director	Mr. Brij Kishore Soni (Executive Director & MD) Ms. Aruna Soni (Executive Director)
Independent and Non-Executive Director	Mr. Deepak Nanda Mr. Srikrishna Bhamidipati Ms. Ananya Bhattacharya

Independent Non-Executive Directors are appointed for their professional exercise in their individual capacity as Independent professionals / Business Executives. Independent Non Executive Directors receive sitting fees for attending the meeting of the Board and various Committees. They do not receive any remuneration apart from the sitting fees.





- b) The following table gives the number of other Directorships and Chairmanships / Membership of Committees of each Director in various Companies as on 31st March, 2010.

Name of Directors	Category	No. of Membership / Chairmanship of other Board Committees*
Brij Kishore Soni	Chairman & Managing Director	3
Aruna Soni	Executive Director	2
Deepak Nanda	Non-Executive-Independent	1
Srikrishna Bhamidipati	Non-Executive-Independent	3
Ananya Bhattacharya	Non-Executive-Independent	1

\*Notes

\*Excludes Directorship in Indian Private Limited Companies.

- c) Attendance at Board Meeting and Annual General Meeting:

During the accounting year 2009 – 2010, 10 Board Meetings were held on 18th June, 2009, 11th July, 2009, 31st July, 2009, 31st August, 2009, 29th September, 2009, 31st October, 2009, 31st December, 2009, 30th January, 2010, 15th February, 2010 and 10th March, 2010.

The details of Directors attendance at Board Meeting held during the year commencing 1st April, 2009 to 31st March, 2010 and the last Annual General Meeting

Name of the Director	No. of Board Meetings Attended	Attended at Last AGM
Brij Kishor Soni	10	YES
Aruna Soni	10	YES
Deepak Nanda	10	YES
Srikrishna Bhamidipati	10	YES
Ananya Bhattacharya	-	NO

### 3 AUDIT COMMITTEE :

Audit Committee acts as a link between the Statutory, Internal Auditors and the Board of Directors. The primary objective of the Audit Committee is to provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures.

- a) Constitution and Composition of Committee

The Audit Committee for the accounting year comprises of following three non-executive and independent directors.

Name of Members	Designation	Category of Director	Nos. of meetings Held	Nos. of meetings attended
Mr. Deepak Nanda	Chairman	Non-Executive Independent	4	4
Mr. Srikrishna B	Member	Non-Executive Independent	4	4
Ms. Ananya Bhattacharya	Member	Non-Executive Independent	4	0



In addition to the members of the Audit Committee, these meetings are attended by the General Manager Finance & Accounts and other respective functional heads, internal auditors and statutory auditors of the Company, whenever necessary. Those executives of the Company who can provide inputs to the Committee. Members have discussions with the statutory auditors during the meetings of the Committee and the quarterly/half-yearly and annual audited financials of the Company are reviewed by the audit committee before consideration and approval by the Board of Directors. The Committee also reviews the internal control systems, IT systems and conduct of the internal audit.

## b) Meetings

During the accounting year 2009- 10, four Audit Committee Meetings were held on 18/06/2009, 31/07/2009, 25/10/2009 and 29/01/2010

## c) The functions of the Audit Committee include the following:

- Reviewing the Company's financial reporting process and the disclosure of its financial information to ensure the financial statement is correct, sufficient and credible.
- To recommend re-appointment of Statutory Auditors and to fix their remuneration.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing with management the annual / half-yearly / quarterly financial statements before submission to the Board.
- Reviewing with management performance of statutory and internal auditors, the adequacy of the internal control systems.
- Discussion with statutory auditors before the audit, any significant findings and follow up thereon.
- Discussion with statutory auditors before the audit commences, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- Reviewing the company's financial and risk management policies.
- To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non payment of declared dividends) and creditors.
- To review Related party transactions.
- To review the matters required to be included in the Director's Responsibility Statement to be included in the Board Report in terms of clause (22A) of Section 217 of the Companies Act, 1956.
- To review the Management discussion and analysis of financial conditions and results of operations.
- Reviewing any other areas which may be specified as a role of the audit Committee under the Listing Agreement, Companies Act and other Statutes, as amended from time to time.

All the items in the Agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial /business plans, financial results, detailed presentations are made. The Agenda and the related notes are sent in advance separately to each Member to enable the Committee to take informed decisions.

The Minutes of the Meetings of the Committee are circulated through email to all Directors and are confirmed at the subsequent Meeting.

The Statutory Auditors are invitees to the Audit Committee Meeting.

The Chairman of Audit Committee Mr. Deepak Nanda was present in last Annual General Meeting of the Company.

## 4 REMUNERATION COMMITTEE:

The Remuneration Committee of the Board has been constituted in the year 2007, which, Inter-alia recommends to the Board the compensation terms of whole- time directors. The scope of the committee includes consideration of proposals such as stock options, performance based incentives etc.