



a vision of achievement...

Elpro Packaging Ltd.

18th
annual report
2010

Board of Directors :

Mr. Abhishek Mehta	Director
Mr. Karsan K. Chitroda	Director
Mr. Pandurang Nawghane	Additional Director
Mr. Krishnat Desai	Additional Director

Auditors :

Arvind Darji Associates, Chartered Accountants

Bankers :

Union Bank of India
Bank of India

Registered Office :

13, Soubhagya Apartments, 3rd Floor,
Pawana Nagar, Chinchwadgaon,
Dist. Pune – 411033, Maharashtra, India.

Corporate Office :

H/132, Raj Arcade, Mahavir Nagar,
Kandivali (W), Mumbai - 400 067

Equity listed on :

The Bombay Stock Exchange

Registrar and Share Transfer Agent :

System Support Services
209, Shivai Industrial Estate,
89, Andheri Kurla Road,
Sakinaka, Andheri (East), Mumbai - 400 072.

Day & Date of A.G.M. :

Friday, September 24, 2010

Venue :

At Registered Office

Time :

11.00 a.m.

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 18th Annual General Meeting of the members of **ELPRO PACKAGING LIMITED** will be held on Friday, the 24th day of September, 2010 at 11.00 am at the Registered Office of the Company at 13, Soaabhagya Apartments, 3rd Floor, Pawana Nagar, Chinchwadgaon, Pune – 411033, Maharashtra, India, to transact the following business:

ORDINARY BUSINESS:

- 1] To receive, consider and adopt the Audited Balance Sheet as at March 31, 2010 and Profit and Loss Account for the year ended March 31, 2010 together with the Reports of the Directors and Auditors thereon.
- 2] To appoint a Director in place of Mr. Karsan Chitroda who retires from office by rotation, and being eligible offers himself for re-appointment.
- 3] To appoint Auditors, to hold the office from the conclusion of this Annual General meeting until the conclusion of the next Annual General Meeting.

SPECIAL BUSINESS

- 4] To consider, and if thought fit, to pass, with or without modification as an Ordinary Resolution :
“RESOLVED THAT Mr. Pandurang Nawghane who was appointed as an Additional Director at the meeting of the Board of Directors held on August 01, 2010 and who holds office as such upto the date of this Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. Pandurang Nawghane as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
- 5] To consider, and if thought fit, to pass, with or without modification as an Ordinary Resolution :
“RESOLVED THAT Mr. Krishnat Desai who was appointed as an Additional Director at the meeting of the Board of Directors held on August 01, 2010 and who holds office as such upto the date of this Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. Krishnat Desai as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
- 6] To consider, and if thought fit, to pass, with or without modification as an **Special Resolution** :
“RESOLVED FURTHER THAT subject to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Mr. Abhishek Mehta be and is hereby appointed as Managing Director of the Company for a period of five years from April 01, 2010 to March 31, 2015, on the terms and conditions (including the terms of remuneration as approved by the Remuneration Committee) as mentioned below:
 - I. **Fixed Compensation:**
 Fixed Compensation shall include Basic Salary and the Company's Contribution to Provident Fund and Gratuity Fund.

 The Basic Salary shall be in the range of Rs. 2,00,000/- per month, payable monthly. The Annual Basic Salary and increments will be decided by the Remuneration Committee/Board of Directors depending on the performance of the Managing Director, the profitability of the Company and other relevant factors.
 - II. **Performance Linked Variable Remuneration (PLVR)**
 Performance Linked Variable Remuneration for each of the financial years as may be decided by the Remuneration Committee/Board of Directors of the Company based on Economic Value Added in the business and other relevant factors and having regard to the performance of the Managing Director for each year.
 - III. **Flexible Compensation:**
 In addition to the Fixed Compensation and PLVR, the Managing Director will be entitled to the following allowances, perquisites, benefits, facilities and amenities as per rules of the Company and subject to the relevant provisions of the Companies Act, 1956 (collectively called “perquisites and allowances”).

 These perquisites and allowances shall be granted to the Managing Director as per the rules of the Company and in the manner as the Board may decide.
 - i. Housing i.e. unfurnished residential accommodation and House Rent Allowance at applicable rate as per Company's rules OR House Rent Allowance as per Company's rules;

- ii. Furnishing at residence;
- iii. Supplementary Allowance;
- iv. Leave Travel Assistance;
- v. Payment/reimbursement of medical expenses for self and family;
- vi. Payment/reimbursement of Food Vouchers, petrol reimbursement;
- vii. Company cars with driver for official use, provision of telephone(s) at residence;
- viii. Payment/reimbursement of telephone expenses / electricity / gas expenses;
- ix. Housing Loan, Contingency Loan as per rules of the company. These loans shall be subject to Central Government approval, if any;
- x. Earned/privilege leave, on full pay and allowance, not exceeding 30 days in a financial year. Encashment/accumulation of leave will be permissible in accordance with the Rules specified by the Company. Casual/Sick leave as per the rules of the Company;
- xi. Encashment of leave, club facilities, group insurance cover, group hospitalisation cover and group accident cover.
- xii. Such other perquisites and allowances as per the policy/rules of the Company in force and/or as may be approved by the Board from time to time.

Explanation

- i) For the Leave Travel Assistance and reimbursement of medical and hospitalisation expenses, 'family' means the spouse and dependent children and dependent parents.
- ii) Perquisites shall be evaluated at actual cost or if the cost is not ascertainable the same shall be valued as per Income Tax Rules.

IV. Overall Remuneration

The aggregate of salary and perquisites as specified above or paid additionally in accordance with the rules of the Company in any financial year, which the Board in its absolute discretion pay to the Managing Director from time to time, shall not exceed the limits prescribed from time to time under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being, be in force.

For and behalf of the Board of Directors
Elpro Packaging Limited

**Sd/-
Director**

Registered Office

ELPRO PACKAGING LIMITED

13, Soubhagya Apartments, 3rd Floor,
Pawana Nagar, Dist. Pune – 411033,
Maharashtra, India.
23rd August 2010

Notes :

- a) The following shall not be included in the computation of perquisites:-
 - i) Provision for use of Company's cars for official use.
 - ii) Provision of free telephone facilities or reimbursement of telephone expenses at residence, including payment of local calls and long distance official calls.
- b) Unless otherwise stipulated, for the purpose of the above, the perquisites shall be evaluated as per Income Tax Rules wherever actual cost cannot be determined.
- c) Notwithstanding the foregoing, where in any Financial Year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the remuneration by way of salary, commission and perquisites shall not exceed, the maximum limits prescribed in Schedule XIII to the Companies Act, 1956 except with the approval of the Central Government.
- d) The limits specified above are the maximum limits and the Remuneration Committee / Board may in its absolute discretion pay to the Managing Director lower remuneration and revise the same from time to time within the maximum limits stipulated above.
- e) In the event of any re-enactment or re-codification of the Companies Act, 1956 or the Income Tax Act, 1961 or amendments thereto, the foregoing shall continue to remain in force and the reference to various provisions of the

Companies Act, 1956 or the Income Tax Act, 1961 shall be deemed to be substituted by the corresponding provisions of the new Act or the amendments thereto or the Rules and notifications issued thereunder.

- f) If at any time the Managing Director ceases to be in the employment of the Company for any cause whatsoever, he shall cease to be the Managing Director of the Company.
- g) The Managing Director is appointed by virtue of his employment in the Company and the appointment is subject to the provisions of Section 283(1) of the Companies Act, 1956 while at the same time the Managing Director is liable to retire by rotation. The appointment is terminable by giving three months' notice in writing on either side.
- h) The Managing Director shall not, during the continuance of his employment or at any time thereafter, divulge or disclose to whomsoever or make any use whatsoever, whether for his own or for any other purpose other than that of the Company, any information or knowledge obtained by him during his employment to the business or affairs or other matters whatsoever of the Company and the Managing Director shall, during the continuance of his employment hereunder, also use his best endeavour to prevent any other person from disclosing the aforesaid information.
- i) If the Managing Director be guilty of such inattention to or negligence in the conduct of the business of the Company or of misconduct or of any other act or omission inconsistent with his duties as Managing Director or any breach of this resolution, as in the opinion of all other Directors renders his retirement from the office of the Managing Director desirable, the opinion of such other Directors shall be final, conclusive and binding on the Managing Director and the Company may by giving thirty days notice in writing to the Managing Director determine this resolution and he shall cease to be a Director and Managing Director of the Company, upon expiration of such notice.

The terms and conditions of this resolution are subject to such alterations/ variations as may be mutually agreed upon between the Company and the Managing Director.

- 7] To consider, and if thought fit, to pass, with or without modification as an **Special Resolution** :

"RESOLVED THAT in pursuance of section 21 and other applicable provisions, if any, of the Companies Act, 1956 the name of the Company be and hereby change from **"ELPRO PACKAGING LIMITED"** to **"ACCLAIM INDUSTRIES LIMITED"**.

"RESOLVED FURTHER THAT the name **"ELPRO PACKAGING LIMITED"** wherever it occurs in the Memorandum and Articles of Association of the Company be substituted by the name **"ACCLAIM INDUSTRIES LIMITED"**.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds and things as may be deemed expedient and necessary to give effect to this resolution."

- 8] To consider, and if thought fit, to pass, with or without modification as an **Ordinary Resolution** :

"RESOLVED THAT the Board of Directors of the Company, be and are hereby authorised pursuant to Section 293 (1) (e) of the Companies Act, 1956 on behalf of the Company to contribute and / or subscribe from time to time in any financial year to any body, institute, society, person, trust or fund for any charitable or other purposes not directly related to the business of the Company or to the welfare of employees, any amount, the aggregate of which in any financial year of the Company exceed an amount of Rs.50,000 or 5% of the Company's average net profits as determined in accordance with the provisions of Section 349 and 350 of the said Act during the three financial years immediately preceding, subject to a maximum of Rs.10,00,000 or 5 % of the Company average profit determined as above whichever is greater"

For and behalf of the Board of Directors
Elpro Packaging Limited
 Sd/-
 Director

Registered Office
ELPRO PACKAGING LIMITED
 13, Soubhagya Apartments, 3rd Floor,
 Pawana Nagar, Dist. Pune – 411033,
 Maharashtra, India.
 23rd August 2010

EXPLANATORY STATEMENT AS REQUIRED U/S. 173[2] OF THE COMPANIES ACTS, 1956**ITEM 4 :**

Mr. Pandurang Nawghane has been appointed as an additional director of the Company pursuant to section 260 of the Companies Act, 1956 on 01st August, 2010 and would hold office till the date of the ensuing Annual General Meeting.

Mr. Pandurang Nawghane is a Commerce Graduate. He has vast knowledge and experience in Accountancy as well as technical and commercial operation in the field of Iron and Steel industry. He does not hold Directorship in any other Company.

Pursuant to section 257 of the Companies Act, 1956 the Company has received notices from members signifying their intention to propose the candidature of Mr. Pandurang Nawghane for the office of Director. The Board of Directors recommend passing of the resolution set out in item No. 4 of the accompanying Notice.

None of the Directors of the Company are deemed to be concerned or interested in the Resolution.

ITEM 5 :

Mr. Krishnat Desai has been appointed as an additional director of the Company pursuant to section 260 of the Companies Act, 1956 on 01st August, 2010 and would hold office till the date of the ensuing Annual General Meeting.

Mr. Krishnat Desai is a Commerce Graduate. He has vast experience in the Indian Capital Market with demonstrated leadership capabilities in business development, Building Area, Highly successful in developing & implementing Business Plans driving high value revenue and profit gains, large scale cost saving, Relationship Management and improved organizational productivity and performance

Pursuant to section 257 of the Companies Act, 1956 the Company has received notices from members signifying their intention to propose the candidature of Mr. Krishnat Desai for the office of Director. The Board of Directors recommend passing of the resolution set out in item No. 5 of the accompanying Notice.

None of the Directors of the Company are deemed to be concerned or interested in the Resolution.

ITEM 6 :

Mr. Abhishek Mehta has been appointed as director of the Company pursuant to section 257 of the Companies Act, 1956 in the last Annual General Meeting.

Considering his qualification and experience in iron & steel industry, the Company proposes to appoint him as Managing Director of the Company. The Company would benefit in the long run by availing his services. The Board of Directors recommend passing of the resolution set out in item No. 6 of the accompanying Notice.

None of the Directors of the Company is deemed to be concerned or interested in the Resolution.

Details of the managerial person as per Clause (B) of Section II of Schedule XIII of the Companies Act, 1956:

I. GENERAL INFORMATION:**I) Nature of Industry:**

The Company has diversified from the Packaging to steel business considering good growth prospects. Indian steel industry stood out in the global steel industry due to its resilience during the downturn. While the steel production in the world dipped by 8% in 2009, it registered a growth of around 4% in this period. This clearly demonstrates India's strong domestic consumption story. Even though the real estate and housing sector showed marked decline during this period, the same was compensated by sustained growth in sectors like infrastructure, manufacturing and automobile. Government intervention in the form of fiscal stimulus helped to propel growth in the end user industry.

India is the 5th Largest producer of steel in the world and it was expected that it will become 2nd largest by 2015 on the back of the capacity addition. India is also the world's largest producer of DRI with around 21 Mn tonnes of production during 2009-10. India's per capita steel consumption is 48 kg in F.Y. 2009-10 compared to the world average of 190 kg. Within the country the semi-urban and rural sector has significant growth opportunities due to its low per capita consumption as compared to urban area.

2) Date or expected date of commencement of commercial production:

The company has purchased a land for setting up factory at Valsad in the state of Gujarat for producing steel products. The Company is working on the plan to start the factory soon. The Commercial Production is expected to commence in this financial year.

3) Financial Performance:

The Company is presently trading in broad range of steel products, including C.R. Coils & Sheets, C.T.D. Bars, H.R. Sheets & Plates and Hot Rolled Steel Plates, Ingot irons M.S. Plates, Angles, Channels, Chequered Plates, Wires, T.M.T Bars, Rebars and Tor Steel, Stainless Steel and other Alloy Steels and importing & trading in Aluminum Scrap.

The turnover of the Company rose from Rs. 278,817,031/- in the previous year to Rs. 1,236,847,240/- in the year under review. However the Profit after tax marginally decreased from Rs. 7,821,648/- in the previous year to Rs. 7,727,354/- for the year ended March 31, 2010, due to high material cost and tight margins arising out of the global recession.

4) Foreign Exchange:

During the year ended March 31, 2010, the company has imported Aluminum Products and traded in India. There was no export and the total foreign expenditure was Rs. 36,40,089/-

II. INFORMATION ABOUT THE MANAGERIAL PERSON BEING APPOINTED

1) Background:

Mr. Abhishek Mehta has done his Masters in Computer Science and provided Data warehouse solutions. He has Performed operations on different database – Oracle 8i / SQL 2000, 2005 / AS400 Applications and used to interact with Database and perform bulk transactions – Informatica 7.0 / Toad. He has over 2 years of experience in Aluminum Industry manufacturing Aluminum Ingots. He has demonstrated leadership capabilities in business development and is highly successful in developing & implementing Business Plans.

2) Past Remuneration:

The company has been paying Mr. Abhishek Mehta, a remuneration of Rs. 2,00,000/- p.m. subject to the approval of the shareholders.

3) Job Profile:

Mr. Abhishek Mehta is currently director of the company and has a good experience in the Iron & Steel business. Since the company has diversified into the steel business, his experience will help the company in its growth prospects. He is suitable for the job of Managing Director and will be a turning point for the company.

4) Remuneration Proposed:

I. Fixed Compensation:

Fixed Compensation shall include Basic Salary and the Company's Contribution to Provident Fund and Gratuity Fund.

The Basic Salary shall be in the range of Rs. 2,00,000/- per month, payable monthly. The Annual Basic Salary and increments will be decided by the Remuneration Committee/Board of Directors depending on the performance of the Managing Director, the profitability of the Company and other relevant factors.

II. Performance Linked Variable Remuneration (PLVR):

Performance Linked Variable Remuneration for each of the financial years as may be decided by the Remuneration Committee/Board of Directors of the Company based on Economic Value Added in the business and other relevant factors and having regard to the performance of the Managing Director for each year.

III. Flexible Compensation:

In addition to the Fixed Compensation and PLVR, the Managing Director will be entitled to the following allowances, perquisites, benefits, facilities and amenities as per rules of the Company and subject to the relevant provisions of the Companies Act, 1956 (collectively called “perquisites and allowances”).

These perquisites and allowances shall be granted to the Managing Director as per the rules of the Company and in the manner as the Board may decide.

- i. Housing i.e. unfurnished residential accommodation and House Rent Allowance at applicable rate as per Company's rules OR House Rent Allowance as per Company's rules;
- ii. Furnishing at residence;
- iii. Supplementary Allowance;
- iv. Leave Travel Assistance;
- v. Payment/reimbursement of medical expenses for self and family;
- vi. Payment/reimbursement of Food Vouchers, petrol reimbursement;
- vii. Company cars with driver for official use, provision of telephone(s) at residence;
- viii. Payment/reimbursement of telephone expenses / electricity / gas expenses;
- ix. Housing Loan, Contingency Loan as per rules of the company. These loans shall be subject to Central Government approval, if any;
- x. Earned/privilege leave, on full pay and allowance, not exceeding 30 days in a financial year. Encashment/accumulation of leave will be permissible in accordance with the Rules specified by the Company. Casual/Sick leave as per the rules of the Company;
- xi. Encashment of leave, club facilities, group insurance cover, group hospitalisation cover and group accident cover.
- xii. Such other perquisites and allowances as per the policy/rules of the Company in force and/or as may be approved by the Board from time to time.

Explanation

- i) For the Leave Travel Assistance and reimbursement of medical and hospitalization expenses, ‘family’ means the spouse and dependent children and dependent parents.
- ii) Perquisites shall be evaluated at actual cost or if the cost is not ascertainable the same shall be valued as per Income Tax Rules.

IV. Overall Remuneration:

The aggregate of salary and perquisites as specified above or paid additionally in accordance with the rules of the Company in any financial year, which the Board in its absolute discretion pay to the Managing Director from time to time, shall not exceed the limits prescribed from time to time under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being, be in force.

6) Comparative Remuneration profile with respect to industry:

Company	Managing Director	Market Size (In Crores)	Remuneration paid in the year 2009-10 (in lacs)
Tata Steel	Mr. B. Muthuraman (up to 30.09.2009)	887.41	400.82
	Mr. H. M. Nerurkar (from 01.10.2009)		301.27
Visa Steel	Mr. Vishal Agarwal	110.00	168.66
JSW Steel	Mr. Sajjan Jindal	527.11	14250

Note: The above details of the remuneration are as per the Annual Report of the respective companies for the year 2009-10.

7) Pecuniary relationships with the company:

Mr. Abhishek Mehta belongs to the promoter group of the company and does not have any pecuniary relationship with any of the managerial person.

III. OTHER INFORMATION

1) Reasons of inadequate profits:

The company was in the packaging business in the past which has become unsustainable considering the current scenario of the packaging industry. The company made efforts to improve the performance of the company in terms of sales and profits but could not succeed due to stiff competition in the Packaging Industry and the impact of global recession. Therefore the company was not able to increase its profits on year on year basis.

2) Steps taken to improve the performance:

In order to improve the performance, the company has diversified into the business of Iron and Steel considering the good growth prospects in the steel industry and to attain long term sustainability.

Considering the performance of Indian steel economy, Iron and Steel business will help the company to achieve its long term objectives and improve its performance in terms of sales, profits, etc.

3) Expected increase in productivity and profits in measurable terms:

The turnover of the Company is projected to increase to nearly about 1,503,800,000/- in the financial year 2010-2011 as against the turnover in the current financial year under the purview. Likewise the net profit of the Company is projected to be increased on the similar proportion amounting nearly to about Rs. 95,00,000/- in the financial year 2010-2011.

ITEM 7 :

The Board of Directors desires to change the name of the Company to **ACCLAIM INDUSTRIES LIMITED** to reflect the true business activities of the Company.

Therefore the Board of Directors of the Company is of the view that the name of the Company should be changed from **"ELPRO PACKAGING LIMITED"** to **"ACCLAIM INDUSTRIES LIMITED"**. The new name has been approved by the Registrar of Companies, Maharashtra, Pune. According to section 21 of the Companies Act, 1956 the Company required to pass the Special Resolution in the General Meeting for change of name. Hence, the Board of Directors places the above resolution for the approval of the members.

ITEM 8 :

Section 293(1)(e) of the Companies act, 1956, inter alia, provides the any amount contributed to any charitable or other funds not directly relating to the business of the Company or the welfare of the employees, the aggregate of which exceeds Rs. 50,000 or 5% of the Company's average net profits as determined in accordance with the provisions of Section 349 and 350 of the Companies Act, 1956 during the 3 financial years immediately preceding the year in which the contribution has been made needs the approval of the members of the Company. The Board of directors consider that keeping in view the Company obligations to the Society at large and other social welfare and charitable funds / causes the limits provided under Section 293(1)(e) of the Companies Act, 1956 requires upward revision.

The Company intends to donate from time to time to various charities in the current financial year subject to maximum of Rs.10,00,000/-. This resolution is therefore recommended for your acceptance.

None of the Directors of the Company is concerned or interested in this resolution.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have great pleasure in presenting the 18th Annual Report together with the Audited Accounts for the year ended on March 31, 2010.

FINANCIAL RESULTS

	Year Ended 31.03.2010 Amt in Rs.	Year Ended 31.03.2009 Amt in Rs.
Sales & Other Income	1,236,943,455	279,258,329
Less : Expenditure	1,235,129,755	291,462,762
Depreciation	179,650	4,713
Profit / (Loss) before tax and appropriations	9,527,354	7,921,793
Less: Provision for Tax	1,800,000	94,945
Less: Provision for FBT	---	5,200
Profit / (Loss) after tax	7,727,354	7,821,648
Add: Balance brought forward from previous year	(134,608,340)	(142,429,988)
Surplus / (Deficit) carried to BalanceSheet	(126,880,986)	(134,608,340)

DIVIDEND

Though the Company earned net profit of Rs.7,727,354 during the year, but due to huge carry forward losses and deficit your directors did not recommend dividend for the year ended March 31, 2010 for both equity and preference shares.

OPERATIONS

The Company is presently trading in broad range of steel products, including C.R. Coils & Sheets, C.T.D. Bars, H.R. Sheets & Plates and Hot Rolled Steel Plates, Ingot irons M.S. Plates, Angles, Channels, Chequered Plates, Wires, T.M.T Bars, Rebars and Tor Steel, Stainless Steel and other Alloy Steels and importing & trading in Aluminum Scrap. The Company would be starting manufacturing activity shortly.

The turnover of the Company rose from Rs. 299,389,268/- in the previous year to Rs. 1,244,836,760/- in the year under review. However the Profit after tax marginally decreased from Rs. 7,821,648/- in the previous year to Rs.7,727,354/- for the year ended March 31, 2010, due to high material cost and tight margins arising out of the global recession.

CAPITAL

The Company's present equity paid up capital stands at Rs.49,870,500/- comprising 50,00,000 equity shares of Rs. 10/- which is listed on Bombay Stock Exchange. The Company's paid up Preference Shares Capital stands at Rs. 131,600,000 comprising of 13,16,000 9% Cumulative Redeemable Preference Shares of Rs.100 each.

BOARD OF DIRECTORS

Mr. Pandurang Nawghane and Mr. Krishnat Desai were appointed as Additional Directors by the board and their appointment as director liable to retire by rotation is being sought in the ensuing Annual General Meeting, on being demanded by members for which necessary notices have been received by the Company.

Mr. Karsan Chitroda, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re- appointment.

Mr. Promod Agarwal, Additional Director resigned on 16/04/2009 and Mr. R. A. Redkar, Mr. P. K. Rajgopal and Mr. Sunil Khandelwal Directors of the Company resigned from the directorship of the Company w.e.f. 11/08/2010. The Board wishes to place on record their appreciation for the services rendered by them during their tenure with the Company.

CORPORATE GOVERNANCE

The Company has taken proactive steps to ensure that the conditions of Corporate Governance stipulated in Clause 49 of the Listing Agreement with the Stock Exchange are complied with. A separate report on Corporate Governance together with Auditors' Certificate on its compliance are included in the Annual Report.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors confirm that:

- 1] In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- 2] Appropriate accounting policies have been selected and applied consistently and judgments and estimates wherever made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the March 31, 2010.
- 3] Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 4] The Annual Accounts have been prepared on a going concern basis.

AUDITORS

Messrs. Arvind Darji Associates, Chartered Accountants, the retiring Auditors have not sought re-appointment. It has been proposed to appoint Messrs. AMD & Company, Chartered Accountants as Auditors of the Company. The Company has received a Certificate from them that they are qualified under Section 224 (1) of the Companies Act, 1956 for appointment as Auditors of the Company. Members are requested to consider their appointment at a remuneration to be decided by the Board of Directors for the financial year ending March 31, 2010 as set out in the Notice convening the Meeting.