

A black and white photograph of a person sitting on a rocky ledge, looking out over a vast landscape under a cloudy sky. The image is framed by a large white semi-circle on the left side.

A vision of achievement...

Acclaim Industries Limited

19th
Annual Report

2011

19TH ANNUAL REPORT 2010 - 2011

BOARD OF DIRECTORS :

Mr. Abhishek Mehta

Managing Director

Mr. Karsan K. Chitroda

Director

Mr. Pandurang Nawghane

Director

Mr. Krishnat Desai

Director

Mr. Ankit Pathak

Director (w.e.f. 01-07-2011)

AUDITORS :

AMD & CO.,

Chartered Accountants

Bankers :

Union Bank of India

Bank of India

Registered Office :

Flat No. 13, Saubhagya Apts., 3rd Floor,

Pavananagar, Chinchwadgaon,

Dist. Pune – 411033

Sales Office :

H/132, Raj Arcade, Mahavir Nagar,

Kandivali (W), Mumbai - 400 067

Equity Shares

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 :

WEDNESDAY, 28TH DAY OF SEPTEMBER, 2011

TIME :

11.00 A.M.

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 19th Annual General Meeting of the members of ACCLAIM INDUSTRIES LIMITED will be held on Wednesday, the 28th day of September, 2011 at 11.00 am at the Registered Office of the Company at Flat No. 13, Saubhagya Apts., 3rd Floor, Pavananagar, Chinchwadgaon Dist. Pune - 411033 to transact the following business:

ORDINARY BUSINESS:

- 1] To receive, consider and adopt the Audited Balance Sheet as at March 31, 2011 and Profit and Loss Account for the year ended March 31, 2011 together with the Reports of the Directors and Auditors thereon.
- 2] To appoint a Director in place of Mr. Abhishek Mehta, who retires from office by rotation, and being eligible offers himself for re-appointment.
- 3] To appoint a Director in place of Mr. Krishnat Desai, who retires from office by rotation, and being eligible offers himself for re-appointment.
- 4] 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

- 5] To consider, and if thought fit, to pass, with or without modification as an **Ordinary Resolution** :
"RESOLVED THAT Mr. Ankit Pathak who was appointed as an Additional Director at the meeting of the Board of Directors held on July 01, 2011 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. Ankit Pathak 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."

Registered Office
ACCLAIM INDUSTRIES LIMITED
 Flat No. 13, Saubhagya Apts.,
 3rd Floor, Pavananagar,
 Dist. Pune - 411033
 30th July, 2011

For and behalf of the Board of Directors
Acclaim Industries Limited

Sd/-

Abhishek Mehta
 Managing Director

NOTES:

- 1] A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THAT PROXY NEED NOT BE A MEMBER OF THE COMPANY.
 THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED NOT LESS THAN FORTY-EIGHTY HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 2] The register of Members and the Share Transfer Books of the Company will remain closed from Wednesday September 21, 2011 to Wednesday, September 28, 2011 [both days inclusive].
- 3] Members who desire to seek any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at least seven days before the date of the meeting so that the requested information can be made available at the time of the meeting.
- 4] Members / Proxies are requested to please bring their copies of the Annual Report to the meeting since copies of the Annual Report will not be distributed at the meeting.
- 5] The Company its shares are listed on the Bombay Stock Exchange
- 6] Members holding Shares in Physical form are requested to notify immediately any change in their address with PIN CODE to the Registrar and Transfer Agent of the Company at the address given below and in case their shares are held in Demat, this information should be passed on directly to their respective Depository Participants and not to the Company.
- 7] All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all working days except public holidays between 11.00 am and 1.00 pm upto the date of the Annual General Meeting.

- 8] Members / Proxies holding their Shares in Physical mode are requested to fill the enclosed attendance slip and handover the same at the entrance with signature. In the absence thereof, they may not be admitted to the meeting venue.
- 9] Members who are holding shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification at the meeting.
- 10] In all correspondence with the Company, members are requested to quote their Folio No. and in case their shares are held in Demat form, they must quote their DP ID and Client ID Number.
- 11] the explanatory statement U/s. 173 of the Companies Act, 1956 is enclosed herewith.

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

ITEM 5 :

Mr. Ankit Pathak has been appointed as an additional director of the Company pursuant to section 260 of the Companies Act, 1956 on July 01, 2011 and would hold office till the date of the ensuing Annual General Meeting.

Mr. Ankit Pathak has about 4 years of Experience in the marketing of Metal Industry. He is highly successful in developing & implementing Business Plans driving high value revenue and profit gains, large scale cost saving.

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. Ankit Pathak 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.

Details of the Directors proposed to be appointed/re-appointed as a Director of the Company at the Forthcoming Annual General Meeting.

(In pursuance of Clause 49(VI)(A) of the Listing Agreement)

a) Abhishek Mehta

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.

Mr. Abhishek Mehta is currently Managing Director of the company and has a good experience in the Iron & Steel business. His valuable contribution has helped the company in growth and expansion of its business activities.

b) Krishnat Desai

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.

c) Ankit Pathak

Mr. Ankit Pathak has about 4 years of Experience in the marketing of Metal Industry. He is highly successful in developing & implementing Business Plans driving high value revenue and profit gains, large scale cost saving.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have great pleasure in presenting the 19th Annual Report together with the Audited Accounts for the year ended on March 31, 2011.

FINANCIAL RESULT

	Year Ended 31.03.2011	Year Ended 31.03.2010
	Amt in Rs.	Amt in Rs.
Sales	2,877,158,145	1,236,847,240
Other Income	33,470,758	79,89,520
Less : Expenditure	2,879,936,330	1,235,129,755
Depreciation	653,779	179,650
Profit / (Loss) before tax and appropriations	30,038,794	9,527,355
Less: Provision for Tax	6,600,000	1,800,000
Less: Deferred Tax liability	722,883	-
Profit / (Loss) after tax	22,715,911	7,727,355
Add: Balance brought forward from previous year	(126,880,985)	(134,608,340)
Surplus / (Deficit) carried to Balance Sheet	(104,165,074)	(126,880,985)

DIVIDEND

Though the Company earned net profit of Rs. 22,715,911 during the year, but due to huge carry forward losses and deficit your directors did not recommend dividend for the year ended March 31, 2011 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, Ingots, 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. 1,236,847,240/- in the previous year to Rs. 2,877,158,145/- in the year under review. The Profit after tax marginally increased from Rs. 7,727,355/- in the previous year to Rs. 22,715,911/- for the year ended March 31, 2011.

CAPITAL

The Company's present equity paid up capital stands at Rs.49,924,900/- 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. Ankit Pathak was appointed as Additional Directors by the board and his 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 notice have been received by the Company.

Mr. Abhishek Mehta and Mr. Krishnat Desai, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

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 is included in the Annual Report.

CHANGE OF NAME

The Company has changed its name from Elpro Packaging Limited to Acclaim Industries Limited during the year in order to reflect its true business activities.

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, 2011.
- 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.AMD & Co., Chartered Accountant, the retiring Auditors have expressed their willingness to be re-appointed. It has been proposed to reappoint Messrs. AMD & Co., 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, 2011 as set out in the Notice convening the Meeting.

AUDITORS' OBSERVATIONS

The observations of the Auditors contained in their Report are self explanatory and does not require any clarification.

AUDIT COMMITTEE

In accordance with the provisions of the Section 292A of the Companies Act, 1956 and the Corporate Governance requirements as per the Listing Agreement, the Company has re-constituted the Audit Committee comprising of the following Directors viz., Mr. Krishnat Desai, as Chairman, Mr. Karsan Chitroda and Mr. Pandurang Nawghane as members. The Audit Committee acts in accordance with the terms of reference specified from time to time by the Board.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company has taken effective steps to conserve and minimize power and fuel consumption. The Company has not exported any goods during the year but the company has imported goods during the year. Foreign Exchange Earning was Nil and Outgoing was Rs. 84,39,212/-.

PARTICULARS OF EMPLOYEES

None of the employees of the Company come within the purview of the information required u/s 217[2A] of the Companies Act, 1956 read with the Companies [particulars of Employees] Rules, 1975 as amended from time to time.

RESEARCH & DEVELOPMENT

The Company has been arduously working to improve the R & D so as to provide quality and value for money to the customers in keeping with market trends.

FIXED DEPOSITS

Your Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 from Public and the rules made there under.

SAFETY, ENVIRONMENTAL CONTROL AND PROTECTION

The Company has taken all the necessary steps for safety and environmental control and protection.

ACKNOWLEDGMENT

The Directors wish to convey their appreciation to the Company's Shareholders, Customers, Suppliers, Bankers, and Distributors for their support they have given to the Company over the past years and the confidence, which they have reposed in its management and the employees for the commitment and dedication shown by them.

Registered Office
ACCLAIM INDUSTRIES LIMITED
 Flat No. 13, Saubhagya Apts.,
 3rd Floor, Pavananagar, Chinchwadgaon
 Dist. Pune - 411033
 30th July, 2011

For and behalf of the Board of Directors
Acclaim Industries Limited

Sd/-
 Abhishek Mehta
 Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS**OVERVIEW**

During the financial year 2010-11, the Company has achieved healthy growth in sales and profitability and is poised to emerge as a stronger Company to deliver enhanced shareholder value over the coming years.

Your Company registered a good performance during 2010-11 with a 293% growth in PAT to Rs. 22,715,911 which is exceptionally well and looking ahead to continue the same trend.

(1) Global Economy

The global economy has witnessed a sustained growth largely driven by the additional stimulus and bail out packages announced by various countries which has created liquidity and stimulated demand, leading to the recovery in the US and Europe. The Chinese and Indian economies have been the fastest economies. However, this has led to inflationary pressures which have forced central bank to raise interest rates.

The steel industry has also seen a reasonable growth in demand and increase in production volumes especially in China and India. However, this has once again put pressure on raw material availability and prices. The floods in Queensland, Australia have put further pressure on the prices of Coking Coal which has increased from USD 200 per MT levels to USD 300 per MT levels. Due to the volatility in Coking Coal prices over the last couple of years, there has been a shift in pricing mechanism for Coking Coal from annual to quarterly to partly monthly benchmark prices. This has resulted in volatility in prices of iron and steel products as well. China continues to drive the global steel industry with a production of approx. 630 million tons in 2010 which equates to approx. 45% of global Steel production.

Chinese Steel demand continues to be driven by large capital expenditure and government infrastructure projects across the country. However, it is expected that the production growth for steel in the current decade will slow down, which should reduce raw material prices.

(2) The Indian Steel Industry

The Indian economy grew at 8.6% in 2010-11 against 7.2% last year which shows a remarkable growth. The economy is likely to grow at over 8% over the next decade driven by the infrastructure (power, road, railways, ports etc.) and consumption (automobile, real estate etc.) sectors which will result in robust growth in demand for various iron and steel products.

The States of Orissa, Chhattisgarh and Jharkhand which account for majority of the iron ore and coal reserves in the country will remain the most attractive locations for setting up iron and steel manufacturing capacity in the coming years.

OPPORTUNITIES, THREATS, RISKS, CONCERNS AND OUTLOOK**Opportunities**

Your Company is poised to seize the opportunities in the Iron & Steel Industry (both for steel & intermediary saleable products) through its strengths of locational and logistical advantages, raw material linkages, technology edge and management expertise. These opportunities will be linked directly to the growing demand from the automobile and auto components, infrastructure, construction and power sectors. Your Company's strategic location offer scope for seamless value addition in its manufacturing process from hot metal to stainless steel.

Threats

The threats for your Company would come from adverse fluctuations in input and capital costs, foreign exchange variations and taxes & duties. The buoyancy in the Iron & Steel Sector has attracted many players, resulting in reduced availability of skilled manpower and contractor workforce. Delay in implementation of project may lead to opportunity loss in revenue generation and rise in costs.

Risk Management

Your Company has identified major focus areas for risk management to ensure organisational objectives are achieved and has a well defined structure and proactive approach to assess, monitor and mitigate risks associated with these areas, briefly enumerated below:

- a) Project implementation – Project status is monitored on a regular basis by the project management team to counter slippages and reviewed on a monthly basis by the executive management. Consultants are present on-site for mitigating contingencies on the implementation front. Necessary coverage has been taken in the form of an extensive Erection All Risk Policy.

- b) Foreign Exchange – Your Company deals in sizeable amount of foreign exchange in imports of capital items and raw materials and exports of finished products. A comprehensive and robust forex policy has been formulated for insulating the Company by hedging foreign exchange exposure.
- c) Statutory compliances – Procedure is in place for monthly reporting of compliance of statutory obligations and is reported to the Board of Directors at its meetings.

Outlook

India has immense potential for creating new steel capacity. Indian per capita steel consumption is presently very low compared to world average which further re-confirms the opportunities for steel demand to continue accelerating in the times ahead. Your Company with a well diversified product portfolio is well poised to take advantage of the growth in the demand for Special Steel products, Coke and Ferro Chrome.

PERFORMANCE OF THE COMPANY

The Company had an overall good performance in the year ended March 31, 2011. The current business of the company is trading in steel and iron 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. The Company is also importing and trading in Aluminum Scrap.

The Company has established a Factory at Valsad, Gujarat during the year for manufacturing of Iron & Steel Products which will be operational shortly. This will help the Company for sustaining in the long run in the competitive steel industry.

HUMAN RESOURCES

The Company recognizes the need for continuous growth and development of its employees in order to provide greater job satisfaction and also to equip them to meet growing organizational challenges.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

Internal Control Systems are designed to ensure the reliability of financial and other record and accountability of executive action to the management's authorization. The Statutory Auditors have evaluated the system of internal controls of the Company and have reported that the same are adequate and commensurate with the size of the Company and nature of its business.

The internal control systems are reviewed by the top Management and by the Audit Committee of the Board and proper follow up action ensured wherever required.

CAUTIONARY STATEMENT

Statement in the Management Discussion and Analysis describing the Company's objectives, expectations, estimates or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, input availability and prices, changes in Government regulations, tax laws, economic developments with in the country and other incidental factors. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis, of any subsequent developments, events or information.

REPORT ON CORPORATE GOVERNANCE

1] COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The main object of Corporate Governance is to create transparency and full disclosure regarding the working of the Company. Corporate Governance's aim is to create long-term value for all stakeholders viz. investors, employees, creditors, customers, Government and society at large. It is crucial to the progress of every business enterprise as it builds confidence and trust, which eventually leads to a more stable and sustained resource flow and long-term partnership with its investors and other stakeholders. The Company firmly believes in and continues to practice good corporate Governance. The Company's essential character is shaped by the very values of transparency, professionalism and accountability. The Company continuously endeavors to improve on these aspects on an ongoing basis. The disclosures required by Clause 49 of the Listing Agreement are as under:

2] BOARD OF DIRECTORS

As per the listing Agreement the Board should have an optimum combination of both Executive and Non-Executive Directors, and at least one half of the Board has to comprise of independent Directors where the Chairman is Executive.

The Board of your Company as on March 31, 2011 has four directors out of whom 2 were Non-Executive while one was Managing Director and one was Executive Director.

The details of composition of the Board, category, attendance of Directors at Board Meetings and last Annual General Meeting, number of other Directorships and other Committee Memberships are given below:

Category		No. of Board Meeting Attended	Attendance At Last AGM	No. of Other Directorships Held Position As on 31.03.11	Outside Committee Held As on 31.03.11	
Mr. Abhishek Mehta	PROMOTER / ED	17	YES	7	Nil	Nil
*Mr. R.A. Redkar	IND/NED	9	NO	1	Nil	Nil
*Mr. P. K. Rajagopal	IND/NED	9	NO	Nil	Nil	Nil
*Mr. Sunil Khandelwal	IND/NED	9	NO	Nil	Nil	Nil
Mr. Karsan K. Chitroda	IND/ED	17	YES	1	Nil	Nil
@Mr. Pandurang Nawghane	IND/NED	10	YES	Nil	Nil	Nil
@Mr. Krishnat Desai	IND/NED	10	YES	2	Nil	Nil

@Appointed as Additional Directors w.e.f. 01/08/2010 and Appointed as Directors in the last AGM.

*Resigned from the Board w.e.f. 11/08/2010

- NED stands for Non Executive Director; ED Stands of Executive Director AND IND for Independent Director.
- During the financial year ended March 31, 2011, Board meetings were held on April 17, 2010, April 30, 2010, May 01, 2010, June 22, 2010, July 07, 2010, July 31, 2010, August 01, 2010, August 03, 2010, August 11, 2010, August 23, 2010, September 14, 2010, October 30, 2010, November 17, 2010, January 01, 2011, January 31, 2011, February 12, 2011 and March 15, 2011.

3] COMMITTEES OF DIRECTORS

Non Executive Directors provide guidance to operating management on policy matters as well as in monitoring the actions of operating management. This involvement provides regular exchange of information and ideas between the non-executive Directors and the operating management.

To conform to the requirement of clause 49 of the Listing Agreement with the Stock Exchange and Companies Act, 1956, the Board has constituted the required Committees.

3.1] AUDIT COMMITTEE

The Company has a qualified and independent Audit Committee comprising of 2 Non Executive Director. The broad terms of reference of the Audit Committee are in consonance with the provisions of Clause 49 of the Listing Agreement.

The Committee held 4 meetings during the year on April 30, 2010, July 31, 2010, October 30, 2010 and January 31, 2011.

The names of Members of the present Committee and their attendance are as follows:

Name of the Members	Status	No. of Meetings Attended
Mr. Krishnat Desai	CHAIRMAN	2
Mr. Pandurang Nawghane	MEMBER	2
*Mr. Sunil Khandelwal	MEMBER	2
*Mr. R.A. Redkar	MEMBER	2
*Mr. P. K. Rajgopal	MEMBER	2
Mr. Karsan Chitroda	MEMBER	2

*Resigned from directorship w.e.f. 11/08/2011

Terms of reference:

All the members of Audit Committee are financial literate and have accounting and financial management expertise.

The Committee invites Senior Management personnel and statutory auditors to attend these meetings.

The functions of the Audit Committee include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
3. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
4. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
5. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
6. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
7. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors any significant findings and follow up there on.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
14. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee has reviewed the following information:

1. Management Discussion & Analysis of financial condition and results of operations.
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management
3. Internal Audit Reports relating to internal control weaknesses

3.2] REMUNERATION

Although Remuneration Committee has been constituted by the Company, all matters relating to review and approval of compensation payable to the Executive and Non Executive Directors are considered by the Board within the overall limits approved by the Members.