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MURLI AGRO PRODUCTS LIMITED



MURLI AGRO PRODUCTS LIMITED

13th ANNUAL GENERAL MEETING

Thursday, the 30th September 2004,
at 10.00 a.m. at the
Registered Office of the Company

REGISTERED OFFICE

101, Jai Bhavani Society,
Central Avenue, Wardhaman Nagar,
Nagpur - 440 008.
Phones : 0712 - 2768912
Fax : 0712 - 2761145
E-Mail : maloo_ngp@sancharnet.in

BOARD OF DIRECTORS

Sobhagmal Maloo, Chairman, Promoter
Nandlal Maloo, Managing Director, Promoter
Bajranglal Maloo, Director, Promoter
Lalchand Maloo, Director, Promoter
Sunil Kumar Maloo, Director, Promoter
Yashpal Dhiman, Director, Non Promoter

AUDITORS

Demble Ramani & Co.,
Chartered Accountants,
Abhyankar Road, Sitabuldi, Nagpur.

FINANCIAL ADVISORS

Anand Chandak & Co.,
Chartered Accountants,
Nagpur.

BANKERS & FINANCIAL INSTITUTION

Bank of Baroda
State Bank of Hyderabad
State Bank of India
Punjab National Bank
Shikshak Sahakari Bank Limited
SICOM

MANUFACTURING FACILITIES

Agro Unit - I

M.I.D.C. Industrial Area,
Hingna Road, Nagpur.

Agro Unit - II

Umred-Durkheda Road, Umred
Dist - Nagpur.

Duplex Unit

Village Vadoda, Tahsil - Kamptee,
Dist. - Nagpur.

Newsprint Unit

Village Vadoda, Tahsil - Kamptee,
Dist. - Nagpur.

Co-generation Unit

Village Vadoda, Tahsil - Kamptee,
Dist. - Nagpur.

Writting & Printing & 15MW

Co-Generation Unit

Village Vadoda, Tahsil - Kamptee,
Dist. - Nagpur.



MURLI AGRO PRODUCTS LIMITED

NOTICE

NOTICE is hereby given that **Thirteenth Annual General Meeting** of the Members of **MURLI AGRO PRODUCTS LIMITED** will be held on Thursday, the 30th September, 2004 at the Registered Office of the Company at 101, Jai Bhavani Society, Central Avenue, Wardhman Nagar, Nagpur - 440008, at 10:00 AM to transact the following business as :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2004 and the Profit and Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Bajranglal Maloo, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Lalchand Maloo, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint M/s Demble Ramani & Co., Chartered Accountants, who shall hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS :

ITEM NO.: 5

To consider and if thought fit, to pass the following resolution, with or without modification(s) as **Special Resolution** :

"RESOLVED THAT since it is not beneficial in the interest of the company as well as the shareholders to continue listing with Delhi, Kolkata and Jaipur Stock Exchange from view point of both costs and various compliances, the shares of the company be delisted from these exchanges.

RESOLVED FURTHER THAT a copy of this resolution be submitted to all the three stock exchanges for necessary action".

By Order of The Board of Directors
For Murli Agro Products Limited

Place : 101, Jai Bhavani Society,
Wardhman Nagar, Nagpur-440008

Dated : 30th August 2004.

Compliance Officer

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxy in order to be effective, must be deposited at the Company's Registered Office at 101, Jai Bhavani Society, Central Avenue, Wardhman Nagar, Nagpur 440008, not less than 48 hours before the commencement of the Meeting.
3. The Register of Members and Share transfer Book of the Company will remain closed from 27th September 2004 to 30th September 2004 (Both days inclusive).
4. All communication relating to the shares are to be addressed to the Company Secretary at the Company's Registered Office at 101, Jai Bhavani Society, Central Avenue, Wardhman Nagar, Nagpur 440008.
5. Members holding shares in dematerialised form are requested to bring their ID and DP ID number for easy identification of attendance at the meeting.


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ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 with respect to the Special Business mentioned in the accompanying Notice convening the Annual General Meeting of the Company.

Item No 5. The Shares of the Company are listed in Mumbai, Delhi, Jaipur & Kolkata Stock Exchange at present. Since the shares are not traded in Delhi, Jaipur and Kolkata Stock Exchange, it is not beneficial in the interest of the company as well as the shareholders to continue listing with these three stock exchanges. Hence special resolution is proposed to be passed to delist the shares from Delhi, Kolkata & Jaipur Stock Exchange.

By the Order of the Board of Directors
For Murli Agro Products Limited

Regd Off:
101, Jai Bhavani Society,
Wardhman Nagar, Nagpur 440008
30th August 2004

Compliance Officer

INVESTOR INFORMATION :

MURLI AGRO PRODUCTS LIMITED

REGD OFFICE :

101, Jai Bhavani Society, Central Avenue, Wardhman Nagar, Nagpur - 440 008
Phone : 0712-2768912 (8 Lines) Fax : 2761145 E-mail : maloo_ngp@sancharnet.in

LISTING

Equity shares listed at the Stock Exchange at Mumbai, Jaipur, Kolkata and Delhi.

DEMATERIALISATION

Trading in the securities of the Company has been brought under compulsory Demat form w.e.f. 30th October, 2000. Since then the Company has made necessary arrangement with National Securities Depository Limited and Central Depository Services (India) Limited, for Dematerialisation of Securities of the Company.

ISIN (International Security Identification Number) :

INE806B01010, activated by National Securities Depository
Limited and Central Depository Services (India) Limited.

SHARE TRANSFER & ELECTRONIC CONNECTIVITY AGENT.

Intime Spectrum Registry Ltd.,
C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West)
Mumbai 400078. Phone : 022-55555454 Fax : 55555353
Email: nikunj@intimespectrum.com

NAME OF COMPLIANCE OFFICER

Sachin Jain
Designation : Accounts Manager



MURLI AGRO PRODUCTS LIMITED

DIRECTORS' REPORT

Dear Members,

It gives us a great pleasure to present this Thirteenth Report of the Board of Directors on the state of affairs of the Company, for the year ended 31st March, 2004.

FINANCIAL HIGHLIGHTS :

(Rs. in Lakhs)

Sl. No.	Particulars	Financial Year 2003-2004	Financial Year 2002-2003
1.	Sales	35250	31493
2.	Profit Before Interest and Depreciation	1912	1735
3.	Interest	524	552
4.	Profit Before Depreciation	1388	1183
5.	Depreciation	584	592
6.	Profit Before Tax	804	591
7.	Provision for Tax	40	21
8.	Profit After Tax	764	570
9.	Profit brought forward from Previous Years	1563	758
10.	Surplus available for Appropriation	2086	1328
11.	Surplus carried forward to Balance Sheet	2086	1328

OPERATIONS :

Your Company achieved the turnover of Rs 35250 Lacs during the period under review, as compared to Rs 31493 Lacs in the previous year, marking an impressive jump of 12% over previous year. The main credit is attributable to good demand for soya products and full fledged effect of power generation unit which has the first full year of operation. The Profit after Tax is Rs 764 Lacs against Rs 570 Lacs in the previous year marking an increase of 34%. The Cash accruals are at Rs 1388 Lacs, which is again an increment of almost 17% over previous year's Rs 1183 Lacs. Your company is achieving new milestones with the perspective growth mainly due to timely decision to encash opportunities in due time.

UNIT WISE PERFORMANCE

SOLVENT EXTRACTION:

UNIT-I, MIDC & UNIT-II, UMRED

Unit I : During the period under review, the Unit produced 50416 MT of Soya DOC and 18248 MT of Refined Oil respectively, as compared to 51868 MT & 29031 MT respectively, in the previous year. The Unit recorded turnover of Rs. 13447 Lacs during the year under review, which was at Rs. 15504 Lacs in the previous year. The turnover is declined mainly due to lesser purchases of crude oil from outside and it's refining. However the profitability of the unit has been improved over the previous year.

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The Summarised Financial Results of the **Agro Unit I** is as under

(Rs. in Lacs)

Sl. No.	Particulars	Financial Year 2003-2004	Financial Year 2002-2003
1	Sales	13447	15505
2	Profit Before Interest & Depreciation	600	585
3	Interest	104	98
4	Profit Before Depreciation	496	487
5	Depreciation	51	53
6	Profit Before tax	445	434
7	Provision for Tax	30	18
8	Profit after Tax	415	416

Unit II : During the period under review, Soya DOC and Refined Oil Production was 45841 MT and 15243 MT as compared to 20857 MT & 9315 MT respectively, in the previous year. The turnover of the Unit was Rs 11823 Lacs during the year under review, which was at Rs. 6620 Lacs in the previous year.

The Summarised Financial Results of the **Agro Unit II** is as under.

(Rs. in Lacs)

Sl. No.	Particulars	Financial Year 2003-2004	Financial Year 2002-2003
1	Sales	11823	6620
2	Profit Before Interest & Depreciation	363	239
3	Interest	58	50
4	Profit Before Depreciation	306	189
5	Depreciation	46	42
6	Profit Before tax	259	147
7	Provision for Tax	-	-
8	Profit after Tax	259	147

This year, the South West Monsoon started its advance into North India during the first week of June. The Meteorological Department predicted normal monsoon this year. The predictions are proving correct as many parts of the country received good monsoon showers though little delayed but will not affect the yield of the seed. The sowing of Soyabean in Maharashtra has been completed and the total area under Soyabean Cultivation is reported to be 19.323 Lacs Hectare as against last year's figure of 15.597 Lacs Hectare i.e. an increase of about 24% in area under Soyabean Cultivation.

Due to moderate protein content & lower production of soya seeds in America & Brazil, the Soya Industry in general saw an increasing demand for De-Oiled Cakes from the foreign buyers and accordingly your Company has increased its exports to Rs. 59.67 crores. Soyameal is exported to Indonesia, Phillipine, Korea, Malasia, Vietnam & Bangladesh. This apart, the indigenous consumption of the Soya DOC which accounts for almost 50% of the turnover of these Units of the company was able to cater to the cattle feed requirements of almost whole of Southern and Central India viz. Andhra Pradesh, Karnataka, Tamilnadu, Maharashtra. During the period under review, the net per ton realization of DOC being increased as compared to the previous year, the turnover of the same has recorded an impressive growth in performance. Further, this season, Soya crop is very good with regard to Protein content and yield, indicating that in the coming times, there will be higher exports of DOC and an increased inflow of foreign exchange for your Company.

DUPLEX UNIT :

The Duplex Board manufactured by your Company has established its name all over India. The Product is very well accepted in the market. The users include most of the Giants of Consumer Goods sector and is marketed throughout the country. The Unit manufactured 26864 MT of Duplex Board, as compared to 24744 MT in the Previous Year, contributed an impressive amount of Rs. 4252 Lacs (PY Rs 3800 Lacs) in the Group Turnover. Unit has also achieved export turnover of Rs. 3.20 crores.

The Summarised Financial Results of the **Duplex Unit** is as under.

(Rs. in Lacs)

Sl. No.	Particulars	Financial Year 2003-2004	Financial Year 2002-2003
1	Sales	4252	3800
2	Profit Before Interest and Depreciation	212	318
3	Interest	100	126
4	Profit Before Depreciation	112	192
5	Depreciation	114	138
6	Profit Before tax	(2)	54
7	Provision for Tax	2	3
8	Profit after Tax	(4)	51



MURLI AGRO PRODUCTS LIMITED

KRAFT PAPER UNIT

The shareholders in their Extra Ordinary General Meeting held on 30/06/2001 have approved the sale of its Kraft Paper Unit to M/s Seth Bankatlal Maloo Industries Pvt. Ltd. The cut off date was fixed as 30/06/2001. In this regard the Agreement of Sale was executed on 27th July 2001. Since inception the said Unit is in possession and control of Shri Satyanarayan Maloo who is Managing Director of the Company and also the Promoter Director of the buyer Company. The Sale Deed is executed on 07.10.2003 and loss on sale of the said unit is accordingly accounted for in the current financial year.

NEWSPRINT UNIT :

The Newsprint Unit has picked up its sales in almost all over India. As per the requirement of the Newspaper Printing Industry, three varieties of Newsprint paper is being manufactured, which are widely in demand.

The Summarised Financial Result of the Newsprint Unit is as under.

Sl. No.	Particulars	(Rs. in Lacs)	
		Financial Year 2003-2004	Financial Year 2002-2003
1	Sales	4744	3772
2	Profit Before Interest and Depreciation	438	519
3	Interest	200	219
4	Profit Before Depreciation	238	300
5	Depreciation	235	274
6	Profit Before tax	3	26
7	Provision for Tax	7	-
8	Profit after Tax	(4)	26

There is a demand for your Company's Newsprint from Foreign countries as well. However the domestic requirement of Newsprint viz-a-viz the production capacity is more, presently the Company is not tapping Export markets. The main users of Newsprint manufactured by the Company are spread all over India. Most of prominent Newspaper publishing houses are consistently purchasing the paper from your company. The Newsprint is being accepted due to its Superior Quality and the healthy business policy of the

Company. During the year under review, the Company has sold 26324 MT of Newsprint paper. The Turnover of the Unit was at Rs 4744 Lacs. (Previous Year Rs. 3772 Lacs) showing an impressive growth of 25% over Previous year.

CO-GENERATION (POWER) UNIT :

The 3 MW Co-generation (Power) Unit has been in first full year of operation. Your company has definitely taken a bold step towards the Energy Conservation and cost cutting on overheads. The Unit is supplying power to the Newsprint and Duplex Unit and thus saving the cost overheads of these Units. During the period under review the Unit attained a Turnover of Rs 984 Lacs. (PY Rs. 164 Lacs)

The Summarised Financial Results of the Co-Generation (Power) Unit is as under

Sl. No.	Particulars	(Rs. in Lacs)	
		Financial Year 2003-2004	Financial Year 2002-2003
1	Sales	984	164
2	Profit Before Interest and Depreciation	297	10
3	Interest	62	18
4	Profit Before Depreciation	235	(10)
5	Depreciation	137	30
6	Profit Before tax	98	(40)
7	Provision for Tax	-	-
8	Profit after Tax	98	(40)

NEW PROJECT :

WRITING PRINTING PAPER UNIT AND POWER UNIT

During the year under review, your company has chalked out massive expansion plan to set up 150 TPD Writing Printing Unit & 15 MW Cogeneration Power Unit. The Unit is expected to get into stream in the second quarter of financial year 2004-2005.

FUTURE OUTLOOK

Your Company aims at a turnover of Rs.500 Crores in the ensuing financial year. The new project i.e. Writing Printing Unit will go on stream during the FY 2004-05. This expansion will increase paper production to 1 Lac Tones per annum.

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Company will also save substantially on power cost by setting up 15 MW Power Unit. Not only the volume of the business, but also the quality of the Products, commitment and concern towards the clientele and dedication to the Nation are the Prime objectives of the company.

DIRECTOR'S RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 217(2AA) of The Companies Act 1956, with respect to Director's Responsibility Statement, it is hereby confirmed that:

- (1) In the preparation of the annual accounts for the financial year ended 31st March 2004, the applicable accounting standards have been followed.
- (2) The Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were 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 and the profit and loss of the Company for the year under review.
- (3) The Directors have taken proper and sufficient care of the maintenance of adequate accounting records with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (4) The Directors have prepared the Annual Accounts on a going concern basis.

MANAGEMENT REPLIES ON THE POINTS RAISED BY AUDITORS IN THE AUDIT REPORT

1. Regarding non provision of Gratuity (Point No. 9 of Schedule-S):- Looking at the age of the company and liability not being substantial on account of gratuity, company has not provided for Gratuity. However the same may be reviewed in the future.
2. Regarding non provision of Deferred Tax Liability (Point No. 10 of Schedule-S):- Based on the consistent expansion in past and considering the future expansion plans, company has decided as a matter of policy not to provide for deferred tax liability. However the same may be reviewed in the coming time.

DIRECTOR :

Shri Bajranglal Maloo & Shri Lalchand Maloo retire at the ensuing Annual General Meeting, and being eligible offer themselves for reappointment. The board recommends their reappointment as Directors subject to retire by rotation.

AUDITOR :

M/s. Demble Ramani & Co., Chartered Accountants, Auditors of the Company, retire at the conclusion of the ensuing Annual general Meeting, and are eligible for re-appointment. They have signified their willingness to accept re-appointment and have further, confirmed their eligibility under section 224(1B) of the Companies Act 1956.

DELISTING :

At present, the shares of the company are listed in Mumbai, Delhi, Jaipur & Kolkata Stock Exchange. Since the shares are not traded in Delhi, Jaipur and Kolkata Stock Exchange, it is not beneficial in the interest of the company as well as the shareholders to continue listing with these three stock exchanges from viewpoint of both costs and various compliances. Hence the directors unanimously recommend the delisting of shares from the said three stock exchanges and for this purpose, an special resolution is proposed to be passed to delist the shares from Delhi, Kolkata & Jaipur Stock Exchange in the AGM.

PERSONNEL & INDUSTRIAL RELATION :

Inter-personnel relations in the Company remained harmonious during the period under review. As none of the employees of the Company are in receipt of the prescribed remuneration, in respect of which a disclosure under section 217 (2A) (a) of the Companies Act 1956 needs to be given, the same is not enclosed to this Report.

REPORT ON CORPORATE GOVERNANCE, MANAGEMENT DISCUSSION AND ANALYSIS :

A report on Corporate Governance as required under Clause 49 of Listing Agreement is attached.

ACKNOWLEDGEMENT :

Your Directors place on record, their sincere gratitude for the assistance, support and co-operation received from the Financial Institutions, Banks, Government & Semi Government authorities and Shareholders during the year under review. Your Directors also book an entry of praise for the dedicated and sincere employees for their reliable services.

For and on behalf of The Board of Directors
of Murli Agro Products Limited

Place : Nagpur,
Dated : 30th August 2004

Nandlal Maloo
Managing Director



MURLI AGRO PRODUCTS LIMITED

ANEXURE TO DIRECTORS' REPORT

Disclosures of Particulars in respect of conservation of Energy, Technology Absorption and Foreign Exchange Outgo Required Under The Companies (Disclosure Of Particulars In The Report Of the Board Of Directors) Rules 1988 :-

I CONSERVATION OF ENERGY

The installation of Cogeneration power plant adjacent to Duplex Unit is a very bold step taken by the Company towards the Energy conservation. The power generated by this Plant is used for captive consumption thus saving the overheads of power & conserving as well.

All other Units of the Company have already installed modern and fuel efficient equipments for conservation of energy in the operations.

:: FORM "A" ::

(a) Power and Fuel Consumption :

	2003-2004	2002-2003
Products	De-oiled Cake, Refined Oil Duplex Board, Newsprint & Power	De-oiled Cake, Refined Oil M.G. Kraft Paper, Duplex Board & Newsprint
1. ELECTRICITY		
(i) Purchased		
Units KWH (Lacs)	135.51	321.27
Total Amount (Rs. Lacs)	455.49	1158.00
Rate/Unit (Rs.)	3.36	3.60
(ii) Own Generation (MW)	23065	3412
2. COAL :		
Steam Coal (MT)	57923	42231
Total Cost (Rs. Lacs)	795.63	534.65
Avg. Rate Rs/MT	1373.60	1263.18
3. OTHER / INTERNAL GENERATIONS .	Nil	Nil

(b) Consumption per unit of Production :

	2003-2004	2002-2003
Products	De-oiled Cake, Refined Oil Duplex Board, Newsprint & Power	De-oiled Cake, Refined Oil M.G. Kraft Paper, Duplex Board & Newsprint
Electricity KWH	200	189.113
Steam Coal MTS	0.32	0.08
Others	Nil	Nil

II TECHNOLOGY ABSORPTION

* Research and Development (R & D) :

R&D is a regular activity in the Company which goes on as per the market requirement. However there were no specific R & D activities undertaken during the period under review.

* Technology Absorption, Adaptation and Innovation :

Company has already installed the latest technology available in the technical field, however it continuously attempts to induce new innovations for increasing the production capacities and for better quality of products. In the Duplex, Newsprint and the upcoming Writting Printing paper unit, the Company has used latest Imported machineries along with their technology to improvise upon the manufacturing process of products.

III FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company exported 48267 MT Soya DOC & Paper Board to various South East Asian Countries like Indonesia, Philippines and Korea. Total Export turnover on FOB Basis was Rs. 6287 Lacs.

However foreign exchange outgo was on account of Import of Waste paper for Company's Duplex Board, Newsprint for the current and previous year and for M.G.Kraft unit for previous year.

	2003-2004	2002-2003
Foreign Exchange Earnings :		
FOB Value of Exports (in lacs)	INR 5175.30	INR 538.83
FOB Value of Exports (in Mill.)	USD 11.39	USD 1.12
Foreign Exchange Outgo :		
CIF Value of Imports (in Lacs)	INR 8184	INR 6528.79
CIF Value of Imports (in Mill.)	USD 17.98	USD 14.34

For and on behalf of The Board of Directors
of Murli Agro Products Limited

Place : Nagpur
Dated : 30th August 2004.

Nandlal Maloo
Managing Director



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REPORT ON CORPORATE GOVERNANCE

1. THE COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company firmly believes in and has consistently endeavored to practice good corporate governance. The Company's philosophy on Corporate governance envisages the attainment of the highest levels of transparency, professionalism and accounting ability in all facets of its operation, and in all its interactions with its stake holders, including shareholders employees, the government, Banks and Financial Institution. The Company will endeavor to improvise on these aspects on ongoing basis.

2. BOARD OF DIRECTORS

The Board of Directors consists of Six Directors as under

Promoter / Non executive Chairman : Shri Sobhagmal Maloo

Promoter / Executive Director : Shri Nandlal Maloo, Managing Director
Shri Bajranglal Maloo
Shri Lalchand Maloo
Shri Sunil Kumar Maloo

Non Promoter /Executive : Shri Yashpal Dhiman

Attendance of each Director at the Board Meeting, last Annual General Meeting & number of other Directorship / Chairmanship of Committee of each Directors in various Companies.

Name of Director	Attendance Particulars		No. of Other Directorships and Committee Member / Chairmanship		
	Board Meeting	Last AGM	Other Directorship including Pvt. Ltd. Co.	Other Committee Membership	Other Committee Chairmanship
Shri Sobhagmal Maloo	15	Yes	None	None	None
Shri Satyanarayan Maloo (Upto 7/10/2003)*	No	No	2	None	None
Shri Nandlal Maloo	15	Yes	2	3	3
Shri Bajranglal Maloo	15	Yes	2	2	None
Shri Lalchand Maloo	15	Yes	2	1	None
Shri Sunil Kumar Maloo	15	Yes	2	1	None
Shri Yashpal Dhiman	15	Yes	None	2	None

* Shri Satyanarayan Maloo has resigned on 7/10/2003 from the Board

Number of Board Meetings held and the dates on which held.

Fifteen Meetings of Board of Directors were held during the year against the minimum requirement of four meeting per year. The dates on which the meetings were held are as follows.

30.04.2003, 14.07.2003, 30.07.2003, 31.07.2003, 28.08.2003, 07.10.2003, 31.10.2003, 04.11.2003, 14.11.2003, 10.12.2003, 19.01.2004, 12.02.2004, 26.02.2004, 04.03.2004, 25.03.2004.

3. AUDIT COMMITTEE

Audit committee consists of Three Directors Viz. Shri Nandlal Maloo, Shri Bajranglal Maloo and Shri Yashpal Dhiman. The composition, role functions and power of the Audit committee are in line with the requirements of applicable laws and regulations.

The Audit Committee has the responsibility of overseeing financial reporting process and disclosures, reviews annual financial statements, reviews adequacy of internal audit function, related party transaction, reviews financial and risk management policies, to look into the reasons for substantial defaults in the payment to depositor, debentures shareholders and creditors, compliance with stock exchange and legal requirements concerning financial statements, review auditors qualification (draft), compliance with accounting standards etc.