

TWENTY SIXTH ANNUAL REPORT

Board of Directors	Shri R Raghuram Managing Director
	Shri S V Sesha Reddy Shri V Chandrasekhara Reddy
Company Secretary	Shri G Sriraman
Auditors	M/s P. A. Reddy & Co. Chartered Accountants
	M/s PKF Sridhar & Santhanam Chartered Accountants
Bankers	Standard Chartered Bank
Registered Office & Distillery Division	Bye-Pass Road Poonamallee Chennai - 600 056 Tamilnadu
Brewery Division	Mount Tiruvallur High Road Aranvoyal Village Tiruvallur District Pin - 602 025 Tamil Nadu
Corporate Office	9,Bazullah Road T.Nagar Chennai – 600 017, Tamilnadu
Registrar and Share Transfer Agent	Cameo Corporate Services Limited “Subramanian Building” No.1, Club House Road Chennai 600 002.

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NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of **Balaji Distilleries Limited** will be held at Balamandir German Hall, No.17, Prakasam Street, T.Nagar, Chennai 600 017, on Thursday, the 30th September, 2010, at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account for the financial year ended 31st March, 2010, the Balance Sheet as at that date and report of the Directors and the Auditors thereon.
2. To appoint a Director in the place of Shri V Chandrasekhara Reddy, who retires by rotation and being eligible, offer himself for re-appointment.
3. To appoint Auditors and to fix their remuneration. In this connection, to consider and, if thought fit, to pass with or without modification the following resolution as an ordinary resolution.

"RESOLVED THAT the retiring Auditors, M/s P A Reddy & Co., Chartered Accountants and M/s PKF Sridhar & Santhanam, Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting or until the merger of the Company with United Spirits Limited which ever is earlier, on a remuneration as may be decided by the Board of Directors."

By Order of the Board

Place: Chennai
Date : August 16, 2010

G. SRIRAMAN
Company Secretary

NOTES:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the company.
2. The instrument appointing proxy in order to be effective should be lodged at the Registered Office of the Company not less than 48 hours before the meeting. A blank proxy form is enclosed.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 27.09.2010 to 30.09.2010 (both days inclusive).
4. Members/Proxies should bring the Attendance slip duly filled in for attending the meeting. For shares held in dematerialised form, the DP ID and Client ID numbers should be indicated in the Attendance Slip.
5. For shares held in physical form, any change in address/other details may be intimated to the Company/Share Transfer Agent by quoting the Folio Number(s). For shares held in demat form, change in address/other details may be intimated directly to the Members' DP.
6. Members are requested to send queries, if any, on the accounts, at least seven days prior to the date of the meeting, so that the information can be made available at the meeting.
7. Reappointment of Director:

Shri V Chandrasekhara Reddy, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

Shri V Chandrasekhara Reddy, 50 years, is a Director since 29.06.2001. He is a Chartered Accountant and has about 19 years of experience in Finance, Accounts and General Management. He is also a Director in 1) Polar Breweries Limited 2)Star Investments Private Limited and 3) Ador Computers Private Limited.

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

The Directors of your Company present their Twenty Sixth Annual Report, together with the audited statement of accounts for the financial year ended 31st March, 2010.

PERFORMANCE HIGHLIGHTS

Your Company earned a gross revenue of Rs.2,20,430.16 lakhs during the financial year ended 31st March, 2010 as against the gross revenue of Rs.2,20,127.16 lakhs in the previous financial year ended 31st March, 2009.

SUMMARY OF FINANCIAL RESULTS

	Rs. in lakhs	
	2009-2010 (financial year ending 31st March 2010)	2008-2009 (financial year ending 31st March 2009)
Profit/(Loss) before depreciation	232.22	(1170.24)
Less: Depreciation	964.05	835.22
Profit/(Loss) before tax	(731.83)	(2005.46)
Provision for Tax	Nil	Nil
Profit/(Loss) after tax	(731.83)	(2005.46)
Prior period/exceptional items / provision for tax	196.11	2952.67
Profit/(Loss) for the year	(535.72)	947.21
Profit/(Loss) brought forward from previous years	(40053.32)	(41000.53)
Loss carried forward from Profit and Loss Account	(40589.04)	(40053.32)
Less: Transfer from General Reserve	5088.81	5088.81
Accumulated Loss carried to the Balance sheet	(35500.23)	(34964.51)

OPERATING RESULTS

During the financial year under review, your Company's Distillery Division achieved a production of 94,42,429 cases of Indian Made Foreign Liquor (IMFL) (96,04,027 cases in 2008-09) and sold 94,31,118 cases (95,48,874 cases in 2008-09) of IMFL generating a net revenue of Rs.47,695.70 lakhs (Rs. 49,467.57 lakhs in 2008-09) and your Company's Brewery division has achieved a production of 89,46,410 cases of Beer and 2,18,690 litres of Drought Beer (79,44,267 cases beer and 2,31,080 litres of Drought Beer in 2008-09) and sold 89,68,210 cases of Beer and 2,18,690 litres of Drought Beer

(79,95,624 cases beer and 2,31,080 litres of Drought Beer in 2008-09) generating a net revenue of Rs.19,999.12 lakhs (Rs. 17,858.35 lakhs in 2008-09).

Your Company has incurred a net loss of Rs.535.72 lakhs for the financial year ended 31st March, 2010 as against the profit of 947.21 lakhs for the financial year ended 31st March, 2009, after taking into account interest, depreciation, prior period adjustments and exceptional items.

MANAGEMENT DISCUSSION AND ANALYSIS

General

The Company manufactures Indian Made Foreign Liquor (IMFL) and beer. The IMFL and Beer manufacturing facility are situated near Chennai. Both these two products together are some times referred as Alcoholic Beverages.

INDUSTRY STRUCTURE AND DEVELOPMENT

Indian Made Foreign Liquor (IMFL) and Beer industries are "state subject" and as such every State has its own policies in respect of this industry. Tamilnadu, the state in which the company operates, has its own policy, both for manufacture as well as for marketing/distribution.

With the issue of three new licenses by the Government of Tamilnadu for the production of IMFL during the last year, there are 9 Distilleries in the State of Tamilnadu. Out of the new distillery licenses issued, all the three distilleries have started commercial production.

There are three breweries in the State of Tamilnadu. In 2008-09, the State Government has also issued one more license for the manufacture of beer and the unit is yet to commence commercial operation.

All the products manufactured by these units are sold to Tamilnadu State Marketing Corporation Ltd (TASMAC) and TASMAC in turn sell through TASMAC owned shops. As a preventive measure to curb the menace of unauthorized movement of liquor from the neighboring states, TASMAC has started purchasing the major requirement of IMFL and Beer only from the units situated within the state. From November 2003, the State Government has taken over the retail distribution of IMFL and Beer and accordingly the entire alcoholic beverages are sold through retail outlets owned by TASMAC. This move has benefited the consumers by way of availability of genuine products at government fixed prices.

Within the IMFL segment, the demand is split between various products such as Whisky, Brandy, Rum, Gin, Vodka. Within the product segments, the demand is further split between the premium brands, medium brands and lower end brands, which are categorized according to the price. In terms of volume, it is the brandy and the lower end brands sells more than the other products and premium and medium brands.

During 2009-10 TASMAL has sold about 412.26 lakhs cases of IMFL registering a growth rate of 14.95% over the last year.

During 2009-10 TASMAL has sold about 239.71 lakhs cases of Beer registering a growth rate of 6.42% over the last year.

Contribution to the Exchequer

Alcoholic beverages industry is one of the major contributors to the exchequer by way of State excise duty, VAT, Excise Label Fee, etc.

During 2009-10, your company has contributed Rs.1,53,231.92 lakhs to the exchequer of the State Government.

OPPORTUNITIES AND THREATS

OPPORTUNITY

Alcoholic beverages industry probably is the only industry, which posts consistent growth year after year and is not affected by any cyclical factors. With the state government's efforts to eradicate the evil of illicit liquor, the demand for medium and lower end brands are expected to boom in the years to come. Your company has already made inroads into lower segment.

THREAT

Even though the entry of foreign players was perceived as a threat long back, it is not considered as a threat today due to high price of the foreign brands, which predominantly target the elitist society.

Prohibition is generally perceived as a major threat to this industry. However, with the state governments enjoying high revenue from this industry and with the lesser opportunity to compensate the loss of huge revenue, we do not anticipate any threat on account of prohibition.

OUTLOOK

Today, with the acceptance of social drinking, the alcoholic beverages industry is likely to grow with the compounded annual growth rate of 16%. More and

more foreign players are expected to come into India, especially in the beer segment and on such foreign players entering the beer market, this segment is expected to grow exponentially.

Your Company continues to enjoy a significant market share in Tamil Nadu in respect of Indian Made Foreign Liquor and Beer. Barring unforeseen circumstances, the Company expects to do well in this line of business, in the coming years.

RISK AND CONCERNS THE MANAGEMENT PERCEIVE

For alcoholic beverages industry, the significant risk factor is the purchasing power of individuals and non existence of brand loyalty. The company is ensuring that its products are available on the shelf at any point of time.

FINANCIAL SUMMARY

The summarised Profit & Loss account of the company is given below:

	Rs. in lakhs	
	2009-2010 (financial year ending 31st March 2010)	2008-2009 (financial year ending 31st March 2009)
Sales and services	2,19,944.45	2,19,640.57
Other income	485.71	486.59
Total income (A)	2,20,430.16	2,20,127.16
Excise Duty and TN Vat	1,52,348.21	1,52,761.73
Cost of Materials	41,522.80	41,742.83
Overheads	23,579.97	23,261.38
Interest	2,746.96	3,531.45
Depreciation	964.05	835.23
Total (B)	2,21,161.99	2,22,132.62
Profit/(Loss) before prior period/ exceptional items (A-B)	(731.83)	(2,005.46)
Add/(Less) prior period adjustments		1.03
Add/(Less): Exceptional items	196.11	3,147.09
Less: Provision for Fringe Benefit Tax	--	181.93
Less: Provision for Fringe Benefit and Income Tax of earlier years	--	13.52
Profit / (Loss) Before Taxation	(535.72)	947.21
Provision for taxation	--	--
Profit / (Loss) after Taxation	(535.72)	947.21

EXPANSION DETAILS

Brewery Unit:

Expansion of the brewery unit has been completed during the current year and commercial production from the new brew house started with effect from November, 2009.

MERGER OF THE COMPANY WITH UNITED SPIRITS LIMITED

During the 2008-09, your Board of Directors have approved the scheme of arrangement inter alia envisaging transfer of brewery division of the company to Chennai Breweries P Ltd, its wholly owned subsidiary and merger of residual company consisting of Distillery division into United Spirits Limited (USL).

The merger shall be effective from 1st April, 2009, subject to obtaining necessary approvals.

The shareholders of USL have also approved the Scheme of Arrangement at their meeting held on 21st April, 2010.

However the entire process of merger is delayed due to delay in obtaining the sanction of BIFR for the Scheme.

Swap Ratio

The swap ratio in which the shares are proposed to be allotted by USL is given below:

Existing	Proposed
Equity share holders	2 (two) equity shares of Rs.10/- each of USL for every 55 (fifty five) equity shares of Rs.10/- each held in BDL
Preference share holders (*)	1 (One) 12.5% Redeemable Preference Shares of Rs.10/- each of USL redeemable in March 2014, for every 2 (two) 12.5% Cumulative Redeemable Preference Shares of Rs.10/- each held in BDL
OCCRPS holders (*)	1 (One) 12.5% Redeemable Preference Shares of Rs.10/- each of USL, redeemable in March 2014 for every 2 (two) 6% Optionally Convertible Cumulative Redeemable Preference Shares ("OCCRPS") of Rs.10/- each held in BDL

(*) However your company has redeemed the preference shares.

SHARE CAPITAL

On 15.06.2009, your company has allotted 9 crore Equity Shares to the three investors on receipt of Rs.111.618 crores being the balance amount payable on the warrants upon conversion into equity shares.

These shares are yet to be listed in the Stock Exchanges and due to which are held in the physical form.

On 15.06.2009, your Company has redeemed 4,46,20,900 – 6% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPs) of Rs.10/- each aggregating to Rs.44,62,09,000/- for Rs.18,02,09,400/- out of the proceeds from the conversion of warrants in to equity shares.

On 30.06.2009, your Company has also redeemed 15000000 – 12.5% Cumulative Redeemable Preference Shares of Rs.10/- each aggregating to Rs.15 crores for Rs.7.50 crores out of the proceeds from the conversion of warrants into equity shares

REFERENCE TO BIFR

The Hon'ble Board for Industrial and Financial Reconstruction (BIFR) has declared the company as sick industrial undertaking in terms of section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 at its hearing held on 20th December, 2006 and appointed M/s. IDBI Bank Ltd as the operating Agency (OA). The OA has submitted the revised Draft Rehabilitation Scheme (DRS) on 5th February, 2009 after taking into account the Scheme of Arrangement approved by the Board of Directors, which inter alia envisaging transfer of brewery division of the company to Chennai Breweries P Ltd, its wholly owned subsidiary and merger of residual company consisting of Distillery division into United Spirits Limited (USL).

The Hon'ble BIFR has circulated the DRS vide its order dt 19th February, 2010. Mandatory hearings have been held on 10th May, 2010, 26th May, 2010 and 4th June, 2010 and no creditor has raised any objection for the DRS. In the meeting held on 4th June, 2010, the Hon'ble BIFR has reserved its order and directed that the order will be pronounced on 24th June, 2010 in the Open court. The pronouncement of order was postponed to 30th June, 2010. On 30th June, 2010, the Hon'ble BIFR has pronounced the order vide which it has issued certain directions to investors and OA.

The Company preferred an appeal against the order of BIFR dated 30.06.2010 with the Hon'ble Appellate Authority for Industrial and Financial Reconstruction (AAIFR) and obtained stay of the said BIFR order. The next hearing of the case has been fixed for 16.09.2010.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your company has established its own internal control systems and procedures, which ensures maintenance of proper financial and accounting records. Your company review the policies and procedures on a continuous basis for effective internal control.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES, INDUSTRIAL RELATIONS FRONT

The company considers the Human Resources as its

most important asset and constantly endeavours to retain, nurture and groom talent to meet the current and future needs of the business. The company currently has 593 employees.

CAUTIONARY STATEMENT

The statement in this report is based on the experience and information available to the company in its businesses and assumptions with regard to economic conditions, Government and regulatory policies. The performance of the company is dependent on these factors. It may be materially influenced by various factors including change in economic conditions, government regulations, tax laws and other incidental factors, which are beyond the company's control, affecting the views expressed in or perceived from this report.

DIVIDEND

As the operations of the Company in the current year have resulted in a loss, your directors do not recommend any dividend for the financial year ended 31st March, 2010.

DIRECTORS

Shri V Chandrasekhara Reddy retires by rotation at the conclusion of the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

SUBSIDIARIES

The consolidated financial statements and the Annual Report of the subsidiary companies, viz., BDL Distilleries Private Limited and Chennai Breweries Private Limited, together with statement under section 212 of the Companies Act, 1956 are annexed.

PERSONNEL

The Company continues to enjoy cordial relations with employees of all categories. The Board records its appreciation of the dedicated efforts put in by the employees at all levels.

PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Directors' Report is being sent to all the shareholders of the Company excluding the annexure prescribed under Section 217(2A) of the Companies Act. The said annexure, setting out the names and other particulars of employees, is available for inspection by the Members at the Registered Office of the Company during office hours till the date of the Annual General Meeting, viz., 30.09.2010.

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, FOREIGN EXCHANGE EARNING ETC. (SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956)

The Company has fully absorbed the technology used

in the manufacture of the Company's products under the supervision of the Company's Principals. Except for the normal quality control activities no research and development has been carried out. The Company has not earned any foreign exchange. The company has also not spent any foreign exchange (Rs.2316 lakhs in 2008-2009) during the year.

AUDITORS

M/s. P.A. Reddy & Co., Chartered Accountants and M/s PKF Sridhar & Santhanam, Chartered Accountants, Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Auditors have furnished a certificate regarding their eligibility for their re-appointment as Company's Auditors pursuant to Section 224 (1B) of the Companies Act, 1956. The Board recommends their re-appointment as referred in the Notice to the Share Holders.

With respect to the various Observations of the Auditors in their Report, the Board of Directors wish to express the following views:

- (i) As regards non-disclosure of all the particulars required to be disclosed under clause 32 of the listing agreement, your directors are of the opinion that most of the particulars have already been disclosed by way of transaction with related party and necessary provision has been made for the doubtful loans and advances in the previous years itself.
- (ii) As regards non payment of undisputed sales tax amount of Rs.4548.91 lakhs relating to the Financial Year 2003-04, interest thereon of Rs.6710.13 lakhs upto the Financial Year 2009-10 and interest of Rs.1231.83 lakhs upto the Financial Year 2009-10 in respect of Sales Tax/VAT relating to other Financial Years and short deduction of Tax deducted at source of Rs.6,76,239/-, your Company could not make these payments mainly on account of incurring of cash losses.

These amounts and the interest on VAT has already been included in the Draft Rehabilitation Scheme (DRS) submitted by the Company to the BIFR/Operating Agency and sought to be paid over a period of time as mentioned in the DRS. However, during the mandatory hearing, the state government insisted for payment of these dues in one lumpsum under the TN Sales Tax (Settlement of Arrears) Act, 2010. (Samadhan Scheme). The company is contemplating to pay these dues under TN Sales Tax (Settlement of Arrears) Act, 2010.

With regard to short deduction of Tax deducted at source of Rs.6,76,239/-, which has arisen on



account of bug in software, your company has taken up the matter with the software supplier for effecting suitable corrections.

- (iii) As regards small delays in TN VAT remittances, your company is of the opinion that such delays are mainly on account of mismatch of the cash flow. However, delayed remittances were made within the stipulated period and interest has been paid on such delayed remittances in accordance with the provisions of the TN VAT Act, 2006.
- (iv) Your directors wish to state that in the absence of availability of working capital, your company has utilised short term funds for acquisition of assets for capacity expansion and also for payment of One Time Settlement commitments and interest to the banks.

STOCK EXCHANGES

The Company's shares are listed in the following Stock Exchanges:

The Madras Stock Exchange Limited
Bombay Stock Exchange Limited
The Hyderabad Stock Exchange Limited

CORPORATE GOVERNANCE

A report on Corporate Governance along with Auditors Certificate is annexed herewith.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors'

Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the Annual Accounts for the financial year ended 31st March, 2010, the applicable accounting standards had been followed along with proper explanations relating to material departures;
- (ii) that the accounting policies implemented by the Company have been applied consistently, judgments and estimates have been reasonable and prudent thereby giving a true and fair view of the state of affairs of the Company at the end of financial year and of the loss of the Company for the period under review;
- (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 annual accounts were prepared for the financial year ended 31st March, 2010 on a 'going concern' basis.

ACKNOWLEDGEMENT

The Directors wish to express their sincere thanks for valuable assistance extended by the Government of Tamilnadu, Tamilnadu State Marketing Corporation Limited and Standard Chartered Bank.

The Directors also wish to place on record their sincere thanks for valuable assistance extended by United Spirits Limited and United Breweries Limited.

On behalf of the Board

Place : Chennai
Date : August 16, 2010

R. RAGHURAM
Managing Director

V. CHANDRASEKHARA REDDY
Director



REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2010

The report on Corporate Governance forms part of the Directors Report.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The essential elements of Corporate Governance are fairness, transparency, accountability and responsibility to which your Company continues to remain committed. The Company will endeavour to improve on these aspects on an ongoing basis.

2. BOARD OF DIRECTORS

a) The Composition of the Board during the year is given below:

Executive Director:

Shri R Raghuram, Managing Director

Non Executive Directors:

Shri S V Sessa Reddy

Shri V Chandrasekhara Reddy

b) Details of Attendance at Board Meetings and last AGM and details of memberships in other Boards and Board Committees:

The Board met six times during the financial year 2009-2010 - on 29th May 2009, 15th June 2009, 30th June 2009, 31st July 2009, 30th October 2009, and 29th January, 2010.

Sl No	Name of the Director	No. of Board Meetings Attended	Whether attended last AGM	Membership in other Boards	Committee	
					Chairman	Membership
1	Shri R Raghuram	5	Yes	2	-	1
2	Shri S V Sessa Reddy	4	No	1	-	-
3	Shri V Chandrasekhara Reddy	6	Yes	3	-	-

Necessary steps are being taken to broad base the Board so as to ensure optimum combination of executive, non-executive and independent Directors.

c) Remuneration of Directors:

The remuneration paid to the Managing Director is within the ceiling as per the resolution approved by the shareholders. Details of remuneration and sitting fees paid to the Managing Director and other Directors during the year ended 31.03.2010 is given below:

Name	Position	Sitting Fees	Salary	Perquisites	Commission	Contribution to PF and Superannuation
		Rs.	Rs.	Rs.	Rs.	Rs.
Shri R Raghuram	Managing Director	---	33,57,000	7,57,950	---	8,99,700
Shri S V Sessa Reddy	Director	20,000	---	---	---	---
Shri V Chandrasekhara Reddy	Director	20,000	---	---	---	---

d) Code of conduct :

The Company has laid down procedures to be followed by the Members of the Board and Senior Management Personnel for ethical professional conduct.

A declaration signed by the Managing Director to this effect is annexed thereto.

e) CEO/CFO Certification:

Certification by CEO and CFO as required under Clause 49(V) of the listing agreement was placed before the Board at its meeting held on 31.07.2010.

f) Particulars of retiring Directors:

Shri V Chandrasekhara Reddy, is a Director of the Company since 29.06.2001. He is a Chartered Accountant and has about 19 years of experience in Finance, Accounts and General Management. He is also a Director in 1) Polar Breweries Limited 2) Star Investments Private Limited and 3) Ador Computers Private Limited.

3. AUDIT COMMITTEE

The functioning and terms of reference of the Audit Committee are as prescribed under section 292A of the Companies Act, 1956 and the Listing Agreement with the Stock Exchanges including their role, powers, duties, quorum and frequency of the meeting.

The Audit Committee of the Company comprises 3 members viz., Shri R Raghuram, Shri S V Sessa Reddy and Shri V Chandrasekhara Reddy. Shri V Chandrasekhara Reddy acts as Chairman of the Committee. The Company Secretary acts as Secretary to the Audit Committee.

During the financial year 2009-2010 five meetings were held on 29th May 2009, 30th June 2009, 31st July 2009, 30th October 2009 and 29th January 2010.

Committee Members	No. of Meetings attended
Shri R Raghuram	4
Shri S V Sessa Reddy	3
Shri V Chandrasekhara Reddy	5

4. REMUNERATION COMMITTEE

The terms of reference of Remuneration Committee pertains to determining the company's policy on and approving remuneration package to the managerial personnel.

The Remuneration Committee of the Company comprises 3 members viz., Shri R Raghuram, Shri S V Sessa Reddy and Shri V Chandrasekhara Reddy. Shri V Chandrasekhara Reddy acts as Chairman of the Committee.

During the financial year 2009-2010, there were no remuneration committee meetings held.

5. SHARE TRANSFER/INVESTORS GRIEVANCE COMMITTEE

During the year the Company has not received any investors complaints requiring redressal.

The Share Transfer/Investor Grievance Committee comprises 3 members viz., Shri R Raghuram, Shri S V Sessa Reddy and Shri V Chandrasekhara Reddy.

Shri V Chandrasekhara Reddy acts as Chairman of the Committee and Shri G Sriraman, Company Secretary acts as the Compliance Officer.

13 meetings of Share Transfer/Investors Grievance Committee were held during the year ended 31st March 2010. Attendance at meetings during the period::

Committee Members	No. of Meetings attended
Shri R Raghuram	13
Shri S V Sessa Reddy	7
Shri V Chandrasekhara Reddy	13

As on 31st March 2010, there were no pending share transfers.