

## 11<sup>th</sup> Annual Report 2009-2010

Driving the Next GEN ➤➤  
Health revolution



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# Corporate Information

## Board of Directors

Mr. Karusala Venkata Subba Rao  
Mr. Kadiyala Venkateswara Rao  
Dr. Prasada Rao VDM Ravella  
Mr. Boddapaty Anand  
Mr. Vyricherla Pradeep Kumar Dev

Managing Director  
Joint Managing Director  
Independent Director  
Alternate Director  
Independent Director

### Vice President (F & A)

CA Srinivasa Rao Yepuri

### Company Secretary

CS Jagadeeshwara Rao Mabagapu

### Statutory Auditors

M/s. P. Murali & Co.,  
Chartered Accountants,  
6-3-655/2/3, Somajiguda,  
Hyderabad - 500 082,  
Andhra Pradesh, India.  
Tel.: +91-40-23326666

### Registrar & Share Transfer Agent

Aarathi Consultants Private Limited  
1-2-285, Domalguda,  
Hyderabad - 500 029,  
Andhra Pradesh, India.  
Tel: +91-40-27634445, 27638111, 27642217  
Fax: +91-40-27632184,  
Email: [info@aarthiconsultants.com](mailto:info@aarthiconsultants.com)

### Bankers

Axis Bank Limited  
State Bank of India

### Registered Office

8-2-293/82/A/796/B,  
Road No.36, Jubilee Hills,  
Hyderabad - 500 033, A.P.  
Tel: +91 40 6699 0000  
Fax: +91 40 6699 4444  
Website: [www.lsglobal.com](http://www.lsglobal.com)

### SEZ Unit

Block - 401, Building No. 14,  
Survey No. 64, Mindspace,  
Cyberabad, Madhapur,  
Hyderabad - 500 081, A. P.  
Tel: +91 40 6699 4499  
Fax: +91 40 6699 4488

## Notice

**NOTICE** is hereby given that the **Eleventh Annual General Meeting** of the Members of **LGS GLOBAL LIMITED** (Formerly Lanco Global Systems Limited) will be held on **Friday, 24<sup>th</sup> December, 2010 at 11.00 A.M.** at KLN Prasad Auditorium, The Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI), Federation House, 11-6-841, Red Hills, Hyderabad-500 004, to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the
  - (a) Audited Balance Sheet as at 31<sup>st</sup> March, 2010;
  - (b) Audited Profit and Loss Account for the financial year ended on that date;
  - (c) Auditors' Report thereon; and
  - (d) Directors' Report thereon;
2. To declare dividend on equity shares for the financial year ended 31<sup>st</sup> March 2010.
3. To appoint a Director in place of Mr. Pradeep Kumar Dev Vyricherla, who retires by rotation, and, being eligible, offers himself for re-appointment.
4. To appoint M/s. P. Murali & Co., Chartered Accountants, Hyderabad, the retiring Auditors, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors of the Company.

### SPECIAL BUSINESS

5. ***To Consider, and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION***

**"RESOLVED THAT** pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof) (the "**Act**") and all other applicable laws and regulations including the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, any statutory modification(s) or re-enactment thereof, for the time being in force and such other statutes, notifications, clarifications, circulars, rules and regulations as may be applicable and relevant, as amended from time to time, if any, issued by the Government of India (the "**GOI**"), the Securities and Exchange Board of India (the "**SEBI**"), the Reserve Bank of India (the "**RBI**"), Stock Exchanges and any other appropriate authorities, institutions or bodies, as may be applicable and the provisions in the Memorandum and Articles of Association of the Company and Listing Agreements entered into by the Company with the stock exchanges where the shares of the Company are listed, and any

other applicable laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and subject to such approvals, consents, permissions and sanctions, if any, of the GOI, RBI, SEBI, Stock Exchanges and any other relevant statutory, governmental authorities or departments, institutions or bodies (the "**Concerned Authorities**") in this regard, as may be required and applicable and further subject to such terms and conditions or modifications thereto as may be prescribed or imposed by any of the Concerned Authorities while granting such approvals, and permissions as may be necessary or which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall include any committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), the consent of the members of the Company be and is hereby accorded to the Board to create, issue, offer and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons including employees of the Company as may be permitted), Equity Shares and/or Equity Shares through depository receipts including American Depository Receipts (ADR), Global Depository Receipts (GDR), Singapore Depository Receipts (SDR), and/or Foreign Currency Convertible Bonds (FCCB), Convertible Debentures, fully or partly, and/or other securities convertible into Equity Shares at the option of the Company and/or the holder(s) of such securities, and/or securities linked to Equity Shares and/or securities with or without detachable/non-detachable warrants and/or warrants with a right exercisable by the warrant-holder to subscribe for Equity Shares and/or any instruments or securities representing either Equity Shares, secured premium notes, and/or any other financial instruments which would be converted into/ exchanged with Equity Shares at a later date (the "**Securities**") as the Board at its sole discretion or in consultation with underwriters, merchant bankers, financial advisors or legal advisors may at any time decide, by way of one or more public, follow-on, preferential issues or private offerings in domestic and/or one or more international market(s), with or without a green shoe option, or private placement or issued/allotted through Qualified Institutions Placement in accordance with the Guidelines for "Qualified Institutions Placement" prescribed under Chapter XIII-A of the SEBI (Disclosure and Investor Protection) Guidelines, 2000, as amended, or by any one or more or a combination of the above model/methods or otherwise and at such time or times and in one or more tranches, whether rupee denominated or denominated in foreign currency, to any eligible Qualified Institutional Buyers including Foreign Institutional Investors, resident/non-resident investors (whether institutions,



incorporated bodies, mutual funds, individuals or otherwise), Venture Capital Funds (foreign or Indian), Indian and/or Multilateral Financial Institutions, Mutual Funds, Non-Resident Indians, stabilizing agents and/ or any other categories of investors, whether they be holders of shares of the Company or not (collectively called the "**Investors**") whether or not such Investors are members of the Company as may be deemed appropriate by the Board and permitted under applicable laws and regulations, resulting in the issue of an aggregate amount not exceeding Rs. 400 Crores (Rupees Four Hundred Crores) or equivalent thereof in any foreign currency and on such terms and conditions and timing of the issue(s)/offering(s) including the Investors to whom the Securities are to be issued, issue price, number of Securities to be issued, creation of mortgage/ charge in accordance with Section 293(1)(a) of the Companies Act, 1956 in respect of any Securities as may be required either on pari-passu basis or otherwise, the stock exchanges on which such Securities will be listed, finalization of allotment of the Securities on the basis of the subscriptions received, face value, rate of interest, redemption period, manner of redemption, amount of premium on redemption, the number of equity share to be allotted on redemption/conversion, the ratio, period of conversion, fixing of record date or book closure dates, and any other matter in connection with, or incidental to, the issue, in consultation with the merchant bankers or other advisors or otherwise, as the Board at its sole discretion may decide together with any amendments or modifications thereto.

**RESOLVED FURTHER THAT** the Securities to be created, issued, offered and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and the equity shares allotted in terms of this resolution shall rank pari passu in all respects with the existing Equity Shares of the Company.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any of any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institution, the aforesaid Securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevailing practices in the capital markets including but not limited to the terms and conditions for issue of additional Securities and such of these Securities to be issued as are not subscribed may be disposed of by the Board in such manner and/or on such terms including offering or placing them with banks/financial institutions/ mutual funds or otherwise, as the Board

may deem fit and proper in its absolute discretion, subject to applicable laws, regulations and guidelines.

**RESOLVED FURTHER THAT** without prejudice to the generality of the foregoing, the Board be and is hereby authorized to prescribe with respect to the aforesaid issue of the Securities all or any of the terms or any combination of terms thereof in accordance with local and/or international practice including but not limited to conditions in relation to the offer, issue and allotment of the Securities, payment of interest, dividend, premium and redemption or early redemption of Securities, debt service payments and any other payments whatsoever, voting rights and all such terms as are provided in domestic and/or international offerings of this nature including terms for such issue, or variation of the price or period of conversion of any Securities into Equity Shares or issue of Equity Shares during the duration of the Securities or terms pertaining to early redemption of Securities and/or conversion into Equity Shares as the Board may in its sole discretion deem appropriate.

**RESOLVED FURTHER THAT** the Board be and are hereby authorised to do such acts, deeds and things as they, in its absolute discretion, may deem necessary or desirable in connection with the issue of the Securities and to give effect to these resolutions, including, without limitation, the following:

- (i) seeking, if required, the consent of the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in or outside India, and any other consents that may be required in connection with the issue and allotment of the Securities;
- (ii) giving or authorizing the giving of such undertakings, declarations, affidavits, certificates, consents and authorities as may be required from time to time by concerned persons; and
- (iii) Settling any questions, difficulties or doubts that may arise in regard to any such issue or allotment of Securities as it may in its absolute discretion deem fit.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution and any offer, issue and allotment of Securities, the Board be and is hereby authorized to take all such actions, give such directions and to do all such acts, deeds and things as may be necessary, desirable or incidental thereto and matters connected therewith including without limitation the entering into of arrangements/ agreements for underwriting, marketing, listing of Securities, trading, appointment of Lead Manager(s), Advisor(s), Registrar(s), paying and conversion agent(s) and any other advisors, professionals and intermediaries and all such agencies as may be

## Notice

involved or concerned in such offerings of Securities and to issue and sign all deeds, documents, instruments and writings and to pay any fees, commission, costs, charges and other outgoings in relation thereto and to settle all questions whether in India or abroad, for the issue and to do all requisite filings with SEBI, the stock exchanges, the GOI, the RBI, if required and any other concerned authority in India or outside, and to do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the issue, and to give such directions that may be necessary or arise in regard to or in connection with any such offer, issue or allotment of Securities and utilization of the issue proceeds, as it may, in its absolute discretion, deem fit and any such action, decision or direction of the Board shall be binding on all members.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolutions and any offer, issue and allotment of Securities, the Board be and are hereby authorized to constitute a Special Committee of the Board named the "Issue Committee" and further delegates all or any of the powers herein conferred to give effect to the aforesaid resolutions to the Issue Committee and further authorizes the Issue Committee to take all such steps and to do all such acts, deeds, matters and things and accept any alterations or modification(s) as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of equity shares including but not limited to:

- (a) To decide on the timing, pricing and all the terms and conditions of the issue, including the price, and to accept any amendments, modifications, variations or alterations thereto;
- (b) Approving the offer document and filing the same with the any authority or persons as may be required;
- (c) To affix the Common Seal of the Company on any agreement(s)/ documents as may be required to be executed in connection with the above, in the presence of any Director of the Company and persons authorized who shall sign the same in token thereof;
- (d) Arranging the delivery and execution of all contracts, agreements and all other documents, deeds, and instruments as may be required or desirable in connection with the issue of equity shares by the Company;
- (e) Opening such banks accounts and demat accounts as may be required for the transaction;
- (f) To do all such acts, deeds, matters and things and execute all such other documents and pay all such fees, as it may, in its absolute discretion,

deem necessary or desirable for the purpose of the transactions;

- (g) To make all such necessary applications with the appropriate authorities and make the necessary regulatory filings in this regard;
- (h) Making applications for listing of the equity shares of the Company on one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s); and
- (i) To authorize or delegate all or any of the powers herein above conferred to any or more persons, if need be."

**6. To Consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION**

**"RESOLVED THAT** in supersession of the earlier Resolutions passed in this regard, the consent of the Company be and is hereby accorded to the Board of Directors under Section 293(1)(d) of the Companies Act, 1956, to borrow such moneys or sums of money, subject to the prevailing laws, rules, regulations and guidelines to the extent they are applicable, in any manner, from time to time, with or without security and upon such terms and conditions as the Board of Directors may think fit, notwithstanding that moneys to be borrowed together with moneys already borrowed, if any, by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs. 600 Cr (Rupees Six Hundred Crores only).

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take all other steps, to give all such directions, to do all such deeds, matters and things as may be necessary to give effect to the aforesaid Resolution and as the Board may in its absolute discretion deem fit.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any of the Directors of the Company to give effect to the aforesaid Resolution."

By order of the Board  
For **LGS GLOBAL LIMITED**

**CS JAGADEESHWARA RAO M**  
Company Secretary

Place : Hyderabad  
Date : 11.11.2010.

## Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. **An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, relating to the Special business to be transacted at the meeting is annexed hereto.**
3. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. Proxies, in order to be effective, must be received at the Company's registered office not less than 48 hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolution /authority, as applicable.
5. The Register of Members and Share Transfer Books of the Company will be closed from **Tuesday, 21<sup>st</sup> December, 2010** to **Friday, the 24<sup>th</sup> December, 2010** (both days inclusive). If the dividend as recommended by the Board of Directors is approved and declared at the Annual General Meeting, payment of such dividend will be made on or after December 24<sup>th</sup>, 2010 as under:
  - (a) To all Beneficial owners in respect of shares held in electronic form as per the data as may be made available by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as of the close of business hours on Monday, 20<sup>th</sup> December, 2010;
  - (b) To all members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the company on or before the close of business hours on Monday, 20<sup>th</sup> December, 2010;
6. Members are requested to inform immediately their bank account particulars in the following manner, if not informed earlier, to the Registrar, in respect of equity shares in physical mode and to their Depository Participants (DPs), in respect of equity shares held in dematerialized form, so that the same could be incorporated in payment warrants after their names to avoid fraudulent encashment:  
 Folio No./DP Id No. & Client Id No.:  
 Name:  
 Bank A/c No.:  
 Name of the Bank:  
 Signature of Shareholder:
7. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective Demat accounts will be used by the Company for payment of the Dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandate. Such changes are to be advised only to the Depository Participant of the members.
8. To avoid loss of dividend warrants in transit and undue delay in respect of dividend warrants, the Company has provided a facility to the members for remittance of dividend through the Electronic Clearing System (ECS). The ECS facility is available at locations identified by Reserve Bank of India (RBI) from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact the company's Registrar's and Share Transfer Agent.
9. Members are requested to intimate the change of address if any, to the Share Transfer Agents, Aarthi Consultants Private Limited, (Unit: LGS GLOBAL LIMITED), 1-2-285, Domalguda, Hyderabad - 500 029, Andhra Pradesh, India. Members, whose shareholdings are in electronic mode, are requested to send the intimation for change of address to their respective depository participants and not to the Company or the Registrar & Share Transfer Agent.
10. Shareholders seeking any information with regard to accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
11. Members attending the Meeting are requested to complete and bring the attendance slip enclosed with the Annual Report and hand over the same, duly signed, at the entrance of the meeting hall.
12. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance slip for attending the meeting.
13. The Register of Director's Shareholding, maintained under Section 307 of the Companies Act, 1956, will be available for inspection by the members at the AGM.
14. The information pursuant to Clause 49 of the Listing Agreement with respect to the details of the directors seeking re-appointment in the Annual General Meeting is annexed.



### Explanatory Statement Pursuant to section 173 (2) of the Companies Act, 1956

#### ITEM NO.5

The resolution contained in the business of the Notice relates to a proposal by the Company to create, offer, issue and allot Equity Shares, GDRs, ADRs, SDRs, FCCBs, Convertible Bonds/Debentures and such other securities as stated in the resolution (the "Securities") at such price as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead managers, either in foreign currency or equivalent Indian Rupees inclusive of such premium as may be determined by the Board in one or more tranche or tranches. The Company intends to make issue of an aggregate amount not exceeding Rs. 400 Crores or equivalent thereof.

The objects of this issue are to meet expansion, potential acquisitions, long term working capital and capital expenditure requirements of the Company and its subsidiaries, acquisition of companies, businesses and projects, and other general corporate purposes.

The detailed terms and conditions for the offer will be determined by the Board/Issue Committee of the Board in consultation with the Advisors, Lead Managers, Underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and in accordance with the applicable provisions of law and other relevant factors.

As the pricing of the offering cannot be decided except at a later stage, it is not possible to state the price or the exact number of Equity Shares to be issued. For reasons aforesaid, an enabling resolution is therefore proposed for consideration of the shareholders to give adequate flexibility and discretion to the Board to finalize the terms of the issue.

The Equity Shares allotted or arising out of conversion of any Securities would be listed. The issue/allotment/conversion would be subject to the availability of regulatory approvals, if any. The conversion of other Specified Securities held by foreign investors, into shares would be subject to the applicable foreign investment cap.

Section 81(1) of the Companies Act, 1956 provides, inter alia, that when it is proposed to increase the issued capital of a company by allotment of further shares, such further shares shall be offered to the existing shareholders of such company in the manner laid down. As the aforesaid resolution provides for or may result in issue of Equity

Shares to persons other than the existing shareholders of the Company, consent of the shareholders is being sought pursuant to Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 and the SEBI Guidelines.

The Special Resolution as set out above, if passed, will have the effect of allowing the Board to issue and allot Securities to Investors, who may or may not be existing shareholders of the Company in the manner as set out in the resolution. The said resolution also enables the Board to create mortgage/ charge on the property/ assets of the Company in respect of any debt securities offered by the Company.

The Board of Directors recommends the special resolution for your approval.

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

#### ITEM NO.6

The members of the Company, at the Annual General Meeting held on 30th September, 2008, had approved under Section 293(1)(d) of the Companies Act, 1956, borrowings by the Board of Directors in excess of paid-up share capital and its free reserves, subject to maximum outstanding amount at any time not exceeding Rs. 500 Crores only. The Consolidated turnover of the Company as on March 31, 2009 was Rs. 298.60 Cr as against Rs. 380.86 Cr against present consolidated turnover as on March 31, 2010.

The Company could not execute fund raising proposals due to unfavorable market conditions, and meanwhile availed loans/credit facilities from Banks and institutions in the form of term loan, working capital and factoring facilities. The consolidated total secured loans of the company as on March 31, 2010 was Rs. 105 Cr and the sanctioned limits secured by charge creation was Rs. 117.50 Cr. The intended fund raising proposals and further borrowings, if made, would narrow the gap between sanctioned limit and actual utilization of the company.

Your Company has plans to raise further funds to the extent of Rs. 400 Cr by issue of ADR/GDR/SDR/FCCBs/Bond and/or any other such instruments in the forthcoming year either in one or more tranches. Members' approval is also sought for raising funds through issue of such instruments to that limit by resolution in this notice. In accordance with law, by strict interpretation, though the company has obtained specific approvals from the members for issue of securities by way of ADR/GDR/SDR/FCCB/Bonds/other instruments etc., till the



outstanding of such instruments, those could be considered as borrowings for the purpose of Section 293(1) (d) of the Companies Act, 1956.

Since the company has expansion and potential acquisition plans, in order to meet the funds requirements in respect of execution of such plans, the board should empower with adequate borrowing powers as may be required in accordance with law to raise funds in best interests of the company. The present borrowing limits of the Company will not be sufficient to make further borrowings of the Company. Hence, members' approval is sought to increase borrowing limits up to Rs. 600 Cr.

Your Directors recommend the Resolution as set out in the Notice for your approval.

None of the directors is interested or concerned in this resolution.

By order of the Board  
**For LGS GLOBAL LIMITED**

**CS JAGADEESHWARA RAO M**  
 Company Secretary

Place : Hyderabad  
 Date : 11.11.2010.

### **Additional Information on Directors seeking re-appointment at the ensuing Annual General Meeting as per Clause 49 of the Listing Agreement.**

<b>Name of the Director</b>	<b>Mr. Pradeep Kumar Dev Vyricherla</b>
<b>Date of Birth</b>	25.09.1961
<b>Date of Appointment</b>	27.03.2008
<b>Relationship with other Directors</b>	None
<b>Expertise in specific function area</b>	Professional Competency in Management and Corporate Finance
<b>Qualification</b>	B. Com., M. B. A.,
<b>Board membership of other Indian Public companies</b>	3K Technologies Limited
	3K Infrastructures Limited
<b>Chairman / member of the committee of the Board of Directors of the Company</b>	Chairman of (i) Audit Committee (ii) Shareholders'/ Investors Grievance Committee Member of Remuneration & Compensation Committee
<b>Chairman / Member of the committees in other companies in which he is a Director</b>	Nil
<b>Number of shares held in the Company</b>	Nil

## Directors' Report

To  
The Members

Your Directors have great pleasure in presenting the Eleventh Annual Report on the business and operations of the Company for the financial year ended 31<sup>st</sup> March 2010.

### FINANCIAL RESULTS

(Rupees in Lakhs)

Financial Results	For the financial year ended 31 <sup>st</sup> March			
	Consolidated		Standalone	
	2010	2009	2010	2009
Income from Operations	<b>38446.69</b>	29458.56	<b>24074.54</b>	18514.07
Other Income	<b>(360.85)</b>	401.50	<b>(360.85)</b>	401.50
Total Income	<b>38085.84</b>	29860.06	<b>23713.69</b>	18915.57
Operating expenditure	<b>32403.80</b>	25407.09	<b>21015.78</b>	15259.20
Gross Profit before Interest, Depreciation & Tax	<b>5682.04</b>	4452.97	<b>2697.91</b>	3656.37
Less: Interest	<b>1133.75</b>	681.01	<b>1030.70</b>	616.71
Depreciation	<b>480.70</b>	462.03	<b>331.24</b>	329.34
Provision for Tax	<b>774.22</b>	599.77	<b>262.63</b>	426.09
Profit after Tax	<b>3293.37</b>	2710.16	<b>1073.34</b>	2284.23
Less: Provision for Deferred Tax Liability	<b>24.96</b>	11.44	<b>24.96</b>	11.44
Profit after Deferred Tax	<b>3268.41</b>	2698.72	<b>1048.38</b>	2272.79
Net Profit for the year	<b>3268.41</b>	2698.72	<b>1048.38</b>	2272.79
Balance Brought forward from the previous year	<b>6879.46</b>	4255.10	<b>5248.09</b>	3049.65
Profit available for appropriations	<b>10147.87</b>	6953.82	<b>6296.47</b>	5322.44
Provision for proposed Dividend	<b>254.24</b>	63.56	<b>254.24</b>	63.56
Tax on Dividends	<b>43.21</b>	10.80	<b>43.21</b>	10.80
Transferred to General Reserve	<b>63.56</b>	0.00	<b>63.56</b>	0.00
Profit Carried to Balance Sheet	<b>9786.86</b>	6879.46	<b>5935.46</b>	5248.08

### DIVIDEND

Your Directors take pleasure in recommending a dividend of Re. 1 per Equity share (10%) on face value of Rs. 10/- per share for the approval of the members for the financial year ended 31<sup>st</sup> March 2010. The dividend, if declared as above, would involve an outflow of Rs. 2,54,23,667/- towards dividend and Rs. 43,20,752/- towards dividend tax, resulting in a total outflow of Rs. 2,97,44,419/- .

### TRANSFER TO RESERVES

The Company proposes to transfer Rs. 63,55,917/- to the General Reserve out of the amount available for appropriations and an amount of Rs. 97,86,86,237/- is proposed to be retained in the Consolidated Profit & Loss Account.

The Company proposes to transfer Rs. 63,55,917/- to the General Reserve out of the amount available for