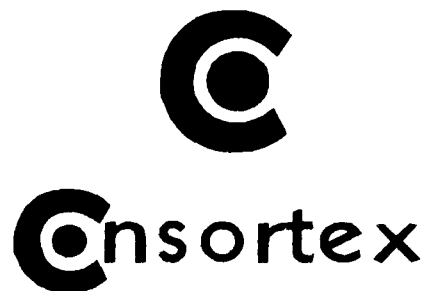


19TH ANNUAL REPORT 2003 - 2004

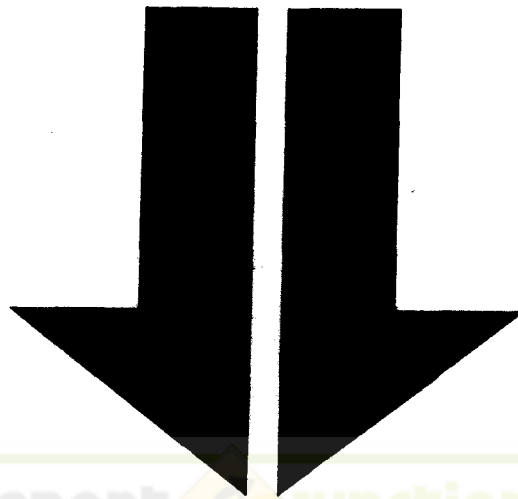


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Consortex Karl Doelitzsch (India) Ltd.

19TH ANNUAL REPORT
2003 - 2004



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Consortex

Consortex Karl Doelitzsch (India) Ltd.

CONSORTEX KARL DOELITZSCH (INDIA) LIMITED

BOARD OF DIRECTORS:

1. Shri..M.Sudhakar Rao	Managing Director.
2. Shri. V. Manohar	Director.
3. Shri. K.Satyanarayana	Director.
4. Shri. S.Surya Prakasa Rao	Director
5. Shri.G.Krishna Mohan	Director

COMPANY SECRETARY CUM COMPLIANCE OFFICER:

S.Sridhar Rao

BANKERS:

State Bank of India.
Central Bank of India.

AUDITORS:

Nataraja Iyer &Co.,
1-10-26, Ashok Nagar,
Hyderabad – 500020.

REGISTERED OFFICE:

"Sri Fo+-rt", Sadbhavana Nagar,
On Kadri Road, Balampalli Village,
Hindupur, Ananthapur Dist, A.P.

REGISTRARS AND SHARE TRANSFER AGENTS:

IKON VISION (P) LTD.
33, Sanali Haven
Ameerpet, Hyderabad, A.P.

CONSORTEX KARL DOELITZSCH (INDIA) LIMITED
REGD OFF: "SRIFORT",SADBHAVANAGAR, ON KADRI ROAD,
BALAMPALLI, HINDUPUR, ANANTHAPUR DIST,
ANDHRA PRADESH

NOTICE

NOTICE is hereby given that "**NINETEENTH**" Annual General Meeting of M/S. Consortex Karl Doelitzsch (India) Ltd, will be held on **THURSDAY the 30 th September, 2004 at Thursday 11.00 A.M** at the Registered Office of the Company at "SriFort" Sadbhavana Nagar, on Kadri Road, Balampalli, Hindupur, Ananthapur Dist, Andhra Pradesh, to transact the following Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at **31st March 2004** Profit and Loss Account for the year 2003-2004 along with the Report of Directors and Auditors thereon.
2. To appoint a director in place of Shri K.Satyanarayana who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Shri S.Surya Prakasa Rao who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint auditors and to fix their remuneration.

SPECIALBUSINESS:

To consider and pass the following resolutions with or without modification(s):-

4. AS SPECIAL RESOLUTION:

"**RESOLVED THAT** the consent be and is hereby given to the Board of Directors for allotment of 38,60,500 equity shares of Rs.10/- each to those persons / individuals or bodies as may deem fit at face value or at such premium rate as may be decided by the Board of Directors and on such condition or conditions as may be deemed fit and proper by the Board of directors of the Company".

5. AS ORDINARY RESOLUTION:

"**RESOLVED THAT** Shri. K.Satyanarayana be and is hereby appointed the director of the company from the date of this Annual General meeting in respect of whom the company has received notice from some members under section 257 of the Companies Act 1956 proposing his candidature as the director of the company.

6. AS ORDINARY RESOLUTION

"**RESOLVED THAT** Shri. S.Surya Prakasa Rao be and is hereby appointed the director of the company from the date of this Annual General meeting in respect of whom the company has received notice from some members under section 257 of the Companies Act 1956 proposing his candidature as the director of the company.

7. AS ORDINARY RESOLUTION

"**RESOLVED THAT** pursuant to section 198, 310, 309, Schedule XIII and other applicable provisions of the companies Act, 1956 consent be and is hereby given

for appointment and payment of remuneration to Shri.M.Sudhakar Rao, Managing Director of the company as per the terms set out in the explanatory statement attached to this notice."

Dated : 13-08-2004

BY ORDER OF THE BOARD

Place : Hindupur

Sd/
M.Sudhakar Rao
Managing Director

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NOTES:

- 1) The explanatory statement pursuant to section 173 of the Companies Act 1956 in respect of the items 4 to 6 is attached and forms part of the notice.
- 2) The register of members and share transfer books will remain closed from 23rd September 2004 to 30th September 2004 (both days inclusive) for the purpose of the ensuing Annual General Meeting of the company.
- 3) All the relevant documents pertaining to the notice is available for inspection at the registered office of the company from 1-09-2004 to 30-09-2004 on all working days from 10.00 am to 3.00 pm.
- 4) The members are requested to send their queries or questions to be raised at the Annual General meeting to reach the Registered Office of the Company 10 days before the date of the meeting for enabling the directors to prepare their answers.
- 5) A member is entitled to appoint a proxy to attend and vote instead of him selves/her selves and that the proxies need not be a member of the company
- 6) The proxies to be effective should be received at the Registered office of the company 48 hours before the commencement of the meeting
- 7) All the investors and shareholders are requested to contact the companies Share Transfer Agent M/s. Ikon Vision (P) Ltd., 33, Sanali Haven, Ameerpet, Hyderabad, A.P.

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**CONSORTEX KARL DOELITZSCH (INDIA) LIMITED
REGDOFF:"SRIFORT", SADBHAVANAGAR, ON KADRI
ROAD,BALAMPALLI,HINDUPUR,
ANANTHAPUR DIST, ANDHRA PRADESH**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT
1956 IN RESPECT OF THE SPECIAL BUSINESS IN THE FIFTEENTH ANNUAL GENERAL
MEETING.**

1.ITEM NO 4:

There is an amount of Balance 38,60,500 equity shares that is to be allotted within the present Authorised Share Capital of the company. It is proposed to give consent to the Board of Directors to allot these shares as they may deem fit.

2.ITEM NO 5:

Shri.K.Satyanarayana was appointed the director of the company during the year by the Board of Directors. He holds office as director of the Company up to the date of the ensuing Annual General Meeting of the Company. The Company has received notices from some members proposing his candidature as the director of the company. The Directors feel that the association of Shri. K.Satyanarayana as the Director of the Company would benefit the company immensely.

The Directors recommend passing of the resolution.

Expect for Shri. K.Satyanarayana no other Directors are concerned or interested in the resolution.

3.ITEM NO 6:

Shri.S.Surya Prakasa Rao was appointed the director of the company during the year by the Board of Directors. He holds office as director of the Company up to the date of the ensuing Annual General Meeting of the Company. The Company has received notices from some members proposing his candidature as the director of the company. The Directors feel that the association of S.Surya Prakasa Rao as the Director of the Company would benefit the company immensely.

The Directors recommend passing of the resolution.

Expect for Shri. S.Surya Prakasa Rao no other Directors are concerned or interested in the resolution.

4.ITEM NO 7:

During the year Shri.M.Sudhakar Rao was appointed the Managing Director of the company for five years from 13-11-2003. The consent of the members is sought for payment of remuneration to Shri.M.Sudhakar Rao as the Managing Director of the company as under:

1. Salary – Rs.10,000/- per month including dearness allowances. . .
2. Perquisites

Perquisites shall be allowed in addition to the salary. They shall be restricted to an amount equal to annual salary.

1) **Medial Reimbursement:**

Expenses incurred for Shri.M.Sudhakar Rao for self and his family subject to the ceiling of one month salary in a year or three months salary over a period of three years.

2) **Leave Travel Concession:**

For Shri.M.Sudhakar Rao and his family once in a year incurred in accordance with any rules specified by the company.

Explanation: Family means spouse, the dependent, children and dependent parents of Shri.M.Sudhakar Rao.

3) **Club Fees:**

Fees of clubs subject to maximum of two clubs. Thus will not include submission and life membership fees.

4) **Personal Accident Insurance:**

Premium not to exceed Rs.5,000/- per annum

5) **Bonus:**

One month salary for each completed year of service or as may be decided by the Board.

6) **Contribution to provided fund super annuation fund or annuity fund will not be included in the computation of ceiling on perquisites to the extent that these either singly or put together are not taxable under the Income Tax Act.**

7) **Contribution to provided fund super annuation fund or annuity funds will not be included in the computation of ceiling on perquisites to the extent that these either singly or put together are not taxable under the Income Tax Act.**

8) **Gratuity payable will not exceed half a month salary for each completed year of service**

9) **Earned Leave:**

On fully pay and allowance as per rules of the company, but not exceeding one month leave for every eleven months of service and leave accumulated shall be en-cashable at the end of the tenure.

10) **Enchashment of leave at the tenure will not be included in the computation of ceiling on perquisites.**

- 11) Casual and sick leave on full remuneration including all benefits in accordance with the rules of the company for the time being in force.
- 12) So long as Shri.M.Sudhakar Rao functions as the Managing Director he shall not be entitled to the sitting fees as payable to the other directors decided by the Board.
- 13) In case of loss or inadequacy of profit in any financial year of the company the remuneration payable to Shri.M.Sudhakar Rao shall be subject to the provision of Schedule XIII of the companies Act, 1956
- 14) Income Tax if any on or in respect of the aforesaid remuneration shall be borne and paid Shri.M.Sudhakar Rao.
- 15) During the period of employment Shri.M.Sudhakar Rao shall not directly or indirectly engage himself in any other business occupation or employment whatsoever provided however that it shall be permissible for Shri.M.Sudhakar Rao with the previous sanction of the Board to hold any directorship or directorship's of any other company or companies. The holding of any such permitted directorship shall not be deemed to be a contravention of this clause.
- 16) Shri.M.Sudhakar Rao shall not during the continuance of his employment hereinafter or at any time thereafter divulge, publish or disclose to any person whom-so-ever make use whatsoever for his own purpose or for any other purpose other than that of the company of any information knowledge methods, trade secrets or any confidential information, relating to the business and affairs of the company obtained by him during his employment with the company and Shri.M.Sudhakar Rao shall during the continuance of his employment use his best endeavours to prevent any other person from doing so.
- 17) The employment of Shri.M.Sudhakar Rao shall forthwith determine if he shall become insolvent or make any composition or arrangement with his creditors or shall cease to be a Director of the company.
- 18) In case Shri.M.Sudhakar Rao shall die during the course of his employment the company will pay to his legal personal representatives the salary and other emoluments payable to him for the then current month. If the employment of Shri.M.Sudhakar Rao shall be determined for any reasons other than on the last day of any month he shall be entitled to a proportionate part of the remuneration payable to him until the date of determination.
- 19) In any of the following events the company may by giving 3 months notice in writing to Shri.M.Sudhakar Rao terminate his employment if he is found.
- 20) To be guilty of or inattention or negligence in the conduct of the business of the company or of any other act or omission inconsistent with his duties as a Managing Director or breach of employment as in the opinion of the Board renders his retirement from the office of Managing Director.
- 21) Become disqualified as a Director for any reasons other than as inadvertent breach of the provision of section 283 of the companies Act, 1956 or failure through inadvertence or oversight to secure leave of absence from meetings of Directors in either of which latter events he shall be re-appointed as Managing Director.

The consent of the members is sought for appointment and payment of remuneration to Shri.M.Sudhakar Rao as the Managing Director of the company.

The Directors recommend passing of the resolution.

All the Directors are concerned or interested in the resolution.

Dated : 13-08-2004

BY ORDER OF THE BOARD

Place : Hindupur

Sd/
M. Sudhakar Rao
Managing Director

