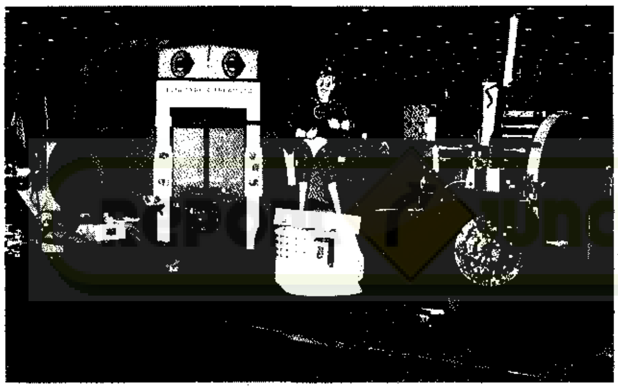
18th Annual Report 1998-1999

Elgitread (India) Ltd.

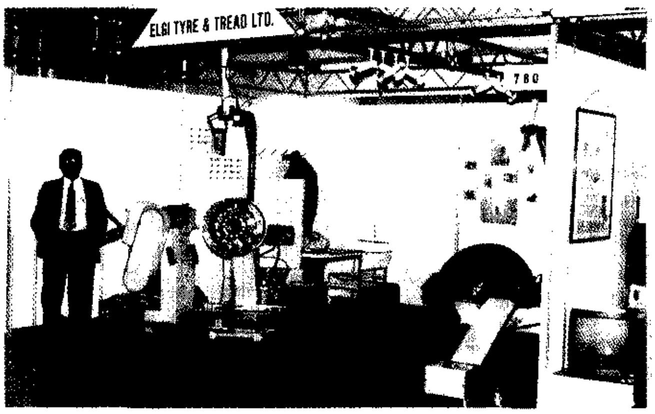
Elgitread has consistently been setting global standards for its products, which have successfully competed in international brand conscious markets. Today, Elgitread is one of the world's largest single-source suppliers of retreading equipment and materials.

Elgitread participated in several international fairs in order to expand its markets and promote its products. The response has been excellent and has resulted in several orders from various parts of the world.



◀ 41st World Tire and Transportation Services Exhibition conducted by ITRA at Louisville, USA, April 2-5, 1998.

▶International Trade Fair Reifen '98 Essen, Germany, May 19-21, 1998



◀ Tyre Expo Asia 1998, Singapore conducted by Labelex Exhibition Ltd, U.K. September 29th - October 1st, 1998

E-14

ELGI TREAD (INDIA) LTD

Annual Report 1998 - 99

DIRECTORS

L.G.VARADARAJULU
(Chairman)

SUDARSAN VARADARAJ
(Managing Director)

R.ALAGAPPAN

K.JAYARAMAN

K.J.JANAKAR

C.R.LINGIAH

P.V.NATHAN

N.S.K.SWAMY

C.THIAGARAJAN

JAIRAM VARADARAJ

KEY EXECUTIVES

L.G.VARADARAJULU
(Chairman)

SUDARSAN VARADARAJ
(President)

S.A.SUBRAMANIAN
(Company Secretary)

M.JOHN EDWARD
(Vice President - Marketing)

T.ASHOK ANAND
(Vice President - Manufacturing)

BANKERS
STATE BANK OF INDIA

AUDITORS
REDDY, GOUD & JANARDHAN
CHARTERED ACCOUNTANTS
BANGALORE

INTERNAL AUDITORS
S.B.BILLIMORIA & CO.
CHARTERED ACCOUNTANTS
CHENNAI

HEAD OFFICE
2000, TRICHY ROAD
SINGANALLUR
COIMBATORE - 641 005
TAMILNADU

REGISTERED OFFICE
THUMAKUNTA, KIRIKERA
HINDUPUR - 515 211
ANANTAPUR DISTRICT
ANDHRA PRADESH

PLANTS
KIRIKERA, HINDUPUR
KORKADU, PONDICHERRY
KOTTAYI, PALAKKAD
KURICHI, COIMBATORE
ANNUR, COIMBATORE
NAIROBI, KENYA
COROMANDEL, MAURITIUS
ARUSHA, TANZANIA
COLOMBO, SRI LANKA

LETTER FROM THE CHAIRMAN

Dear Members,

Change in any environment is inevitable and it is those that adapt to change survive in the long term. Darwin said, "It is not the strongest of the species that survives, not the most intelligent; it is the one that is most adaptable to change".

The environment in which we operate has undergone considerable change and the Company has, in many ways adapted itself to the changing environment. Along with this comes certain underlying philosophies and strategies. I would like to take this opportunity to share with you some of the significant ones.

CHANGE OF CORPORATE NAME

When the Company was started in 1984, we were operating under very stifling licensing controls and import restrictions. It was our objective to enter into the tyre and transport industry through retreading followed by the manufacture of tyres. This seemed appropriate at that time given the protected nature of our country's economy. Further, given the high rates of import duties, in order to make our venture viable, the Company was constrained to take up activities which, to-day appear very diverse. With the opening up of the economy, some of the earlier constraints were removed and it is required of us to define our core activity and restructure our operations. We have defined our core business as "Franchising retreading systems" and have over the past 2-3 years brought in sharper focus into our business - a focus that has made us Asia's largest and one of the world's leading franchisers / suppliers of retreading systems.

As part of the exercise the Company has divested and is continuing to divest non-core activities of the Company. These include the retreading and engineering divisions, the tyre and tube operations and the wind farms.

Coupled with this move, and to give a clear message to everyone involved, with effect from 1st October 1998, we changed our name to a name by which we are better known - Elgitread (India) Ltd. Our new name reflects our commitment to our key business.

As a part of the increased focus on our core business and to meet the expectations of all the people involved, we have defined a set of objectives.

OBJECTIVES

Of these I would like to address two of the most significant ones.

1. To increase the value of the Company not just to shareholders but to everyone connected with it.
2. To make the Company a global player in the retreading industry.

As a part of enhancing the value of the Company to it's members, we have set upon ourselves the task of being transparent. As a first step we would like to define certain fundamental policies of the Company and to provide to the shareholders more information on the Company and its future plans. An indication of this is the information that I'm sharing with you in this letter and is evidenced by the level of information provided in the annual report. The Company would continue this practice and also institute other measures aimed at better quality disclosure of information.

To be a meaningful player globally a Company has to develop it's own technology and cannot depend on outside technical know how. For this the Company requires not just a strong focus but also considerable investment in R & D facilities. We have invested over Rs.20.0 Million in a very modern R & D facility that will enable the Company not only to develop new application specific products but also help in reducing material and process related costs.

I would now like to share with you the present scenario and what we could possibly expect in the next year or two.

OVERVIEW

As mentioned earlier the core focus of the Company is to franchise retreading system. This system, though a very powerful method of starting and growing a service oriented organisation requires tremendous commitment and discipline from the franchiser. Unlike an environment where a commitment is purely to sell and service a product, in a franchising system the franchiser has to look at his franchisee as an extension of and as a part of his own business. This implies that the franchiser has to go beyond just manufacturing and distributing his products. We have to ensure that the franchisee is always up-to-date in all his operations which include retreading as well as marketing, putting tremendous importance on training and audit. It also means that we have to ensure that he never has any problem with receipt of materials as he is completely dependent on the franchiser. We have over the years made excellent progress in meeting this requirement.

Our strategically designed network consisting of three manufacturing facilities, five regional offices, seven branches, ten depots and 72 marketing / technical support officers and executives ensures that the three hundred and odd franchisees set up throughout the length and breadth of the country are provided with prompt service.

Together with our dedicated and loyal franchisees, whom we are extremely proud of, we have, in less than 15 years created one of the most successful franchising businesses.

FUTURE

By all indications, it appears that the year 1999-2000 will not see the retreading industry's performance picking up substantially. By the most conservative estimate the growth could be less than 5%. We are targeting a growth of 10%, which is a very high one we have set for ourselves.

In order to achieve this, we will step up our efforts to consolidate our position in the areas of quality, cost control, new products development and closer customer relationship and spend substantial effort in advertising and sales promotion. This will provide the competitive edge to our franchisees.

In addition, we have taken the following steps to specifically attack the sluggish market that is present now.

- Increased marketing support to the franchisees.

- More frequent process audits of the franchisees to ensure increased conformation to standards.
- Distribution of technical videos and literature on tyre maintenance and tyre retreading (a unique one in tyre industry) to educate and help vehicle owners.
- Standardization in projecting a uniform identity of Elgitread to the end users.

This is with regard to the domestic market. Substantial gains cannot be expected from this market which is dominated by the unorganised small scale sector to an extent of over 70%. The unorganised sector is characterised by companies that enjoy and manipulate the benefits offered to them by fiscal concessions like Excise duty, Sales tax, etc., and by products that are not upto standards. This sector will continue to dominate until the end users are more conscious of safety and quality. Factors that might bring about a change in their dominance are more stringent enforcement of fiscal benefits, better implementation of the Motor Vehicles Act with reference to overloading and retreading standards and the introduction of radial tyres.

The Company's strategy is to bring about a better awareness, to the transport industry of the benefits of safety and cost effectiveness of using products from reputed brands.

Given a very mature and sluggish domestic market the focus of the Company is an aggressive thrust in the International markets. The Company plans to use a multi-pronged strategy comprising of direct marketing, strategic alliances, acquisitions and establishing wholly owned subsidiaries. Over the past two years we have been participating in a number of expositions that has created an awareness of the Company in the international markets. Though we have excellent solutions and products that can compete with the best in the industry our biggest challenge will be in overcoming the "Made in India" image. This to some extent was created by small companies that went overseas (unable to compete domestically) with cheap substandard material. We plan to overcome this handicap through aggressive promotion of our products and leverage our position as a reasonably large player by international standards.

INVESTOR RELATION

We recognise that the ultimate owners are shareholders who are silent partners. They deserve not only an investor friendly management but, a business consistently earning above average returns on Net Worth. We shall judge ourselves on the strength of value enhancement of shareholders' wealth over a medium/long term of period.

We have been holding meetings with leading Equity Analyst/Investors/Fund Managers for facilitating a better informed financial analysis. This will definitely enable us to improve the quality of reporting to and interacting with the investors.

Eventhough the depository system has not been made mandatory, we feel that it would be in the interest of the shareholders to join the depository system. Accordingly, necessary formalities for joining the depository system are being taken and the shareholders will be notified about this in due course.

HUMAN RESOURCES

We believe that employees are a key resource in achieving the desired goals of sustained growth and profits. Definitely, this unique resource will give us the distinct edge.

We have planned a comprehensive in-house training facility wherein initially existing employees and subsequently fresh students / graduates will undergo a systematic training programme. Our experience in running a facility for technical training and the close interaction we have with leading educational institutions will help us in creating a world class training institute that will be the foundation for establishing a world class organisation.

GROUP COMPANIES

As most of our investors are aware, Elgitread is a part of the Elgi group of Companies. Over the past 50 years the group has earned the reputation of being sincere in its efforts to protect the interests of its shareholders and enhancing their wealth and is reflected by the response of the investing public. No individual Company in the group can take credit for this, whereas the poor performance of even one Company can bely the trust placed by the public in the entire group. With this background certain hard decisions will have to be taken.

Last year we had amended the Memorandum and Articles of Association of the Company wherein the name "Elgi" would revert back to the promoters under certain circumstances. Some doubts were expressed regarding the intentions behind this move. The main intention with which this was done was to protect the interests of the shareholders not just in the Company but in the entire group since they have invested, not just on the credentials of the individual Company, but on the group as a whole. The failure of one Company should not affect the investments in the entire group. It was a lapse on our part in not explaining this issue clearly in the notice. But this was explained in detail at the meeting of the general body and highly appreciated.

Elgi Finance Ltd., is a Company promoted by the group and in the perception of the public at large a part of the group. In the recent past, Elgi Finance has been saddled with substantial Non Performing Assets, as was the case with most of the Non Banking Finance Companies. The operations of the Company have been crippled due to non-payment of dues by a majority of its customers.

Public opinion as well as the policy of protecting the interests of the people who have invested based on their trust in the group as a whole dictated that we extend support to Elgi Finance. Accordingly we have been lending to Elgi Finance on and off by way of Inter Corporate Deposits to enable it meet its commitments to the depositors. As on 31.03.1999 support to the tune of Rs.75 Million has been extended by way of Inter Corporate Deposits. We plan to buy out financial assets to the extent of this Rs.75 Million. These are fundamentally sound assets that are having a temporary set back due to the state of the economy. Though there could be a maximum loss of not more than 20% the net after tax internal rate of return, despite a 20% loss in the principal would be 5-6%, which is what the Company gets on its liquid funds. This exercise will not in any way affect the operations of the Company or reduce its value.

I take this opportunity to thank all members of the Company for the confidence and trust placed on us and assure them that our primary focus is in enhancing the value of the Company with good corporate governance.

Coimbatore
14.05.1999

L.G.Varadarajulu

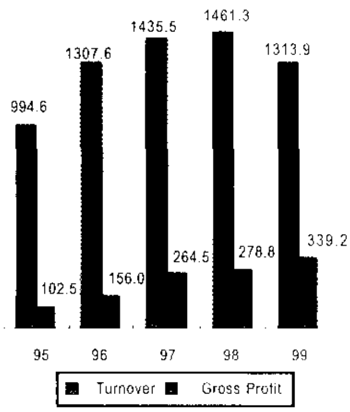
DIRECTORS' REPORT

The Directors have pleasure in presenting the Eighteenth Annual Report and the Audited Accounts for the financial year ended March 31, 1999.

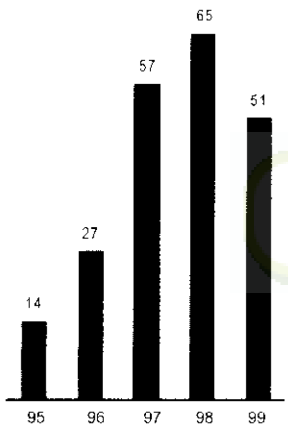
Financial Results:

	1998-99 Rs.	1997-98 Rs.
Sales and other income (Gross)	**1,313,990,926**	**1,461,314,122**
Profit before Depreciation	339,608,073	281,743,990
Less: Depreciation	33,176,719	31,099,567
Profit before taxation	306,431,354	250,644,423
Less: Provision for taxation	90,000,000	65,000,000
Profit after tax	**216,431,354**	**185,644,423**
Add: Balance from Previous Year	4,030,237	1,926,546
Less: Adjustment relating to earlier years	365,505	2,865,732
Profit available for appropriation	**220,096,086**	**184,705,237**
Appropriations:		
General Reserve	180,000,000	165,000,000
Interim Dividend @ 25%	8,403,596	——
Proposed Final Dividend @ 75%	25,210,788	14,250,000
Total Dividend for the year	33,614,384	14,250,000
Tax on Dividend	3,613,547	1,425,000
Balance carried to Balance Sheet	**2,868,155**	**4,030,237**

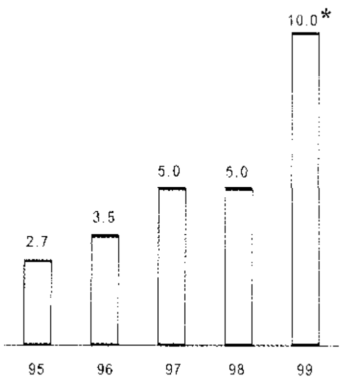
Turnover & Gross Profit
(Rs. in Million)



Earnings per Share
(Rs.)



Dividend per share (Rs.)



* Subject to approval at the AGM

DIVIDEND:

The Directors are pleased to recommend a final dividend of 75%, which together with the interim dividend of 25% paid on 20.02.99., amounts to a dividend of 100% for the year. This, including the tax on Dividend represents a pay-out ratio of 17.2 % of the profit after tax on the eventual equity of the Company. With respect to 1,425,000 equity shares, allotted during the year, the dividend payable for the year 1998-99 shall be on a pro-rata basis.

From the year 1999-2000 onwards, the dividend pay out including any tax thereof will be a minimum of 20 percent of the profit after tax.

PERFORMANCE:

During 1998-99, the Company achieved a turnover of Rs.1,262.6 Million as against Rs.1,424.3 Million - a drop of 12.0 %. In terms of quantity the drop was about 5.0 percent.

Cash profits amounted to Rs.339.24 Million as compared to Rs.278.88 Million in the previous year, an increase of 22.0 %.

REVIEW:

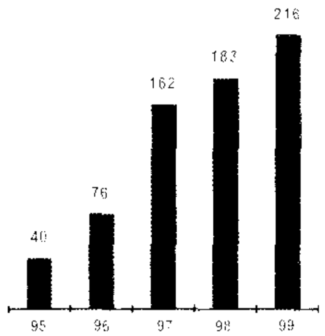
The year 1998-99 witnessed the continuance of the economic slow down which started almost two years ago and affected the performance of most industries. Many of the key sectors of the economy showed a negative rate of growth. The impact was particularly severe on the transport industry, which saw a substantial shrinkage of market demand for the second successive year. Many transport operators found it more economical to keep the vehicles off the road than to operate them. As a consequence the tyre and retreading industries were adversely affected.

The tyre retreading industry was further affected due to the high discounts offered by the domestic tyre industry. Along with this, the small scale operators in the retreading industry who enjoy certain advantages such as low investment, low or nil excise levy and lower overheads, in order to protect volumes, sold retreading material at substantial discounts and unheard of credit terms. This put tremendous pressure on the medium and large scale manufacturers and their customers/franchisees. This resulted in the market being flooded with low cost, albeit poor quality retreads. Only those retreaders who could offer a cost effective product with good quality as well as a recognised and respected brand were able to sustain their operations through customers who valued long term savings.

The Company met this challenge through it's dedicated network of franchisees and by offering reduction in prices of inputs. Though the overall sale in the franchisee segment was down by 3% in volume terms and 6.5% in value terms, given the market conditions, the results are creditable. It also reinforces the Company's commitment to the franchise system of marketing and the trust that the franchisees (who were under tremendous pressure from other manufacturers) have shown in the Company.

Sales to State Transport Undertakings account for approximately 21% of the Company's sales. During the year, despite aggressive competition from the unorganised small scale sectors, the Company was able to retain it's share of business and the sales for the year in quantitative terms was the same as the year before.

Net Profit (Rs. in Million)



On the export front there has been a drop in turnover by around 28%. The major factor contributing to this drop was the Middle East markets. Most organised and reputed manufacturers including those from Europe and the United States have experienced this drop. Almost the entire retreading industry in these markets have switched to low cost products from India and South East Asia. The Company has consciously stayed away from these markets due to unrenumerative prices and credit terms. Exports to other markets during the year registered a growth of more than 16%.

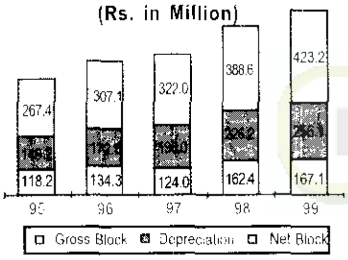
Consequent to the divestment of retreading division, there was a reduction in sales to the extent of Rs.30.0 Million for the year. However the bottom line was not affected since the new Company continues to be a franchisee.

In February 1998, there was a price reduction effected for most products, which impacted the year's turnover. The monetary effect of this was around Rs.50.0 Million.

The domestic sale from the machinery division accounted for Rs. 11 Million and was primarily for expansion of existing franchisees, new plants where franchisees were terminated and to a small extent to State Transport Undertakings. Almost all the potential areas in the country have been well covered by existing franchisees and the scope for appointing new franchisees is very limited.

In line with the policy of focused operations the Company had hived off the Retreading Division during 1997-98. Steps with respect to the sale of the machinery and tube divisions and the wind farm would be taken up during the current year. As regards the overseas operations, divestment steps have been deferred.

Fixed Assets
(Rs. in Million)



FINANCIAL RESULTS:

Notwithstanding the poor market conditions witnessed during 1998-99, the Company was able to record an increased profit. The improved results can be attributed to several factors. Primarily stable and low raw material prices, especially Natural Rubber increased realisation. Lower finance charges, implementation of several cost control and productivity improvement measures and a concerted effort in process waste reduction helped improve the bottom line. Employee and other operating costs have more or less remained under control. Increased investments in advertising and sales promotion were part of the effort to strengthen the Company's brand equity even further.

CAPITAL EXPENDITURE:

The Company incurred a capital expenditure of Rs.39.8 Million during the year 1998-99. Out of this, an amount of Rs.21.2 Million was invested in sophisticated laboratory equipment. Few Companies (including tyre companies) worldwide have such equipment and the Company's new Research and Development facility would rank with some of the best in the world. This will enable the Company to identify new material and processes that will eventually reduce the cost of the products and enable it to develop new products for the quality conscious developed markets.

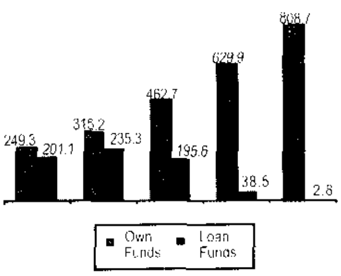
INVESTMENT:

The Company realised Rs.3.41 Million through the sale of units in Unit Trust of India, as this statutory investment was not required.

During the year, 150,000 - 15% Redeemable Preference Shares in ITC Classic Finance Ltd and 100,000 -16% Redeemable Preference Shares in Sakthi Sugars Ltd. were redeemed.

The Company had invested in 1,250,000 - 12.5% Non convertible Redeemable Preference Shares of Rs.10 each amounting to Rs.12,500,000/- in Terra Agro Technologies Ltd and in 39,980 Equity Shares of Rs.10/- each in Festo Controls Ltd amounting to Rs.399,800/-.

Own Funds & Loan Funds
(Rs. in Million)



DEBT REDUCTION:

Despite lower sales, the Company was able to maintain a steady growth of cash earnings. These earnings were used to clear all outstanding debt. We are glad to inform that as of 31st March 1999 the Company is a "zero debt Company".

With a very comfortable liquidity position the dependence on public deposit had come down substantially. As on 31st March 1999, the total outstanding public deposit was only Rs.2.8 Million as against Rs.30.1 Million on the corresponding date last year. The amount of deposits unclaimed at the year end was Rs.381,500. The Company is taking steps to retire the existing deposits during the current year.

Y2K COMPLIANCE:

The Company has taken due steps to secure Y2K compliance of the equipment deployed in the Company's operations. Most of the equipment, including data processing systems and main applications, have been found to be compliant. Replacement/upgradation of a few equipment for Y2K compliance will be completed by Sep 1999 at a cost of around Rs. 1.50 Million. All the Company's software have been tested and have been found to be Y2K compliant.

JOINT VENTURES / SUBSIDIARIES:

Turnover and profit of the Joint Venture Companies in Kenya, Mauritius and Tanzania were good.

In the case of Srilanka, eventhough there was an increase of turnover, a commensurate profit was not recorded, due to writing off of certain extraneous expenses. However, all the joint ventures have played a role in furthering the brand in their respective countries.

DIRECTORS

With a deep sense of sorrow we record the demise of Mr.L.G.Balakrishnan, Founder Chairman of the Company who passed away on 29th August 1998. The Board wish to place on record the valuable services rendered by him for the growth of the Company in its formative period.

In accordance with the provisions of the Articles of Association, Dr. Jairam Varadaraj, Mr.N.S.K. Swamy, Mr. C.R. Lingiah and Mr.C.Thiyagarajan retire by rotation.

AUDITORS:

Reddy, Goud, & Janardhan, Auditors of the Company, retire at the ensuing Annual General Meeting.

Conservation of Energy, Technology absorption and Foreign Exchange earnings/outgo:

The information required under Sec. 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the Boards of Directors) Rules, 1998 is given as Annexure-1 to this report.

PARTICULARS OF EMPLOYEES:

In accordance with the requirements of Sec. 217 (2A) of the Companies Act, 1956, read with the Companies (particulars of employees) Rules, 1975, as amended by the Companies (particulars of employees) (amendments) Rules, 1998 a statement giving the required information relating to employees covered by the said section is given as Annexure-2 to this report.

ACKNOWLEDGEMENT:

The Directors are pleased to place on record their appreciation of the continued cooperation and support of franchisees, customers, suppliers, employees and State Bank of India.

Annexure I

A.1 Energy conservation measures taken :

Energy audits were conducted in the factories and following measures were taken to bring about savings in the energy consumed:

i. Relocation of thermic fluid heaters and changes in the thermic fluid circuit for higher efficiency.

ii. Energy efficient Cold Feed Extruder installed in Palakkad factory to reduce power consumed for extrusion.

iii. Natural draft radial roof vents installed in the plants to save electrical energy used for exhaust fans.

iv. Cooling towers were revamped and automatic cut off switches installed to save power.

A.2 Additional investments and proposals being implemented for reduction of consumption of energy.

i. Studies undertaken to reduce the quantity of rubber that is reworked in the extruder, to save on power and labour.

ii. New tread sanding line proposed at Hindupur factory, to reduce power required for sanding the treads.

iii. New energy efficient lighting system being considered for the factories.

iv. New higher-efficiency generators being considered for the factories to reduce captive generation cost.

A.3 Impact of the measures taken and consequent impact on the cost of production of goods:

Considerable savings observed in the fuel and energy consumed during the year in the factories.

B. Technology Absorption:

B.1 Specific areas in which R & D is carried out by the Company.

i. Development of new high capacity, semi-automatic tyre Buffing Machine for overseas market.

ii. Development of a new retreading system for the car radial tyres.

B.2 Benefits arrived as a result of the above R & D activity:

These measure will yield results only in the long term by way of increased exports.

B.3 Expenditure on R & D

		Rs.
i.	Capital	: 21,253,755
ii.	Recurring	: 7,316,821
iii.	Total	: 28,570,576
iv.	Total R & D expenditure as a percentage of total turnover	: 2.26%

C. Technology absorption, adaptation and innovation:

C.1 Efforts in brief, made towards Technology absorption, adaptation and innovation:

Not Applicable

C.2 In case of Imported Technology (imported during the last five years reckoned from the beginning of the financial year) the following information may be furnished:

Not Applicable

D. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans:

D.1. The Company's exports were down by almost 28% due to very low and un-renumerative price and payment terms from the Middle East. Exports to other markets have shown an increase of 16%.

Participation in overseas trade fairs in developed countries to introduce the Company's products in markets that demand high and consistent quality.

D.2 Total Foreign Exchange used and earned:

Foreign Exchange Earned : Rs.67,947,506

Foreign Exchange Outgo : Rs.47,851,484

ANNEXURE-2

Information pursuant to Sec.217(2A) of the Companies Act, 1956 and the Companies (particulars of employees)Rules, 1975 for the year ended 31st March, 1999, is furnished herewith:

Sl. No.	Name	Designation/ Nature of Duties	Age/ Qualification & Experience	Total Remuneration (Rs.)	Date of Commencement of Employment	Previous Employer
1.	L.G.Varadarajulu	Chairman	70 years Diploma in Automobile Engg. 47 years	8,230,593	13.05.1981	L.G.Balakrishnan & Bros. Ltd. Coimbatore
2.	Sudarsan Varadaraj	Managing Director	41 years B.E.(Hons) M.S.(M.E.) 17 years	16,461,186	12.03.1988	LSA Engineers Inc., Houston U.S.A

Note :

1. The Chairman and Managing Director are appointed for a period of five years.
2. Remuneration includes salary, Company's contribution to Provident Fund, commission and reimbursement of medical expenses and other perquisites as applicable.
3. L.G.Varadarajulu, Chairman, is related to Jairam Varadaraj, Director and Sudarsan Varadaraj, Managing Director of the Company.
4. Sudarsan Varadaraj, Managing Director, is related to L.G.Varadarajulu, Chairman and Jairam Varadaraj, Director of the Company.

For the Board of Directors

Coimbatore
14.05.1999

L.G. Varadarajulu
Chairman

SHAREHOLDERS' INFORMATION

Registered & Corporate Office	:	Regd. Office: Thumakunta, Kirikera, Hindupur Andhra Pradesh 515 211. Corp. Office: 2000, Trichy Road, Singanallur Coimbatore, Tamil Nadu 641 005
Date of Book Closure	:	07.07.1999 to 14.07.1999
AGM - Date & Venue	:	17.07.1999 Elgitread (India) Ltd., Recreation Hall, Thumakunta, Kirikera, Hindupur 515 211.
Dividend Warrants Despatch Date	:	Before 31.07.1999
STOCK MARKET DATA:		
Listing on Stock Exchanges	:	Regional Stock Exchange at Hyderabad National Stock Exchange, Mumbai Stock Exchanges at Mumbai, Chennai and Coimbatore
Trading Group in Stock Exchange	:	B1
SHARE TRANSFERS:		
No. of Shares received for transfer	:	46,165 per month on an average
Average turn around time	:	20 days
Bad deliveries received	:	33
Due to : Signature difference	:	25
Execution date not mentioned	:	5
Non registration of Power of Attorney	:	3
		33
Special efforts to improve service	:	Share Transfer Committee Meeting is held every fortnight and the share certificates are despatched within 3 days of transfer
Complaints received and attended	:	Company received complaints regarding non receipt of dividend warrants and bonus share certificates and necessary action taken to sort these issues. At present there is no pending complaint.
Regarding Dividend warrants	:	1
Regarding Bonus Share Certificates	:	2
Legal proceedings/disputes on Share Transfer against the Company	:	Temporary Court Injunction received for fraudulent transfer of shares and misplacement of share certificates. Total number of cases - 12.
Equity Holding Pattern	:	Annexure I
Shares under lock - in	:	Nil
Distribution of Shareholding in various quantity slabs	:	Annexure II