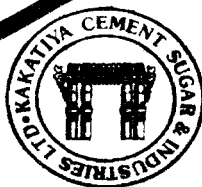


**26TH**  
**ANNUAL REPORT**  
**2004 - 2005**

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**KAKATIYA CEMENT**  
**SUGAR & INDUSTRIES LTD.**



## **KAKATIYA CEMENT SUGAR & INDUSTRIES LIMITED**

### **BOARD OF DIRECTORS**

P. Venkateswarlu  
P. Veeraiah  
J.S.R. Prasad  
V. Venkateswara Rao  
T.R.C. Bose  
J. Seshagiri Rao  
J. Lakshmi Nalini  
C. Madhusudana Rao  
V.B.R. Suryam  
M. Narasimha Rao  
P.V. Rao

Chairman & Managing Director  
Joint Managing Director  
Executive Director  
Nominee of IDBI  
Director  
Director  
Director  
Director  
Director  
Director  
Director

### **SENIOR EXECUTIVES**

M. V Subba Rao  
G. Bharadwaja  
A. Siva Sankar Reddy  
A. Satyanarayana

Vice President (Cement Works)  
General Manager (Sugar Works)  
General Manager (Fin.)  
Company Secretary

### **AUDITORS**

M/S. M. Anandam & Co.,  
Chartered Accountants,  
SECUNDERABAD

### **COST AUDITORS**

M/S. Narasimha Murthy & Co.,  
Cost Accountants,  
HYDERABAD

### **BANKERS**

State Bank of India  
Industrial Finance Branch  
Somajiguda, Hyderabad

Andhra Bank  
Specialised Corporate Finance Branch  
Somajiguda, Hyderabad

### **REGISTERED OFFICE**

1-10-140/1, "GURUKRUPA"  
Ashok Nagar,  
HYDERABAD-500 020

### **REGISTRARS**

XL SOFTECH Systems Limited,  
3, Sagar Society, Road No.2, Banjara Hills,  
HYDERABAD-500 034

### **FACTORIES**

#### **CEMENT:**

Srinivasa Nagar  
Mellacheruvu Mandal  
Nalgonda Dist. A.P.

#### **SUGAR & POWER:**

Peruvancha Village  
Kallur Mandal  
Khammam Dist. A.P.



## KAKATIYA CEMENT SUGAR & INDUSTRIES LIMITED

### NOTICE

NOTICE is hereby given that the **TWENTY SIXTH ANNUAL GENERAL MEETING** of **KAKATIYA CEMENT SUGAR & INDUSTRIES LIMITED** will be held on Friday, the 30th day of September, 2005 at 12.00 noon at KLN Prasad Auditorium, FAPCCI Premises, Red Hills, Hyderabad - 500 004 to transact the following Business.

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2005, the Balance Sheet as on that date and the Reports of the Directors and the Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Sri C. Madhusudana Rao, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Sri. M. Narasimha Rao, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Sri. T.R.C. Bose, who retires by rotation and being eligible, offers himself for re-appointment.
6. To reappoint Auditors to hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting and to authorise the payment of fees as may be fixed by the Audit Committee.

M/s. M.ANANDAM & CO., Chartered Accountants, Secunderabad, the present auditors of the Company, are eligible for reappointment and are willing for the same.

By Order of the Board  
for **KAKATIYA CEMENT SUGAR & INDUSTRIES LIMITED**

**A. SATYANARAYANA**  
Company Secretary

Place : Hyderabad  
Date : 19.08.2005

### NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ONLY INSTEAD OF HIMSELF/HERSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. A BLANK PROXY FORM IS CONTAINED IN THIS REPORT.

2. The Register of Members and Share Transfer Books will remain closed from 23.09.2005 to 30.09.2005 (both days inclusive).
3. Members, holding shares in physical form, are advised to notify change in their address, if any, specifying full address with pin code, to the Company's Registered Office and those holding shares in dematerialised form, are to notify to the Depository Participant with whom the demat account is maintained.
4. Payment of Dividend on Shares, if declared at the Meeting will be made within the statutory period to those members whose names would appear on the Company's Register of Members on 30th September, 2005 or whose names/beneficiary positions shall be submitted by the depositories, as appearing in their records on the specified date or to their mandates/Bankers.
5. As per provisions of Section 205A of the Companies Act, 1956 the Company has already transferred to the Investors Education and Protection Fund, the amount of all unclaimed dividends declared up to and including the financial year ended 31st March, 1997.  
As per provisions of the Section 205A, the Company is required to transfer dividend, which remains unpaid or unclaimed for a period of 7 years, to the Investors Education and Protection Fund set up by the Central Government. Shareholders, who have not claimed their dividend for any year from the financial year ended March 31, 1998 onwards, are requested to lodge their claim with the Company.
6. (a) The Company's shares are listed with the Hyderabad Stock Exchange Limited (HSE), The Stock Exchange, Mumbai (BSE) and The National Stock Exchange of India Limited (NSE).  
(b) The Annual Listing Fee for the year 2005-2006 has been paid to all the three Stock Exchanges i.e., HSE, BSE and NSE.
7. Members desiring any information as regards Accounts are requested to write to the Company at its Registered Office at least 10 days before the date of AGM, so as to enable the management to keep the information ready.
8. The information required pursuant to Corporate Governance clause of the Listing Agreement regarding Directors seeking reappointment in the Annual General Meeting, is also being annexed hereto separately and forms part of this Notice.



## KAKATIYA CEMENT SUGAR & INDUSTRIES LIMITED

### DIRECTORS' REPORT

To  
Members

Your Directors have pleasure in presenting the 26th Annual Report together with the Audited Accounts for the year ended 31st March, 2005.

### FINANCIAL RESULTS

The Financial Results for the year ended 31st March, 2005 are summarised below :-

	(Rs. in Lakhs)	
Particulars	2004-05	2003-04
Income (Sale and other Income)	14841.44	14632.03
Profit before Depreciation, Interest & Taxes	3100.40	3038.87
Depreciation	784.24	788.15
Interest	1208.16	1521.36
Provision for Taxation	98.29	57.44
Profit after Taxation	1009.71	671.92
Profit brought forward from Previous year	1956.91	1530.79
APPROPRIATIONS		
Transfer to General Reserve	110.00	70.00
Proposed Dividend	155.48	155.48
Corporate Tax on Dividend	21.81	20.32
Balance carried over to Balance Sheet	2679.33	1956.91

Segment-wise performance has been furnished under Notes on Accounts.

### DIVIDEND

Your Directors are pleased to recommend for your consideration a Dividend of Rs.2/- per equity share for the year ended 31.03.2005, aggregating an amount of Rs.155.48 lakhs.

### PERFORMANCE OF THE YEAR UNDER REVIEW

Cement Division:

During the year under review, the Cement Division has produced 2,75,727 MT of cement as against 2,84,105 MT of cement for the previous year. The loss for the Division was Rs.136.77 lakhs as against Rs. 96.21 lakhs loss for the previous year.

Sugar Division:

The Sugar Division crushed 1,88,013 MT of sugarcane for the current season as against 2,60,836 MT for the previous season. The recovery rate was 10.76% compared to 9.89% for the previous season. The profit for the Division was Rs.1160.98 lakhs as against Rs. 83.40 lakhs for the previous year.

Power Division :

During the year under review, the Power Division has generated 6,03,34,123 KWH against 11,29,12,362 KWH of power for the previous year. The loss for the Division was Rs.14.50 lakhs as against profit of Rs. 684.73 lakhs for the previous year.

### CURRENT YEAR OUTLOOK:

Cement Division:

In the first three months of the current year i.e. April-June, 2005, the production of cement was 74,331.095 MT as against 76,853.190 MT of the first three months of the previous year. Your Directors expect that price realisations will improve during the remaining part of the current year.

Sugar Division:

Sugarcane crop in the factory zone has been affected due to deficit rainfall for the last 2,3 years which may in turn cause shortage of sugarcane for the ensuing crushing season. However, price of sugar and molasses have stabilized at a very remunerative level, which is expected to continue in the near future. Further, heavy rainfall during the months of July - August 2005 in the neighbouring States of Maharashtra and Karnataka have helped in filling the water reservoirs in the State which will ensure that the zonal areas of the factory will get good irrigation and thereby increased sugarcane availability.

Power Division:

The downward revision of tariff, by the APERC, on the power sales to APTRANSCO, has adversely affected the profitability of the Division. The matter, however, has been contested in the Courts and is pending.

### FIXED DEPOSITS:

The aggregate amount of deposits accepted by the Company as on 31.03.2005 stood at Rs.341.36 lakhs. There were no fixed deposits, which were



## **KAKATIYA CEMENT SUGAR & INDUSTRIES LIMITED**

matured but not paid, other than unclaimed deposits, as on that date.

### **INSURANCE:**

All the properties of the Company including its buildings, Plant and Machinery and Stocks wherever required have been adequately insured.

### **STATEMENT PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956 AND COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 (FORMING PART OF THE DIRECTORS' REPORT)**

As none of the employees has drawn more remuneration than the limits prescribed under the above Rules, no statement is enclosed.

### **DIRECTORS' RESPONSIBILITY STATEMENT:**

The Board of Directors of the Company hereby declares and states that -

1. In the preparation of annual accounts, the applicable accounting standards have been followed and there were no material departures therefrom.
2. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the status of the Company as on 31st March, 2005 and Profit & Loss Account of the Company for the year ended as on 31st March, 2005.
3. 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 preventing and detecting fraud and other irregularities.
4. The accounts were prepared on a going concern basis.

### **ENVIRONMENTAL PROTECTION:**

The Company consciously makes efforts to preserve the environment and control the pollution from time to time.

Planting of saplings and seedlings in and around the factories and colonies is being done on a continuous basis, so as to develop green belt around the plant to improve the environment.

### **AUDITORS:**

M/s. M. ANANDAM & CO., Chartered Accountants, Secunderabad, the Auditors of the Company retire at the conclusion of this Annual General Meeting and they are eligible for re-appointment.

### **COST AUDIT:**

The Central Government had ordered audit of cost accounts relating to manufacture of cement. For the year ended 31st March 2005, with the approval of Central Government, M/s. Narasimha Murthy & Co., Cost Accountants, Hyderabad have been appointed to conduct the Cost Audit.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

#### **a. Industry Structure And Developments:**

Cement as well as Sugar industries in India are fragmented and scattered throughout the country and have been experiencing consolidations and achieving considerable growth rates and improved price realizations. However, the cement prices in the State of Andhra Pradesh are not showing much improvement unlike other parts of the country.

Sugar being an agro-based industry needs good irrigation facilities. Some regions of the country having sufficient water have given good crop yields. Whereas due to insufficient rainfall, sufficient sugarcane was not available for your Company during the year under review. However, the recent heavy rains in the neighbouring States of Maharashtra and Karnataka will help the State in improving the local irrigation facilities. As far as Power operations are concerned, the same being based on bagasse, due to insufficient availability of sugarcane, the power plant could not run optimally. And there has not been any development in the pending cases in connection with reduction of tariff on power supplies to APTRANSCO.

#### **b. Opportunities and threats:**

Infrastructure and rural development have been attracting considerable resources of the Governments both at the Centre and State levels. And the sustained economic development of the country coupled with providing of incentives for housing are expected to give boost to the cement industry. Mixing of Ethanol with Petrol has improved demand for molasses, which is a positive factor for Sugar industry.



## **KAKATIYA CEMENT SUGAR & INDUSTRIES LIMITED**

### **c. Segment or product-wise performance:**

Segment-wise or product-wise performance has already been furnished elsewhere in this Report.

### **d. Outlook:**

Division-wise outlook has already been furnished elsewhere in this Report.

### **e. Risks and concerns:**

The Cement, Sugar and Power industries being core industries, there is no risk of product obsolescence nor steep fall in demand by way of product substitution or otherwise and therefore, your Directors do not foresee any major risks and concerns, in the near future except as discussed elsewhere in this Report.

### **f. Internal control systems and their adequacy:**

The Company has adequate internal control system. Apart from this, the Company also has independent internal auditors, who conduct periodical audit and their report is taken into account by the Management as well as the Statutory Auditors.

### **g. Financial/operational performance:**

This has been already discussed elsewhere in this Report.

### **h. Human Resources / Industrial Relations:**

The Company employs about 550 people. The Company enjoys very cordial industrial relations and there is very low employee/labour turnover in the Company. You will be glad to note that in the last more than twenty years of operations of the Company, there were no strikes, lockouts, lay-offs, retrenchments, etc.

The industrial relations continued to be cordial during the year under review. The Board wishes to place on record its appreciation to all employees for their efforts and cooperation to the high level of performance and growth of business during the year.

### **CAUTIONARY STATEMENT:**

Statements in this "Management Discussion & Analysis" may be considered to be "forward looking statements" within the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to

the Company's operations include global and Indian demand-supply conditions, increased installed capacity, finished goods prices, raw materials availability and prices, cyclical demand and pricing in the Company's markets, changes in Government regulations, tax regimes, besides other factors, such as litigations and labour negotiations.

### **ACKNOWLEDGEMENTS:**

Your Directors wish to express their thanks for the assistance received from IDBI, ICICI, IFCI, IREDA, Indian Bank, United Bank of India and APIDC from time to time.

Your Directors also thank the State Bank of India, Industrial Finance Branch, Somajiguda, Hyderabad and Andhra Bank, Specialised Corporate Finance Branch, Somajiguda, Hyderabad for extending the support towards working capital to meet the requirements of its operations.

Your Directors appreciate the support and the cooperation received from the State Government, NEDCAP, APTRANSCO and the Central Government for the Company's growth and development.

Your Directors would like to convey the deep appreciation to all the employees and workers of the Company for their sustained effort and wholehearted co-operation throughout the year.

Your Directors thank the Distributors, Dealers and Suppliers for their continuous support and active involvement.

Finally your Directors record their deep sense of gratitude to all the Shareholders for the abundant confidence reposed in the Board of Directors.

By Order of the Board  
for **KAKATIYA CEMENT SUGAR & INDUSTRIES LIMITED**

**P. VENKATESWARLU**  
Chairman &  
Managing Director

Place : Hyderabad  
Date : 19.08.2005


**KAKATIYA CEMENT SUGAR &  
INDUSTRIES LIMITED**
**ANNEXURE TO DIRECTORS' REPORT**

Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

**A. CONSERVATION OF ENERGY**

- a) Energy Conservation Measures adopted NIL  
 b) Additional Investments and Proposal for reduction of Consumption of energy NIL  
 c) Impact of the above measures NIL  
 d) Total Energy Consumption and Energy Consumption per unit of production FORM "A" Enclosed

**B. TECHNOLOGY ABSORPTION**

Efforts made in Technology Absorption FORM "B" Enclosed

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

- a) Activities relating to exports, initiatives taken to increase exports, development of new export market for product & services and export plans. Exports are not contemplated at the present.

Total foreign exchange used : Nil

Total foreign exchange earned : Nil

**FORM-A**

Form for disclosure of particulars with respect to Conservation of Energy

	CURRENT YEAR 2004-05			PREVIOUS YEAR 2003-04		
	CEMENT	SUGAR	POWER	CEMENT	SUGAR	POWER
<b>A. POWER &amp; FUEL CONSUMPTION</b>						
<b>1 ELECTRICITY</b>						
(a) Purchased (KWH)	2,56,05,445	63,34,738	—	2,82,62,160	84,79,094	—
Total Amount (Rs.)	8,42,72,147	2,34,20,094	—	10,44,74,826	3,09,86,953	—
Rate per Unit (Rs.)	3.29	3.70	—	3.70	3.65	—
(b) OWN GENERATION						
Through Diesel						
Generators (Units)	1,24,638	—	—	43,668	—	—
Units per Ltr. Of Diesel /	3.53	—	—	2.43	—	—
Furnace Oil						
Cost per Unit (Rs.)	5.79	—	—	6.73	—	—
<b>2 FUEL</b>						
(a) COAL						
Quantity (MT)	41,783	—	14,523	48,704	—	29,932
Total Cost (Rs.)	8,01,98,363	—	2,63,17,439	8,24,73,832	—	4,93,83,513
Average Rate (Rs.)	1,919.42	—	1,812.12	1,693.27	—	1,649.86
(b) DIESEL/ LDO						
Quantity (Ltrs.)	23,334	—	—	30,065	—	—
Total Cost (Rs.)	4,64,681	—	—	5,56,496	—	—
Average Rate (Rs.)	19.91	—	—	18.51	—	—
(c) Bagasse / Cane Trash						
Quantity (MT)	—	—	81,917	—	—	143,283
Total Cost (Rs.)	—	—	8,10,82,000	—	—	12,84,84,250
Average Rate (Rs.)	—	—	989.80	—	—	896.72


**KAKATIYA CEMENT SUGAR &  
INDUSTRIES LIMITED**
**B. CONSUMPTION PER UNIT OF PRODUCTION**

1. Electricity (KWH)						
Cement (MT)	<b>102.958</b>	—	—	99.963	—	—
Sugar (KGS)	—	<b>0.31</b>	—	—	<b>0.33</b>	—
Power (KWH)	—	—	<b>0.094</b>	—	—	<b>0.102</b>
2. Coal (MT)	<b>0.19</b>	—	—	<b>0.19</b>	—	—
(Per tonne of clinker)						

**FORM - B**

Form for disclosure of particulars with respect to Absorption, Research &amp; Development (R &amp; D)

1. Specific areas in which R & D carried out by the Company
2. Benefits derived as a result of the above R & D
3. Future plan of action
4. Expenditure on R & D
  - A. Capital
  - B. Recurring
  - C. Total
  - D. Total R & D expenditure as a Percentage of total turnover

There is no separate Research and Development Wing as the scale of Company's operations are relatively small. However, the Company has fairly good laboratory with adequate testing facility to ensure quality of various inputs and also finished products. Besides the Company continuously endeavours to improve production process and product quality and encourages the technicians and workers to innovate.

**TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION - NOT APPLICABLE**

By Order of the Board  
for **KAKATIYA CEMENT SUGAR &  
INDUSTRIES LIMITED**

Place : Hyderabad  
Date : 19.08.2005

**P. VENKATESWARLU**  
Chairman & Managing Director



## KAKATIYA CEMENT SUGAR & INDUSTRIES LIMITED

### CORPORATE GOVERNANCE REPORT :

#### THE CORPORATE GOVERNANCE CODE & COMPANY'S PHILOSOPHY

The Company attaches immense importance to good Corporate Governance and the code of governance as formulated by the Stock Exchanges/SEBI and other authorities. It will be the endeavour of the Board of Directors that the Company is so governed as to maximise the benefits of all stake holders i.e., shareholders, employees, customers, society and others. The Company has been implementing the clauses of Corporate Governance from time to time.

#### BOARD OF DIRECTORS:

The Board of Directors of the Company is composed of 11 directors, out of which 3 are whole-time directors and one is nominee of financial institution. The proportion of independent Directors is more than 50% as the Company has full-time Chairman. During the year under review, there were in all five (5) meetings of the Board of Directors and the maximum time gap between any two board meetings was 96 days and the following is the attendance of the Directors:

Sl. No.	Name of the Director	No. of meetings Attended	Whether attended the last Annual General Meeting	No. of Directorships in other Boards	No. of Memberships in other Board Committees
01.	P. Venkateswarlu	5	Yes	1	Nil
02.	P. Veeraiah	5	Yes	1	Nil
03.	J.S.R. Prasad	3	Yes	2	4
04.	V. Venkateswara Rao	4	No	2	Nil
05.	T.R.C. Bose	4	Yes	Nil	Nil
06.	J. Seshagiri Rao	4	No	4	3
07.	J. Lakshmi Nalini	5	No	Nil	Nil
08.	C. Madhusudana Rao	5	Yes	6	2
09.	V.B.R. Suryam	4	No	Nil	Nil
10.	M. Narasimha Rao	2	No	2	Nil
11.	P.V. Rao	3	No	N.A.	N.A.

The dates of Board Meeting held during the year under review are : 22.04.2004, 27.07.2004, 19.08.2004, 30.10.2004 and 27.01.2005.

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Sri. C. Madhusudana Rao, Sri. M. Narasimha Rao and Sri. T.R.C. Bose retire by rotation and are eligible for reappointment.

**Particulars, required to be furnished under clause 49 of the Listing Agreement, of Directors who are proposed to be appointed/reappointed at the ensuing AGM**

#### Sri C. Madhusudana Rao :

Sri C. Madhusudana Rao, aged 67 years, is Chartered Accountant by profession having vast experience in the field of finance and accounting

#### Sri. M. Narasimha Rao :

Sri M. Narasimha Rao, aged 63 years, has very vast experience in the Sugar Industry. He was the Managing Director of Andhra Pradesh Federation of Cooperative Sugar Factories. He is also on the Boards of Sai Vardhan Associates Pvt. Ltd., and SVAB Links Pvt. Ltd.

#### Sri. T.R.C. Bose :

Sri T.R.C. Bose is a former Director (Projects) in the Transmission Corporation of Andhra Pradesh Ltd. (APTRANSCO) and was originally nominated as Director on the Board of Directors of the Company by Indian Renewable Energy Development Agency Ltd. (IREDA). He is also Director of IVRCL Infrastructure & Projects Ltd., Vijai Electricals Limited and Konaseema EPS Oakwell Power Ltd.


**KAKATIYA CEMENT SUGAR &  
INDUSTRIES LIMITED**
**GENERAL BODY MEETINGS:**

The last three Annual General Meetings were held as under :

Sl. No.	Location	Date and Time	Whether any special resolutions were passed	Postal Ballots
01.	Tyagaraya Gana Sabha, Chikkadapally, Hyderabad	30.09.2002 10.15 a.m	No	N.A.
02.	— do —	27.09.2003 11.00 a.m	Yes	N.A.
03	KLN Prasad Auditorium, FAPPCI Premises, Red Hills, Hyderabad	30.09.2004 11.00 a.m	No	N.A.

**SHAREHOLDERS / INVESTORS GRIEVANCES:**

The Company accords utmost attention for resolving shareholders/investors grievances / complaints. Complaints received from shareholders/investors directly or through Stock Exchanges or SEBI are replied to immediately. There are no outstanding unresolved complaints.

**SHAREHOLDERS GRIEVANCE COMMITTEE:**

The Board of Directors of the Company constituted Shareholders Grievance Committee consisting of the following Directors, to deal with complaints regarding transfer/ transmission of shares, non-receipt of share certificates, dividends, annual reports and such other matters:

Sri C. Madhusudana Rao	-	Chairman
Sri T.R.C. Bose	-	Member
Sri M. Narasimha Rao	-	Member

During the year the Company has received 15 complaints and all have been resolved and there is no pending complaint.

**AUDIT COMMITTEE:**

The Board of Directors of the Company constituted Audit Committee consisting of the following Directors, with the role and responsibilities duly defined and in accordance with the applicable statutory and other requirements. During the year, in all, 4 meetings of the Committee took place and attendance thereat is as under:

Name of the Director	No. of Meetings Attended
Sri C. Madhusudana Rao - Chairman	3
Sri T.R.C. Bose - Member	4
Sri M. Narasimha Rao - Member	3
Sri J. Seshagiri Rao - Member	3

**REMUNERATION OF DIRECTORS & REMUNERATION COMMITTEE:**

Other than the whole-time Directors, no other Director receives any remuneration from the Company excepting Sitting Fees for attending the Board Meetings. The details of remuneration paid to the whole-time Directors is mentioned in Schedule XII (Notes to Accounts) to the Balance Sheet of the Company.

The Board of Directors of the Company constituted Remuneration Committee consisting of the following Directors, with the role and responsibilities duly defined and in accordance with the applicable statutory and other requirements.

Sri C. Madhusudana Rao	-	Chairman
Sri T.R.C. Bose	-	Member
Sri M. Narasimha Rao	-	Member