

CROÎTRE

CROITRE INDUSTRIES LIMITED

(formerly known as Sai Wires India Limited)

**23** annual report

**2010 - 2011**

<b>Board of Directors</b>	Mr. P Pavan Kumar, Managing Director Mr. S S R K Mohan Babu, Additional Director Mr. K Sudheer Rao, Additional Director Mr. J Srinivasa Rao, Director Mr. N Madhu Sudhana Reddy, Director Mr. D S V Suryanarayana Murthy, Additional Director
<b>Audit Committee</b>	Mr. D S V Suryanarayana Murthy, Chairman Mr. J Srinivasa Rao, Member Mr. N Madhu Sudhana Reddy, Member
<b>Remuneration Committee</b>	Mr. J Srinivasa Rao, Chairman Mr. D S V Suryanarayana Murthy, Member Mr. N Madhu Sudhana Reddy, Member
<b>Investors' Grievances Committee</b>	Mr. J Srinivasa Rao, Chairman Mr. P Pavan Kumar, Member Mr. N Madhu Sudhana Reddy, Member
<b>Company Secretary</b>	Ms. Nishi Talwar
<b>Statutory Auditors</b>	M/s. MACHIRAJU & ASSOCIATES Chartered Accountants
<b>Registered Office &amp; Communication Details</b>	8-2-87/89, 401 Srinivasa Plaza, Opp. Smiline Dental Hospital Srinagar Colony Main Road Punjagutta Hyderabad - 500 082 Ph-Fax: 91 40 2373 6047 E-mail: <a href="mailto:investors@croitremines.com">investors@croitremines.com</a> Website: <a href="http://www.croitremine.com">www.croitremine.com</a>
<b>Listing</b>	The Hyderabad Stock Exchange The Ahmedabad Stock Exchange The Madras Stock Exchange The Bombay Stock Exchange
<b>Book Closure</b>	September 24, 2011 to September 30, 2011 (both days inclusive)
<b>Date, Time and Venue of AGM</b>	Friday, September 30, 2011 09.00 am 8-2-87/89, 401, Srinivasa Plaza, Opp. Smiline Dental Hospital, Srinagar Colony Main Road, Punjagutta, Hyderabad - 500 082
<b>Registrar &amp; Share Transfer Agents</b>	<b>BigShare Services Private Limited</b> 306, Right Wing, Amrutha Ville, Opp. Yasodha Hospital, Somajiguda, Raj Bhavan Road, Hyderabad - 500 082. Tel: 91-40-2337 4967   2337 0295 Fax: 91-40-2337 0295 E-mail: <a href="mailto:bsshyd@bigshareonline.com">bsshyd@bigshareonline.com</a>

# NOTICE

Notice is hereby given that the Twenty-Third Annual General Meeting of the members of the company will be held on Friday, September 30, 2011 at 09.00 am at the registered office of the company situated at 8-2-87/89, 401, Srinivasa Plaza, Opp. Smiline Dental Hospital, Srinagar Colony Main Road, Punjagutta, Hyderabad - 500 082, Andhra Pradesh to transact the following business:

## ORDINARY BUSINESS

1. To receive, consider and adopt the audited balance sheet of the company for the financial year ended March 31, 2011, the Profit and Loss account for the year ended as on that date along with the schedules forming part of the same and the Cash Flow Statement for the period ended March 31, 2011 and the reports of the Board of Directors and Auditors thereon.
2. **To consider and if thought fit to pass the following resolution with or without modification(s) as an ordinary resolution:**

"RESOLVED THAT M/s. MACHIRAJU & ASSOCIATES, Chartered Accountant, Hyderabad, be and is hereby re-appointed as Statutory auditors of the company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company."

## SPECIAL BUSINESS

1. **To consider and if thought fit to pass the following resolution with or without modification(s) as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 257 and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 1956, Mr. P Pavan Kumar who was appointed as an Additional Director in the meeting of the Board of Directors held on May 30, 2011 and whose term and whose term expires at the ensuing Annual General Meeting of the company and for the appointment of whom the Company has received a notice in writing proposing his candidature for the office of the Director be and is hereby appointed as a Director of the Company whose period of office will be liable to determination by retirement of directors by rotation".

"RESOLVED FURTHER THAT Mr. P Pavan Kumar, Managing Director, be and are hereby severally authorized to do all the acts, deeds and things which are necessary to give effect to the above said resolution."

2. **To consider and if thought fit to pass the following resolution with or without modification(s) as a Special Resolution:**

"RESOLVED THAT pursuant to provisions of Article 140 of Article of Association of the Company and Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) subject to such other consents, approvals and permissions if any needed. Mr. P Pavan Kumar be and is hereby appointed as the Managing Director of the company for a period of five years with effect from May 30, 2011 on the terms and conditions hereinafter mentioned."

"RESOLVED FURTHER that pursuant to the Articles of Association of the Company, Mr. P Pavan Kumar shall not retire by rotation."

"RESOLVED FURTHER THAT Mr. P Pavan Kumar, Director, be and are hereby authorized jointly and / or severally to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and sign and execute all applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

"RESOLVED FURTHER THAT Mr. P Pavan Kumar shall not be eligible for any remuneration, commission, perquisites till a period the company makes distributable profits under the provisions of the Companies Act, 1956."

**3. To consider and if thought fit to pass the following resolution with or without modification(s) as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 257 and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 1956, Mr. D S V Suryanarayana Murthy who was appointed as an Additional Director in the meeting of the Board of Directors held on May 30, 2011 and whose term and whose term expires at the ensuing Annual General Meeting of the company and for the appointment of whom the Company has received a notice in writing proposing his candidature for the office of the Director be and is hereby appointed as a Director of the Company whose period of office will be liable to determination by retirement of directors by rotation".

"RESOLVED FURTHER THAT Mr. P Pavan Kumar, Managing Director, be and are hereby severally authorized to do all the acts, deeds and things which are necessary to give effect to the above said resolution."

By Order of the Board  
For CROITRE INDUSTRIES LIMITED

Sd/-

Managing Director  
Hyderabad, September 05, 2011

**NOTES:**

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend the meeting and vote on a Poll, if any, in his/her stead and the proxy need not be a member of the Company. The instrument appointing proxies, in order to be effective, must be received by the Company at the registered office, not less than 48 hours before the scheduled time of the meeting. A blank proxy form is annexed to this notice.
2. An Explanatory Statement in pursuance to the provisions of Section 173 (1) of the Companies Act, 1956 is enclosed to this Notice.
3. Register of Members and Share Transfer Books of the Company shall remain closed from September 24, 2011 to September 30, 2011 (both days inclusive) (both days inclusive) for determining the names of Members eligible for dividend on Equity Shares, if any, declared at the meeting.
4. For any investor-related queries, communication may be sent by mail to the Registered Office of the company situated at 8-2-87/89, 401, Srinivasa Plaza, Opp. Smiline Dental Hospital, Srinagar Colony Main Road, Punjagutta, Hyderabad - 500 082, Andhra Pradesh.
5. Pursuant to Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form No.2B in duplicate (which will be made available on request) to the R&T Agent.
6. Members/Proxies are requested to kindly take note of the following:
  - copies of Annual Report will not be distributed at the venue of the meeting;
  - Attendance Slip, as sent herewith, is required to be produced at the venue duly filled-in and signed, for attending the meeting;
  - Entry to the hall will be strictly on the basis of the entrance pass, which shall be provided at the counters at the venue, in exchange for duly completed and signed Attendance Slips; and
7. Members are requested to send their queries, if any on the operations of the Company, to reach the Compliance Officer at the Company's Registered Office, atleast 10 days before the meeting, so that the information can be compiled in advance.
8. Members are requested to notify change of address, if any, to the Company / Registrar & Share Transfer Agents.

9. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the meeting.

# Explanatory Statement

## **Item No. 1      Special Business - Regularization of Mr. P Pavan Kumar as Director**

The company was acquired by Mr. K Sudheer Rao, Mr. S S R K Mohan Babu and Mr. P Pavan Kumar on May 05, 2011 in pursuant to the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 and by giving open offer to the existing shareholders. After completion of the Open Offer, on May 30, 2011 in the meeting of the Board of Directors, the acquirers have taken over as the new management of the company by appointing as Additional Directors. Mr. K Sudheer Rao, Mr. S S R K Mohan Babu and Mr. P Pavan Kumar, being the new promoters, were appointed as Additional Directors of the Company and also appointed Mr. D S V Suryanarayana Murthy as Additional and Independent Director of the Company.

In pursuance to the provisions of Section 257 of the Companies Act, 1956, the Additional Directors appointed in the board meetings have to be regularized as Directors of the Company in the Annual General Meeting, otherwise the Additional Directors are seized to be Directors of the Company from the date of the Annual General Meeting.

Information such as brief resume, nature of expertise in specific functional areas and details of Directorship etc as required to be furnished under Clause 49 (VI) of the Listing Agreement is provided in the Section on Corporate Governance.

Hence, the regularization of Mr. P Pavan Kumar as Director of the company is placed before the members through an Ordinary Resolution.

None of the members of the Board of Directors are interested in the Resolution except Mr. P Pavan Kumar to the extent of the shareholding being held by him in the company.

## **Item No. 2      Special Business - Appointment of Mr. P Pavan Kumar as Managing Director**

The company was acquired by Mr. K Sudheer Rao, Mr. S S R K Mohan Babu and Mr. P Pavan Kumar on May 05, 2011 in pursuant to the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 and by giving open offer to the existing shareholders. After completion of the Open Offer, on May 30, 2011 in the meeting of the Board of Directors, the acquirers have taken over as the new management of the company by appointing as Additional Directors. Mr. K Sudheer Rao, Mr. S S R K Mohan Babu and Mr. P Pavan Kumar, being the new promoters, were appointed as Additional Directors of the Company and also appointed Mr. D S V Suryanarayana Murthy as Additional and Independent Director of the Company.

Board of Directors in their meeting held on May 30, 2011 have appointed Mr. P Pavan Kumar as Managing Director of the Company subject to the approval of the members of the Company in the general meeting with a stipulation that no remuneration shall be paid unless the company has distributable profits under the provisions of Section 205 of the Companies Act, 1956, for a period of 5 years from May 30, 2011.

The material terms and conditions of the appointment contained in the draft Agreement between the Company and Mr. P Pavan Kumar are as follows:

1. The Managing Director shall subject to the supervision and control of the Board of Directors, carry out such duties as may be entrusted to him by the Directors and shall exercise such powers as are delegated to him by the Board of Directors.
2. Period of Agreement - 5 years with effect from May 30, 2011
3. Remuneration:
  - a. Basic Salary - NIL till the company generates distributable profits as specified under section 205 of the Companies Act.
  - b. Commission, Bonus, Incentives & Other allowances - As per the Company's Schemes and as decided by the Board from time to time
  - c. Accommodation - Reimbursement of House Rent.
  - d. Motor Car - Reimbursement of fuel purchased and as per the bills submitted
  - e. Medical Reimbursement - As per the rules of Company's Scheme

- f. Telephone - Reimbursement of the telephone and mobile bills
- g. Leave Travel Concession - As per rules of the Company's Schemes
- h. Provident, Superannuation and other funds - As per rules of the Company's Schemes
- i. Gratuity - As per rules of the Company's Schemes
4. The Managing Director shall be entitled to reimbursement of all actual expenses or charges including travel entertainment or other out-of-pocket expenses incurred by him for and on behalf of the company, in furtherance of its business and objects.
5. The terms and conditions of the said appointment and / or Agreement may be altered, enhanced or varied from time to time by the Board as it may, in discretion, deem fit.
6. The Agreement may be terminated by either party giving the other party six month's notice
7. For the purposes of calculating the value of perquisites herein above, the same shall be evaluated as per Income Tax Rules, 1962, wherever applicable or at actual cost.
8. The Managing Director shall not be entitled to receive any fees for attending meetings of the Board / Committee.
9. The draft agreement between the company and Mr. P Pavan Kumar is available for inspection by the members of the Company at its Registered Office situated at 8-2-87/89, 401, srinivasa plaza, srinagar colony main road, opp. smile dental hospital, punjagutta, hyderabad - 500 082 between 4.00 pm and 5.00 pm on any working day of the company up to the date of Annual General Meeting. This may be treated as an abstract of the Agreement between the Company and Mr. P Pavan Kumar pursuant to Section 302 of the Companies Act, 1956

Information such as brief resume, nature of expertise in specific functional areas and details of Directorship etc as required to be furnished under Clause 49 (VI) of the Listing Agreement is provided in the Section on Corporate Governance.

Hence, the appointment of Mr. P Pavan Kumar as Managing Director of the company is placed before the members through a Special Resolution.

None of the members of the Board of Directors are interested in the Resolution except Mr. P Pavan Kumar to the extent of the shareholding being held by him in the company.

### **Item No. 3      Special Business - Regularization of Mr. D S V Suryanarayana Murthy as Director**

The company was acquired by Mr. K Sudheer Rao, Mr. S S R K Mohan Babu and Mr. P Pavan Kumar on May 05, 2011 in pursuant to the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 and by giving open offer to the existing shareholders. After completion of the Open Offer, on May 30, 2011 in the meeting of the Board of Directors, the acquirers have taken over as the new management of the company by appointing as Additional Directors. Mr. K Sudheer Rao, Mr. S S R K Mohan Babu and Mr. P Pavan Kumar, being the new promoters, were appointed as Additional Directors of the Company and also appointed Mr. D S V Suryanarayana Murthy as Additional and Independent Director of the Company.

In pursuance to the provisions of Section 257 of the Companies Act, 1956, the Additional Directors appointed in the board meetings have to be regularized as Directors of the Company in the Annual General Meeting, otherwise the Additional Directors are seized to be Directors of the Company from the date of the Annual General Meeting.

Hence, the regularization of Mr. D S V Suryanarayana Murthy as Director of the company is placed before the members through an Ordinary Resolution.

Information such as brief resume, nature of expertise in specific functional areas and details of Directorship etc as required to be furnished under Clause 49 (VI) of the Listing Agreement is provided in the Section on Corporate Governance.

None of the members of the Board of Directors are interested in the Resolution except Mr. D S V Suryanarayana Murthy as the resolution is pertaining to the regularization of his appointment.

# Additional information required to be furnished under listing agreement.

As required under the listing agreement, the particulars of Directors who are proposed to be appointed / re-appointed are given below.

## Item No. 1 & 2

Name	Mr. P Pavan Kumar
Age	36 years
Qualifications	MBA
Expertise	Business and Financial Consulting
Other Directorships	1. Integre Engineers Private Limited 2. Sameer Financial Services Private Limited

## Item No. 3

Name	Mr. D S V Suryanarayana Murthy
Age	40 years
Qualifications	B.Com
Expertise	14 years of experience in Accounts, Finance & Financial Management
Other Directorships	NIL



# Director's Report

The Directors have pleasure in presenting the Twenty-Third Annual Report together with Audited Statements of Accounts for the year ended March 31, 2011.

## Review of Operations

During the year under review, the company has received open offer from Mr. K Sudheer Rao, Mr. S S R K Mohan Babu and Mr. P Pavan Kumar to acquire majority shareholding of the company in pursuant to the provisions of Securities and Exchange Board of India (Substantial Acquisition of shares & takeovers) Regulations, 1997, by acquiring 70.00% from Mr. G V K Ranga Raju through Share Purchase Agreement. The open offer was completed on May 05, 2011 and accordingly the acquirers have acquired 70.00% of the company. On May 30, 2011 in the meeting of the Board of Directors, the new management has taken over the company by appointing new directors.

Till March 31, 2011, the company has not made any business operations, however has made all the necessary statutory compliances with the Bombay Stock Exchange which were due for a long time and also made an application for revocation of suspension so as to enable the investors to trade their shares on the stock exchange. Also during the year the company has changed the name of the Company to CROITRE INDUSTRIES LIMITED so as to include new business opportunities and the same

The new management is contemplating to initiate trading business activity in the company to generate immediate revenue flow to the company and is in discussions with various trading agents and partners to take this forward.

The Registered Office of the company has shifted from 6-3-570/1, 201, Diamond Block, Rockdale Compound, Somajiguda, Hyderabad - 500 082 to 8-2-87/89, 401, Srinivasa Plaza, Srinagar Colony Main Road, Opp. Smiline Dental Hospital, Punjagutta, Hyderabad - 500 082 with effect from December 06, 2010.

## Compliance of Code of Corporate Governance

Pursuant to Clause 49 of the Listing Agreement, a Report on Corporate Governance is given as Annexure 'A' to this Report.

## Dividend

Since the commercial operations of the company have not started and the management is in the process of evaluating business strategies to expand, no dividend has been recommended for this financial year.

## Fixed Deposits

There are no fixed deposits, which have fallen due and have not been repaid.

## Environment

The company has not started any commercial operations, however the company has taken all the necessary steps to adhere to the environmental laws and regulations prescribed for the area where the factory is situated.

## Research and Development

The company doesn't have any research & development activity to be carried out.

## Directors

During the year because of the Open Offer being took place a new management has taken over the operations of the Company and accordingly Mr. Ch Sudheer, Managing Director, Mr. K Murali Krishna, Director, Mr. K Anand, Director have resigned as Directors from the Board and Mr. P Pavan Kumar, Mr. K Sudheer Rao, Mr. S S R K Mohan Babu and Mr. D S V Suryanarayana Murthy were appointed as Additional Directors.

The new management has shown interest in retaining the services of Mr. J Srinivasa Rao and Mr. N Madhu Sudhana Reddy as Independent Directors and hence these two directors are continuing as Independent Directors.

Further Mr. K Sudheer Rao and Mr. S S R K Mohan Babu being acquirers and promoters have decided to nominate Mr. P Pavan Kumar as the promoter director and managing director of the company and decided not to continue as Directors and accordingly not considered their regularization as Directors in this Annual General Meeting.