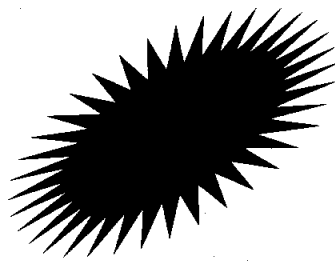


# **NAVA BHARAT FERRO ALLOYS LIMITED**



**NBFA**



**30th ANNUAL REPORT 2001-2002**

## **NAVA BHARAT FERRO ALLOYS LIMITED**

"Nava Bharat Chambers", 6-3-1109/1, Raj Bhavan Road, HYDERABAD - 500 082

28th June, 2002

Dear Shareholder,

### **Sub.: ELECTRONIC CLEARING SERVICE (ECS) MANDATE**

This is to inform you that the Securities Exchange Board of India (SEBI) has made it mandatory for the companies to distribute dividends and other cash benefits to the members through Electronic Clearing Service (ECS), wherever such Bank details have been furnished by the members.

Pursuant to the directive of SEBI, the Company is in the process of updating its records for incorporation of such Bank details for facilitating payment of dividend, etc through ECS in the future.

You are, accordingly requested to furnish to the Company your Bank details in the format attached alongwith a cheque leaf (duly cancelled) as specimen on or before 16th September, 2002.

In this connection, please note that, ECS facility is available at a limited number of centres in India. If, however, you do not opt for ECS Scheme and would prefer to get your dividend by way of warrants, please furnish to the Company the name, branch and account number of your Bank to enable us to incorporate such particulars on the dividend warrants to avoid any fraudulent encashment.

yours faithfully.

For NAVA BHARAT FERRO ALLOYS LIMITED

**T.R. RAO**

Company Secretary &

Chief General Manager (Corporate Affairs)



Dear Sir,

I agree to avail of the Electronic Clearing Service (ECS), subject to the guidelines of the Reserve Bank of India and as and when the facility is introduced by the Company for payment of dividend to me, I furnish below the particulars of the Bank Account.

Please write in Block capital. Leave a box blank after each word.

1. Name of Sole / First-named Shareholder

[illegible]

2. Folio No. (as mentioned in share certificate)

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3. Bank Name in Full

[illegible]

4. Bank Name with Address

[illegible]

5. Account Number (As appearing in Cheque Book)

[illegible]

6. Ledger Folio No. of the Account  
(As appearing in Cheque Book)

[illegible]

7. Account Type (Please tick)

SAVINGS BANK	CURRENT	CASH CREDIT
10 <input type="text"/>	11 <input type="text"/>	13 <input type="text"/>

8. 9-Digit Code Number of the Bank and Branch  
(as printed on Cheque Leaf)

[illegible]

**Sole/First-named Shareholder's**

Signature .....

Name .....

- www.reportjunction.com

## NAVA BHARAT FERRO ALLOYS LIMITED

### Notice to Shareholders

NOTICE is hereby given that the 30th Annual General Meeting of Nava Bharat Ferro Alloys Limited will be held on Thursday, the 26th September, 2002 at 11.00 am at Hotel Green Park, Begumpet, Hyderabad-500 016 to transact the following business:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March 2002 and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Dr G Sree Ramjee who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Sri K Balarama Reddi who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

#### Special Business

6. To consider and, if thought fit, to pass with or without modification the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and enabling provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Financial Institutions, Banks, Reserve Bank of India and such other statutory authorities and in conformity with the guidelines issued by the Securities and Exchange Board of India (SEBI) and subject to such modifications/conditions as may be prescribed or imposed by the said authorities whilst granting such approvals and agreed to by the Board of Directors of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company to issue and allot to the holders of 3,81,826 12% Non-Cumulative Redeemable Preference Shares of Rs.100/- each for the aggregate face value of Rs.3,81,82,600 issued and allotted by the Company in June, 1999, such number of fully paid-up Equity Shares of Rs.10/- each at such issue price, including

premium as may be arrived at in conformity with the guidelines issued by SEBI for preferential issues not exceeding in the aggregate Rs.3,81,82,600 and the Board of Directors be and is hereby authorised to redeem all the said 3,81,826 12% Non-Cumulative Redeemable Preference Shares of Rs.100/- each by issue and allotment to the holders thereof Equity Shares as aforesaid on preferential basis to rank pari passu in all respects with the existing Equity Shares of the Company except that as regards the financial year in which the new equity shares are allotted, the said shares shall be entitled only to dividend on pro-rata basis from the date of allotment."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to settle all matters concerning fractional entitlements and to do all such acts, deeds, matters and things as may be proper, necessary, desirable and/or expedient as it may deem fit in the interest of the Company and to delegate to the Managing Director any or all of the powers vested in it in terms of this resolution."

#### BUSINESS TO BE TRANSACTED BY MEANS OF POSTAL BALLOT :

7. Resolution under Section 293(1)(a) of the Companies Act, 1956, for creation of security in favour of Term Lenders (Institutions and Banks) and Banks which have granted working capital facilities.
8. Resolution under the said Section 293(1)(a) to spin off the Company's Ferro Alloy Unit at Raipur.

The Resolutions at items 7 and 8 are being circulated to all the Members of the Company for their approval by Postal Ballot.

9. Special Resolution under Sections 106 and 107 of the Companies Act, 1956 to vary the rights and privileges attached to the 3,81,826 12% Non-Cumulative Redeemable Preference Shares of Rs.100/- each issued and allotted by the Company in June, 1999, and to provide for redemption of the said Preference Shares by issue and allotment to the holders thereof fully paid up Equity Shares of Rs.10/- each at such issue price including premium to be arrived at in conformity with the guideline for Preferential Issues

## NAVA BHARAT FERRO ALLOYS LIMITED

issued by the Securities and Exchange Board of India. The said Resolution is being circulated to all the holders of the said Preference Shares for their approval by Postal Ballot.

The results of the aforesaid postal ballots will be announced at the Annual General Meeting.

By Order of the Board of Directors  
For Nava Bharat Ferro Alloys Limited

T.R. Rao  
Company Secretary &  
Chief General Manager  
(Corporate Affairs)

Place : Hyderabad  
Date : 27th July, 2002

### NOTES :

01. The Explanatory Statement in respect of Item No.6, pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
02. A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote on a poll only, on his/her behalf and such Proxy need not be a Member of the Company. The Proxy Form duly completed and signed must be deposited at the Registered Office of the Company not later than 48 hours before the Meeting.
03. The Share Transfer Register and the Register of Members of the Company will remain closed from 18th September, 2002 to 26th September, 2002 (both days inclusive) in connection with the Annual General Meeting.
04. The dividend for the year ended 31st March, 2002 as recommended by the Board, if sanctioned at the meeting, will be paid to those members whose names appear in the Company's Register of Members on 26th September, 2002, subject to deduction of tax at source under Section 194 of the Income Tax Act, 1961, as applicable. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose. Any member

who is entitled to exemption from income tax is requested to submit Form No.15G in duplicate on or before 16<sup>th</sup> September, 2002.

Pursuant to the provisions of Section 139A(5A) of the Income Tax Act, 1961, Members are requested to furnish their PAN/GIR No. for incorporating the same in the respective TDS certificates.

05. As per provisions of Section 205A of the Companies Act, 1956, the Company has already transferred the amount of all unclaimed dividends declared upto and including the period ended 31<sup>st</sup> March 1995 to the General Revenue Account of the Central Government. Those Shareholders who have so far not claimed or collected their dividend up to the aforesaid financial year may claim their dividend from the Registrar of Companies, Andhra Pradesh, Hyderabad.

Members are hereby informed that after the amendment of the Companies Act, 1956, with effect from October 31, 1998, the Company is obliged to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Unpaid Dividend Account, to the credit of Investor Education and Protection Fund ('the Fund') established by the Central Government. In accordance with Section 205C of the Companies Act, 1956, no claim shall lie against the Company or the Fund in respect of dividends remaining unclaimed and unpaid for a period of seven years from the dates they became first due for payment and no payment shall be made in respect of any such claims.

Members who have not yet encashed their dividend warrant(s) for the financial year ended March 31, 1995 onwards, are requested to make their claim to the Company accordingly, without any delay.

06. Members are requested to furnish change of address, details of their bank accounts viz., name of bank, full address of the branch, account number and folio number for incorporation in the dividend warrant, to the Company's Registrars, M/s Karvy Consultants Limited, Karvy House, 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad-500034.
07. Please bring your copy of the Annual Report to the Meeting.

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**NAVA BHARAT FERRO ALLOYS LIMITED**


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**08. Retirement of Directors by Rotation ;**

Dr. G Sree Ramjee and Sri. K Balarama Reddi, Directors of the Company retire by rotation under the Articles of Association of the Company and Section 256 of the Companies Act, 1956, and being eligible offer themselves for reappointment.

The details in respect of the two Directors under

Corporate Governance code are furnished below :

Dr. G Sree Ramjee is a Medical Practitioner and has been associated with the Company since 1974.

Sri K Balarama Reddi is an eminent Electrical Engineer with over 39 years of experience in power sector and was the Chairman of the erstwhile APSEB till 1995. He is presently Senior Consultant to the Administrative Staff College of India.

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**Explanatory Statement (Pursuant to Section 173(2) of the Companies Act, 1956) for Item No. 6 of the accompanying Notice :**


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The Company had in June, 1999, issued and allotted, pursuant to an Order passed by the Hon'ble High Court of Judicature of A.P. at Hyderabad on 22nd March, 1999, 3,81,826 12% Non-Cumulative Redeemable Preference Shares of Rs.100/-each to the then holders of Rights Equity Shares on which a sum in excess of Rs.30/- per share had been paid up. In the normal course, the said Preference Shares would have been redeemed on 1st June, 2005. The Company's Board of Directors considers it advisable to vary the rights and privileges attached to the said Preference Shares to provide for redemption thereof by way of issue and allotment to the holders of the said Preference Shares fully paid up Equity Shares of Rs.10/- each at such issue price including premium to be arrived at in conformity with the Guidelines for Preferential Issues issued by the Securities and Exchange Board of India (SEBI). The Equity Shares to be issued and allotted as aforesaid shall be subject to lock-in to the extent required under the said Guidelines of SEBI.

The variation aforesaid requires the consent of the holders of the said Preference Shares by a Special Resolution to be obtained by Postal Ballot. The holders of the Preference Shares are being requested to signify their consent or otherwise to the said Special Resolution and the result of the Postal Ballot will be announced at the Annual General Meeting.

The Directors of the Company may be deemed to be concerned or interested in the proposed Special Resolution to the extent of the Equity Shares which may be

issued and allotted against the Preference Shares held by them. It may also be noted that two bodies corporate, viz., Nav Finance and Leasing Limited and Nav Finvest Private Limited in which Directors of the Company may be deemed to be interested hold 3,21,653 of the said Preference Shares which are proposed to be redeemed as aforesaid. The said two bodies corporate presently hold an aggregate of 11,80,855 Equity Shares (9.87% of the Company's existing equity capital). When new equity shares are allotted to them against the said preference shares held by them, the holding of the said bodies corporate in the equity capital will go up. It is, however, not possible to state here the exact number of equity shares which will be allotted to these bodies corporate as the number will depend on the actual issue price which will be reckoned in conformity with the guidelines of SEBI.

The proposed redemption of the said preference shares and allotment of equity shares will help the Company to realize share premium as per the guidelines of SEBI without unduly affecting the existing equity base. Since preference capital is considered a liability, the proposed redemption will also improve the net worth and is, therefore, considered to be beneficial to the Company. There will not be any change in the composition of the Board of Directors or in management control consequent to this proposal.

The Board of Directors commend the Special Resolution for your approval.

## **NAVA BHARAT FERRO ALLOYS LIMITED**

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The Order passed by the Hon'ble High Court of Judicature of Andhra Pradesh at Hyderabad on 22nd March, 1999 and the Memorandum and Articles of Association of the Company are available for inspection at the Registered Office of the Company on any working day between 11.00 hrs and 13.00 hrs.

By Order of the Board of Directors  
For **NAVA BHARAT FERRO ALLOYS LIMITED**

Place : Hyderabad	<b>T.R. RAO</b>
Date : 27th July, 2002	Company Secretary & Chief General Manager (Corporate Affairs)



# NAVA BHARAT FERRO ALLOYS LIMITED

"Nava Bharat Chambers", 6-3-1109/1, Raj Bhavan Road, Hyderabad - 500 082

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## NAVA BHARAT FERRO ALLOYS LIMITED

## Five Years at a Glance

(Rs. in Lakhs)

	2001-02	2000-01	1999-2000	1998-99	1997-98
<b>Sources of Funds :</b>					
Share Capital	1774.75	1774.75	2074.75	2073.32	1543.27
Reserves	9241.64	7806.55	7484.86	7260.42	7602.48
Loans	17550.67	18300.85	19838.85	17863.37	17515.25
	<u>28567.06</u>	<u>27882.15</u>	<u>29398.46</u>	<u>27197.11</u>	<u>26661.00</u>
<b>Application of Funds :</b>					
Fixed Assets less Depreciation	16962.44	17576.09	21694.71	19284.07	19530.69
Investments	206.11	290.40	288.08	374.30	439.17
Net Current Assets	11394.59	10007.37	7403.01	7521.72	6669.30
Miscellaneous Expenditure	3.92	8.29	12.66	17.02	21.84
	<u>28567.06</u>	<u>27882.15</u>	<u>29398.46</u>	<u>27197.11</u>	<u>26661.00</u>
<b>Profits :</b>					
Profit after Taxation	1699.92	593.95	529.55	420.34	1433.46
Dividend	288.55	272.26 *	306.61 *	249.75 *	313.99 *
Retained Profit	<u>1411.37</u>	<u>321.69</u>	<u>222.94</u>	<u>170.59</u>	<u>1119.47</u>
* Includes Corporate Dividend Tax					
<b>Other Data :</b>					
Dividend per Share (Rs.)	1.80	1.20	1.20	1.50	2.50
Debt Equity Ratio	1.11	1.43	1.62	1.52	1.47
<b>OUR CONTRIBUTION TO REVENUE</b>					
Sales Tax, Purchase Tax etc.	782.95	1356.81	1053.20	662.62	574.73
Excise Duty	1383.06	1291.89	1359.84	1018.09	1317.88
	<u>2166.01</u>	<u>2648.70</u>	<u>2413.04</u>	<u>1680.71</u>	<u>1892.61</u>

## NAVA BHARAT FERRO ALLOYS LIMITED

## Board of Directors

Sri D. Ashok	<b>Managing Director</b>
Sri P. Punnaiah	
Sri K.P. Rama Krishnan	<b>IDBI Nominee</b>
Dr. G. Sreeramjee	
Dr. E.R.C. Shekar	
Dr. M.V.G. Rao	
Sri K. Balarama Reddi	
Sri V.S. Prasad	<b>Executive Director</b>
Sri P. Trivikrama Prasad	<b>Executive Director</b>

**Company Secretary &  
Chief General Manager  
(Corporate Affairs)**  
T.R. Rao

**Registered Office**  
"Nava Bharat Chambers"  
6-3-1109/1  
Raj Bhavan Road  
Hyderabad - 500 082

**Auditors**  
Messrs Brahmayya & Co.  
Chartered Accountants  
Flat No. 403  
Golden Green apartments  
Irrum Manzil Colony  
Somajiguda, Hyderabad - 500 082

**Works :**  
**Electrometallurgical Division**  
**Ferro Alloy Plant (A.P.)**  
Paloncha - 507 154  
Khammam District  
Andhra Pradesh

**Power Division**  
**Power Plant (A.P.)**  
Paloncha - 507 154  
Khammam District  
Andhra Pradesh

**Bankers**  
State Bank of India  
Andhra Bank  
Bank of India  
IDBI Bank Limited  
State Bank of Hyderabad

**Ferro Alloy Plant (Orissa)**  
Khadgaprasad Village  
Dhenkanal District - 759 121  
Orissa

**Sugar Division**  
Samalkot - 533 440  
East Godavari District  
Andhra Pradesh

**Registrars and Share Transfer Agents**  
Karvy Consultants Limited  
"Karvy House"  
46, Avenue 4, Street No. 1  
Banjara Hills  
Hyderabad - 500 034

**Ferro Alloy Plant (Chhattisgarh)**  
Plot 114 to 122, Sector 'C'  
Urla Industrial Area  
Raipur - 493 221  
Chhattisgarh

**Machine Building Division**  
Nacharam  
Hyderabad - 500 076  
Andhra Pradesh