



NAVA BHARAT

Nava Bharat Ventures Limited

37th Annual Report 2008-09

Environment protection is a guiding principle in all our operations. We have adopted several measures in this direction in recognition of which our Company is honoured with the following awards:

National Award for Excellence in Energy Management

– Innovative Project

from Confederation of Indian Industry
(2008).

National Award for Excellence in Energy Management

– Excellent Energy Efficient Unit

from Confederation of Indian Industry
(Received twice: 2008 and 2007).

Cleaner Production Technologies Award

from Andhra Pradesh Pollution Control Board
(Received twice: 2007-08 and 2003-04)

Pollution Control Excellence Award

from State Pollution Control Board, Orissa
(2007)

5-S Excellence Award

from Confederation of Indian Industry
(2007)

Award for Hundred Per Cent Utilization of Fly Ash

from Ministry of Environment & Forests, Govt. of India
(2005)

Nava Bharat Ventures Limited

Registered Office: Nava Bharat Chambers, 6-3-1109/1, Raj Bhavan Road, Hyderabad – 500 082.

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 37th Annual General Meeting of the Members of Nava Bharat Ventures Limited will be held on Friday, the 31st July 2009 at 10.00 A.M. at Hotel Green Park, 7-1-26, Greenlands, Begumpet, Hyderabad – 500 016 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2009 and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare Dividend on the Equity Shares.
3. To appoint a Director in place of Sri G.R.K. Prasad, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

Special Business:

5. Appointment of Dr. D. Nageswara Rao, Additional Director as Director:

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

"RESOLVED THAT Dr. D. Nageswara Rao, whose term of office as an Additional Director of the Company expires at the Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, whose period of office will be liable to determination by retirement by rotation."

6. Appointment of Sri D. Ashok, Managing Director as Chairman:

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 314 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals and consents as may be required, the consent and approval of the Company, be and is hereby accorded to the appointment of Sri D. Ashok, Managing Director, as Chairman and Director in the whole-time employment of the Company with effect from 29th January, 2009 for the balance of his tenure i.e., upto 14th August, 2009 at the same terms and conditions, remuneration, commission, perquisites/allowances payable to him, as approved by the General Body earlier from time to time and as mentioned below:

- A. Salary : Rs. 5,00,000/- per month
- B. Commission : @ 2% on the net profits of the Company for each/every financial year; and
- C. Perquisites : In addition to the Salary and Commission, he shall be entitled to the allowances and other perquisites as set out below:

a) Housing:

- i) Where accommodation in the company owned house is provided, he shall pay to the Company, by way of rent 10% of the salary;
- ii) Where hired accommodation is provided; the expenditure incurred by the Company on hiring furnished accommodation for him will be subject to a ceiling of 60% of the salary;
- iii) In case, the Company does not provide accommodation, House rent allowance shall be paid @ 60% of the salary; and
- iv) The expenditure incurred by the Company on gas, electricity, water and furnishing will be subject to a ceiling of 10% of the salary.

b) Medical Reimbursement/Allowance for self and family:

Reimbursement of expenses actually incurred for self and family or medical allowance, the total cost of which to the Company shall not exceed one month's salary in a year or three months' salary over a period of three years;

c) Leave Travel concession or Allowance: For self and family, once in a year either in India or abroad in accordance with the rules of the Company;

d) Club fees: Fees of clubs, subject to a maximum of two clubs;

e) Personal accident insurance: As per the rules of the Company;

f) Car: Free use of Company's car with driver;

g) Contribution to Provident Fund, Superannuation Fund or Annuity Fund, as per the rules of the Company;

h) Gratuity payable, shall not exceed, half a month's salary, for each completed year of service;

i) Communication Facilities: Free communication facilities like Telephones / Internet / Mobiles / Fax at residence;

j) Leave on full pay and allowances as applicable to other employees of the Company but not exceeding one month for every 11 months' service;

k) He shall also be entitled to reimbursement of expenses actually and properly incurred for the business of the Company; and

l) Any other perquisites that may be allowed as per the guidelines issued by the Central Government from time to time."

"RESOLVED FURTHER THAT the remuneration aforesaid including the perquisites and other allowances shall be paid and allowed to

Sri D. Ashok, Director in whole-time employment as Chairman, as minimum remuneration during the remaining period of his tenure, in the event of loss or inadequacy of profits in any financial year for a period not exceeding 3 years."

7. Re-appointment of and remuneration payable to Sri D. Ashok, Chairman, with effect from 14th August, 2009:

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 314 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals and consents as may be required, the consent and approval of the Company be and is hereby accorded to the re-appointment of Sri D. Ashok as Chairman of the Company, who would be Director in whole-time employment of the Company, not liable to retire by rotation, for a further period of 5 years with effect from 14th August, 2009 on the remuneration, commission, perquisites, benefits and other allowances as under:

- A. Salary : Rs. 5,00,000/- per month;
- B. Commission : @ 2% on the net profits of the Company for each/every financial year; and
- C. Perquisites : In addition to the Salary and commission, he shall be entitled to the allowances and perquisites as set out below:
 - a) Housing:
 - i) Where accommodation in the Company owned house is provided, he shall pay to the Company, by way of rent 10% of the Salary;
 - ii) Where hired accommodation is provided, the expenditure incurred by the Company on hiring furnished accommodation for him will be subject to a ceiling of 60% of the Salary;
 - iii) In case, the Company does not provide accommodation, House rent allowance shall be paid @ 60% of the Salary; and
 - iv) The expenditure incurred by the Company on gas, electricity, water and furnishing will be subject to a ceiling of 10% of the Salary.
 - b) Medical Reimbursement / Allowance for self and family: Reimbursement of expenses actually incurred for self and family or medical allowance, the total cost of which to the Company shall not exceed one month's salary in a year or three months' salary over a period of three years;

- c) Leave Travel Concession or Allowance: For self and family, once in a year either in India or abroad in accordance with the rules of the Company;
- d) Club fees: Fees of Clubs, subject to a maximum of two clubs;
- e) Personal accident insurance: As per the rules of the Company;
- f) Car: Free use of Company's car with driver;
- g) Contribution to Provident Fund, Superannuation Fund or Annuity Fund, as per the rules of the Company;
- h) Gratuity payable, shall not exceed, half a month's salary, for each completed year of service;
- i) Communication Facilities: Free communication facilities like Telephones / Internet / Mobiles / Fax at residence;
- j) Leave on full pay and allowances as applicable to other employees of the Company but not exceeding one month for every 11 months' service;
- k) Reimbursement of expenses actually and properly incurred by him for the business of the Company;
- l) Any other allowances and benefits as per Rules of the Company as may be applicable to all other employees; and
- m) Any other perquisites that may be allowed as per the guidelines issued by the Central Government from time to time."

"RESOLVED FURTHER THAT the remuneration aforesaid including the perquisites and other allowances shall be paid and allowed to Sri D. Ashok, Director in whole-time employment as Chairman, as minimum remuneration during the currency of his tenure, in the event of loss or inadequacy of profits in any financial year for a period not exceeding 3 years."

8. Appointment of Sri P. Trivikrama Prasad, Executive Director as Managing Director:

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 314 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals and consents as may be required, the consent and approval of the Company, be and is hereby accorded to the appointment of Sri P. Trivikrama Prasad as Managing Director, not liable to retire by rotation, with effect from 29th January, 2009 for the balance of his tenure i.e., upto 18th March, 2012 at the same terms and conditions, remuneration, commission, perquisites/allowances payable to him as approved by the General Body earlier

11. Details of Directors seeking re-appointment at the forthcoming Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement)

As required under the Listing Agreement, the particulars of Directors, Sri D. Ashok, Sri P. Trivikrama Prasad, Sri G.R.K. Prasad and Dr. D. Nageswara Rao, who are proposed to be appointed/re-appointed are given below:

a	Name	Sri D. Ashok	Sri P. Trivikrama Prasad	Sri G.R.K. Prasad	Dr. D.Nageswara Rao
b	Brief Resume:				
	i) Age	52 Years	56 Years	51 years	62 years
	ii) Qualification	M.B.A. from U.S.A.	M.B.A from U.S.A.	B.Sc., FCA, FCS	M.E., Ph.D
	iii) Experience in Specific Functional area	27 Years	27 Years	28 years	35 years
	iv) Date of appointment on the Board of the Company (Nava Bharat Ventures Ltd.)	19.03.1992	19.03.1992	28.06.2003	25.07.2008
c	Nature of expertise in specific functional areas	Highly experienced professional, has substantially contributed to the development of the Company by his rich experience and expertise and the Company has derived considerable benefits which is evident from the enormous growth achieved in terms of diversification, turnover and profitability in the past few years.	Chief Executive of the Company heading all the disciplines and functional aspects of the Company with special emphasis on finance and accounts of all the units of the Company and closely monitors the operations of all the Plants.	Highly experienced in all facets of Finance and Accounts Spanning 28 years and is in-charge of Finance, Accounts and Corporate Affairs.	Expertise in Electronic Engineering, Science and Technology, Electricity Equipment, monitoring and management systems and power plant operations.
d	Name(s) of other Companies in which Directorships held (as per Sections 275 and 278 of the Companies Act, 1956)	1. M/s. Nava Bharat (Singapore) Pte. Ltd. 2. M/s. Chapter One-Books Pte. Ltd. 3. M/s. Brahmani Infratech Pvt. Ltd. 4. M/s. Nav Finance and Leasing Ltd. 5. M/s. A9 Homes Pvt. Ltd. 6. M/s. A.V. Dwellings Pvt. Ltd. 7. M/s. V9 Avenues Pvt. Ltd. 8. M/s. Nava Bharat Realty Ltd. 9. M/s. Nava Bharat Projects Ltd. 10. M/s. Nava Bharat Natural Resources India Ltd. 11. M/s. Nava Bharat Energy India Ltd. 12. M/s. Nava Bharat Sugar and Bio Fuels Ltd. 13. M/s. Operation Eyesight Universal (India) 14. M/s. Usha Mullapudi Cardiac Centre 15. Dr. Devineni Subbarao Trust 16. M/s. G.S.R.Trust	1. M/s. Kinnera Power Company Ltd. 2. M/s. Brahmani Infratech Private Ltd. 3. M/s. Nava Bharat (Singapore) Pte. Ltd. 4. M/s. Nav Finance and Leasing Ltd. 5. M/s. Navabharat Power Private Ltd. 6. M/s. Malaxmi NBFA Ventures Private Ltd. 7. M/s. Rio Reality Private Ltd. 8. M/s. Nava Bharat Realty Ltd. 9. M/s. Nava Bharat Projects Ltd. 10. M/s. V9 Avenues Private Ltd. 11. M/s. A9 Homes Private Ltd. 12. M/s. AV Dwellings Private Ltd. 13. M/s. V9 Infra Ventures Pvt. Ltd. 14. M/s. Malaxmi Highway Pvt. Ltd. 15. M/s. Nava Bharat Natural Resources India Ltd. 16. M/s. Nava Bharat Energy India Ltd. 17. M/s. Nava Bharat Sugar and Bio Fuels Ltd. 18. Dr. Devineni Subbarao Trust	1. M/s. Nava Bharat Realty Ltd. 2. M/s. Nava Bharat Projects Ltd. 3. M/s. Nava Bharat Energy India Ltd. 4. M/s. Nava Bharat Sugar and Bio Fuels Ltd.	1. M/s. X_Design Ventures Pvt. Ltd. 2. M/s. Kushai guda Electronics Pvt. Ltd. 3. M/s. Jayem Automotives Ltd.

	Name	Sri D. Ashok	Sri P. Trivikrama Prasad	Sri G.R.K. Prasad	Dr. D.Nageswara Rao
e	Name(s) of Companies in which Committee Membership(s)/ Chairmanship(s) held	NIL	Shareholders'/Investors' Grievances Committee of Nava Bharat Ventures Limited	Allotment Committee of Nava Bharat Ventures Limited	NIL
f	No. of shares of Rs. 2/- each held by:				
	the Director	638100	1750557	2866	NIL
	his relatives	7503240	3784797	106000	
	Total	8141340	5535354	108866	
g	No. of ESOPs granted	NIL	NIL	39600 on 05.01.2007	—
h	Relationship between Directors inter se (As per Section 6 and Schedule 1A of the Companies Act, 1956)	Related to Sri P. Trivikrama Prasad (Sister's husband)	Related to Sri D. Ashok (Wife's brother)	Nil	Nil

12. Members are requested to bring their copies of the Annual Report to the Meeting.

Item No. 8: Appointment of Sri P. Trivikrama Prasad, Executive Director as Managing Director:

Sri P. Trivikrama Prasad, Executive Director, was appointed as Managing Director by the Board with effect from 29th January, 2009.

The Salary, commission and perquisites/allowances payable to him were approved and revised by the General Body from time to time.

The Board at its meeting held on 29th January, 2009 approved the change in the designation of Sri P. Trivikrama Prasad as Managing Director. The tenure, terms and conditions, salary, perquisites/allowances and commission payable to him, as approved by the Board/General Body earlier, will remain the same.

Sri P. Trivikrama Prasad is an M.B.A. from U.S.A, joined the Company in 1981 and was appointed as Executive Director in 1992. He has vast experience of about 27 years holding responsible positions. He is incharge of all the disciplines and functional aspects of the Company and he closely monitors the operations of all the Plants.

Sri P. Trivikrama Prasad, being experienced professional, has substantially contributed to the development of the Company by his rich experience and expertise and the Company has derived considerable benefits which is evident from the enormous growth achieved in terms of diversification, turnover and profitability in the past few years.

He holds Directorships in the following Companies/Trusteeship in the Trust and membership on the Shareholders/Investors' Grievances Committee of Nava Bharat Ventures Limited:

1. M/s. Kinnera Power Company Limited
2. M/s. Brahmani Infratech Private Limited
3. M/s. Nava Bharat (Singapore) Pte. Limited
4. M/s. Nav Finance and Leasing Limited
5. M/s. Navabharat Power Private Limited
6. M/s. Malaxmi NBFA Ventures Private Limited
7. M/s. Rio Realty Private Limited
8. M/s. Nava Bharat Realty Limited
9. M/s. V9 Avenues Private Limited
10. M/s. A9 Homes Private Limited
11. M/s. AV Dwellings Private Limited
12. M/s. Nava Bharat Projects Limited
13. M/s. Nava Bharat Natural Resources India Limited
14. M/s. Nava Bharat Energy India Limited
15. M/s. Nava Bharat Sugar and Bio Fuels Limited
16. M/s. Malaxmi Highway Private Limited
17. M/s. V9 Infra Ventures Private Limited
18. Dr. Devineni Subbarao Trust

The resolution set out at Item No.8 together with this Explanatory Statement constitute abstract of terms of the remuneration and the Memorandum of Interest of the Managing Director and also the Chairman under Section 302 of the Companies Act, 1956.

The Board commends the Resolution for members' approval.

Except Sri P. Trivikrama Prasad, Managing Director and Sri D. Ashok, Chairman, being related, no other Director is deemed to be interested or concerned in the Resolution.

Item No. 9: Appointment of Sri D. Ashwin as Chief Executive Officer in Nava Bharat (Singapore) Pte.Limited:

Sri D. Ashwin, son of the Chairman of the Company, is a Director on the Board of Nava Bharat (Singapore) Pte.Limited, a Subsidiary of the Company with effect from 07.04.2008. He was appointed as Chief Executive Officer of Nava Bharat (Singapore) Pte. Limited with effect from 1st October, 2008. Pursuant to Section 314(1)(b) and other applicable provisions, if any, of the Companies Act, 1956, the Board of your Company approved the same subject to your consent by way of Special Resolution as the same is required in terms of Section 314(1)(b) of the Companies Act, 1956 for holding an office or place of profit by a relative of the Director, in the Subsidiary of the Company.

Sri D. Ashwin was a Graduate in Industrial Engineering from the University of Washington and has varied experience and functioned as Senior Officer and Director (Business Development) at Hewlett Packard (based in Singapore).

The resolution set out at Item No. 9 together with this Explanatory Statement constitute abstract of terms of the remuneration and the Memorandum of Interest of the Chairman and also the Managing Director under Section 302 of the Companies Act, 1956.

The Board commends the resolution for members' approval.

None of the Directors of the Company, except Sri D. Ashok, Chairman and Sri P. Trivikrama Prasad, Managing Director, being relatives, is deemed to be concerned or interested in the resolution.

By order of the Board
For Nava Bharat Ventures Limited

Place: Hyderabad
Date : May 30, 2009

M. Subrahmanyam
Company Secretary & Vice President

Registered Office:

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

and as mentioned below:

- A. Salary : Rs. 5,00,000/- per month;
- B. Commission : @ 2% on the net profits of the Company for each/every financial year; and
- C. Perquisites : In addition to the Salary and Commission, he shall be entitled to the allowances and other perquisites as set out below:
 - a) Housing:
 - i) Where accommodation in the company owned house is provided, he shall pay to the Company, by way of rent 10% of the salary;
 - ii) Where hired accommodation is provided, the expenditure incurred by the Company on hiring furnished accommodation for him will be subject to a ceiling of 60% of the salary;
 - iii) In case, the Company does not provide accommodation, House rent allowance shall be paid @ 60% of the salary; and
 - iv) The expenditure incurred by the Company on gas, electricity, water and furnishing will be subject to a ceiling of 10% of the salary.
 - b) Medical Reimbursement/Allowance for self and family: Reimbursement of expenses actually incurred for self and family or medical allowance, the total cost of which to the Company shall not exceed one month's salary in a year or three months' salary over a period of three years;
 - c) Leave Travel concession or Allowance: For self and family, once in a year either in India or abroad in accordance with the rules of the Company;
 - d) Club fees: Fees of clubs, subject to a maximum of two clubs.
 - e) Personal accident insurance: As per the rules of the Company.
 - f) Car: Free use of Company's car with driver;
 - g) Contribution to Provident Fund, Superannuation Fund or Annuity Fund, as per the rules of the Company;
 - h) Gratuity payable, shall not exceed, half a month's salary, for each completed year of service;
 - i) Communication Facilities: Free communication facilities like Telephones / Internet / Mobiles / Fax at residence;
 - j) Leave on full pay and allowances as applicable to other employees of the Company but not exceeding one month for every 11 months' service;
 - k) He shall also be entitled to reimbursement of expenses actually and properly incurred for the business of the Company; and

- l) Any other perquisites that may be allowed as per the guidelines issued by the Central Government from time to time."

"RESOLVED FURTHER THAT the remuneration aforesaid including the perquisites and other allowances shall be paid and allowed to Sri P. Trivikrama Prasad, Managing Director, as minimum remuneration during the remaining period of his tenure, in the event of loss or inadequacy of profits in any financial year for a period not exceeding 3 years."

9. Appointment of Sri D. Ashwin as Chief Executive Officer of Nava Bharat (Singapore) Pte. Limited:

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

"RESOLVED THAT the Company approves, pursuant to Section 314(1)(b) and other applicable provisions, if any, of the Companies Act, 1956 and subject to such consents, approvals and permissions as may be required, the appointment of Sri D. Ashwin, relative of the Chairman, and one of the Directors of the Company's Subsidiary, Nava Bharat (Singapore) Pte. Limited, to hold an office or place of profit under the Company's Subsidiary, Nava Bharat (Singapore) Pte. Limited, as Chief Executive Officer with effect from 1st October, 2008 on the following remuneration:

Salary : SGD \$ 20,000 per month with an Annual Increment of not exceeding 30% as may be decided by the Board.

By order of the Board
For Nava Bharat Ventures Limited

M. Subrahmanyam
Company Secretary & Vice President

Place: Hyderabad
Date: May 30, 2009

Registered Office:
'Nava Bharat Chambers'
6-3-1109/1, Raj Bhavan Road
Hyderabad – 500 082.

NOTES

1. The Explanatory Statement in respect of the special business in the Notice, pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
2. 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.
3. The Share Transfer Register and the Register of Members of the Company will remain closed from 23.07.2009 to 31.07.2009 (both days inclusive) in connection with the Annual General Meeting and Dividend.
4. The dividend for the year ended 31st March, 2009 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 after effecting valid transfers received upto the close of business hours on 22nd July, 2009. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details provided as at the close of business hours on 22nd July, 2009 by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.
5. The unclaimed dividends, both preference and equity for the year ended 31st March, 2002 will be transferred on 26.10.2009 to the 'Investor Education and Protection Fund' on expiry of 7 years from the date of transfer to the Unpaid Dividend Account, pursuant to Section 205C of the Companies Act, 1956. It may be noted that after the expiry of the said period of 7 years on 26.10.2009, no claim shall lie in respect of unclaimed dividend. Members who have not encashed their Dividend Warrants for the said financial year or subsequent year(s) are requested to send the same for revalidation to the Company.

The unpaid dividend upto and including for the year 1994-95 has already been transferred to the General Revenue Account of the Central Government and the Investor Education & Protection Fund for the years 1995-1996 to 2000-2001 as per the provisions of the Companies Act, 1956 read with the relevant rules framed thereunder.

6. 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 on the dividend warrant, to the Company's Registrars and Transfer Agents, M/s Karvy Computershare Private Limited, Plot No. 17 to 24, near

Image Hospital, Vittalrao Nagar, Madhapur, Hyderabad - 500 081.

7. Members seeking any information or clarification on the accounts are requested to send in writing queries to the Company, at least one week before the date of the meeting. Replies will be provided in respect of such written queries, at the meeting.
8. Members holding shares in identical order of names in more than one folio are requested to write to the Company's Registrars and Transfer Agents enclosing their share certificates to enable consolidation of their shareholdings in one folio.
9. Pursuant to the directions/notifications of SEBI and Depositories, the demat account holders can operate their accounts if they had already provided Income Tax Permanent Account Number either at the time of opening of the account or subsequently. In case they have not furnished the Income Tax Permanent Account Number to the Depository Participants, such demat account holders are requested to contact their DPs with a photocopy of the PAN Card (with original PAN Card for verification), so that the frozen demat accounts would be available for operation and further consequences of non-compliance with the aforesaid directives would be obviated.

Securities and Exchange Board of India, vide Circular ref.no.MRD/Dop/Cir-05/2009 dated May 20, 2009 made it mandatory to have PAN particulars for registration of physical share transfer requests. Based on the directive contained in the current circular, all share transfer requests received after 20th May, 2009 should therefore be accompanied with PAN details.

10. Retirement of Directors by Rotation:

Dr. G. Sreeramjee vide his letter dated 6th April, 2009 expressed his unwillingness for re-appointment since he was unable to attend the meetings on health grounds and therefore he would not like to offer himself for re-appointment at the forthcoming AGM.

Dr. G. Sreeramjee, Director of the Company, retires by rotation at the ensuing Annual General Meeting.

Sri G.R.K. Prasad, Director (Finance & Corporate Affairs) of the Company retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

Sri G.R.K. Prasad is a Fellow Member of The Institute of Chartered Accountants of India and The Institute of Company Secretaries of India and has 28 years of varied professional experience and has been incharge of Finance, Accounts and Corporate Affairs of the Company since August, 1995.

Directors commend the re-appointment of Sri G.R.K. Prasad, as a Director liable to retire by rotation.

Explanatory Statement (Pursuant to Section 173 (2) of the Companies Act, 1956)

Item No. 5: Appointment of Dr.D.Nageswara Rao, Additional Director as Director:

Dr. D. Nageswara Rao was appointed as Additional Director under Section 260 of the Companies Act, 1956 and he would hold office upto the date of Annual General Meeting.

The Company has received notice with necessary deposit proposing that Dr. D. Nageswara Rao, be appointed as Director, liable to retire by rotation pursuant to the provisions of Companies Act, 1956.

Dr. D. Nageswara Rao is a Post Graduate in Electronic Engineering from Birla Institute of Science & Technology, Pilani, and a Doctorate from University of Strathclyde, UK. He is an active member in many Trade Associations at State and National levels and was also Director of APEDC, Govt. of A.P.

The Board commends the resolution for members' approval.

None of the Directors except Dr. D. Nageswara Rao, is deemed to be interested or concerned in the Resolution.

Item Nos.6 & 7: Appointment of Sri D. Ashok, Managing Director as Chairman and Re-appointment of and remuneration payable to Sri D. Ashok, Chairman with effect from 14th August, 2009:

Sri D. Ashok, an M.B.A. from U.S.A. has been holding senior positions in the Company since 1981. He took over as the Executive Director in 1992 and as the Managing Director in 1999.

Sri D. Ashok has brought the Company to a pre-eminent position in the Ferro Alloy Industry pursuing dynamic production and marketing strategies. The Company received several accolades in the areas of exports, productivity, quality, industrial safety, environmental protection etc., under his leadership. The Company has gained distinct competitive edge through well timed expansion, modernization and diversification measures like setting up of coal based power plants and earned a name for execution of large projects well within estimated time and cost parameters.

Sri D. Ashok being highly experienced professional, has substantially contributed to the development of the Company by his rich experience and expertise and the Company has derived considerable benefits which is evident from the enormous growth achieved in terms of diversification, turnover and profitability in the past few years.

Sri D. Ashok was re-appointed as Managing Director by the Board and General Body with effect from 14th August, 2004. He was also elected as Chairman by the Board on 25th July, 2008.

The Salary, commission and perquisites/allowances payable to him were approved and revised by the General Body from time to time.

The Board at its meeting held on 29th January, 2009 approved the change in the designation of Sri D. Ashok, Managing Director as Chairman. He would be the Executive Chairman and Director in the whole-time employment of the Company. The tenure, terms and conditions, salary, perquisites/allowances and commission payable to him, as approved by the Board/General Body earlier, will remain the same.

The Board at its meeting held on 14th April, 2009 re-appointed Sri D. Ashok as Chairman for a period of 5 years from 14th August 2009 on the remuneration, commission and perquisites as set out in the resolution placed before you for approval, pursuant to the recommendation of the Remuneration Committee.

He holds Directorship in the following Companies and Trusteeship in the Trusts and does not hold any Committee Chairmanship/Membership:

1. M/s. Nava Bharat (Singapore) Pte. Limited
2. M/s. Chapter One-Books Pte. Limited
3. M/s. Brahmani Infratech Private Limited
4. M/s. Nav Finance and Leasing Limited
5. M/s. A9 Homes Pvt. Limited
6. M/s. A.V. Dwellings Pvt. Limited
7. M/s. V9 Avenues Pvt. Limited
8. M/s. Nava Bharat Realty Limited
9. M/s. Nava Bharat Projects Limited
10. M/s. Nava Bharat Natural Resources India Limited
11. M/s. Nava Bharat Energy India Limited
12. M/s. Nava Bharat Sugar and Bio Fuels Limited
13. M/s. Operation Eyesight Universal (India)
14. M/s. G.S.R. Trust
15. M/s. Usha Mullapudi Cardiac Centre
16. Dr. Devineni Subbarao Trust

The resolutions set out at Item Nos.6 & 7 together with this Explanatory Statement constitute abstract of terms of the remuneration and the Memorandum of Interest of the Chairman and also the Managing Director under Section 302 of the Companies Act, 1956.

The Board commends the Resolutions for members' approval.

Except Sri D. Ashok and Sri P. Trivikrama Prasad, being related, no other Director is deemed to be interested or concerned in the Resolutions.