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ANNUAL REPORT 2001-2002

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NCL INDUSTRIES

**NCL INDUSTRIES LIMITED**

**BOARD OF DIRECTORS****Shri K. Jayabharath Reddy - Chairman***Shri R. Anand**Shri Vinodrai V. Goradia**Shri G. Soma Raju**Shri S. R. Gokul**Shri M. Kanna Reddy**Shri K. Madhu***Shri K. Ramachandra Raju - Managing Director****Sr.VICE PRESIDENT & CO.SECRETARY****Shri B Subrahmanyam****AUDITORS***M/s. Prayaga & Company**Chartered Accountants**5-2-392/5, Hyderabad**R.P. Road, Secunderabad - 500 003***BANKERS***Global Trust Bank**Vijaya Bank***CONTENTS**

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**UNITS****Cement & Cement Boards***Simhapuri**Mattampalli Mandal**Nalgonda District - 508 204**Andhra Pradesh***Prefab Units***Plot No. 34/A**IDA, Jeedimella**Hyderabad - 500 055**Indira Industrial Complex**Naharpur, Tigoan Road**Old Faridabad - 121002***REGD. & ADMN. OFFICE & SHARE TRANSFER DEPT.***7th Floor, Raghava Ratna Towers,**Chirag Ali Lane,**Hyderabad - 500 001**Tele : 3203637, 3202548**Fax : 91(040) 3202496, 3203417**E-mail : nclindia@hd1.vsnl.net.in**Website : www.nclindustriesltd.com***AGM on 23-09-2002 at 3.00p.m.at Bharatiya Vidya Bhavan, King Koti Road, Hyderabad - 500 029.**

**NOTICE**

Notice is hereby given that the Twenty First Annual General Meeting of the Members of NCL INDUSTRIES LIMITED will be held on Monday, the 23rd day of September, 2002 at 3.00 PM at Bharatiya Vidya Bhavan, King Koti Road, Hyderabad - 500 029 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Profit and Loss Account for the Financial Year ended 31st March 2002 and the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To declare a Dividend
3. To elect a Director in place of Shri M. Kanna Reddy, who retires by rotation and being eligible, offers himself for re-election.
4. To elect a Director in place of Shri G. Soma Raju, who retires by rotation and being eligible, offers himself for re-election.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS:**

6. To consider and if thought fit, to pass with or without modifications, as may be permissible, the following Resolution as an ordinary resolution.

"RESOLVED THAT the consent of the Company be and is hereby accorded to the Board of Directors of the Company in terms of section 293 (1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgage and / or charging of all the immovable and movable properties of the Company (except current assets of the company) wherever situate, present and future and the whole of the undertaking of the Company and/or conferring power to enter upon and to take possession of the assets of the Company in certain events, to or in favour of Indian Renewable Energy Development Agency (IREDA) in connection with Rupee term loan not exceeding Rs.320 lakhs (Rupees three hundred and twenty lakhs only) lent and advanced by IREDA to the Company.

"Resolved further that the mortgage / charge created / to be created and / or all agreements / documents executed / to be

executed and all acts done in terms of the above resolutions by and with the authority of the Board of Directors are hereby confirmed and ratified".

7. To consider and if thought fit, to pass through Postal Ballot, the following resolution as a special resolution:

"RESOLVED THAT pursuant to the provisions contained in Section 372A of the Companies Act, 1956 and such other provisions of the law as may be applicable from time to time, and subject to such other approvals as may be necessary in this regard, approval of the members be and is hereby accorded to the Board of Directors to give, on such terms and conditions, as it may deem fit, guarantee or provide security (or to secure repayment of their Borrowings) in connection with the financial assistance(s) obtained/being obtained by NCL Energy Limited, from Indian Renewable Energy Development Agency Limited (IREDA) for implementation of their Hydro Electric Project(s) in order to secure payment of their borrowings not exceeding Rs. 50 crores, together with interest, commitment charges, and all other moneys etc., as may be due thereon, on the terms and conditions as may be agreed to amongst NCL Energy Limited, the Company and the Lenders, notwithstanding that the value of such Guarantee(s) together with investments already made and guarantees already given by the company shall be in excess of the ceiling prescribed under section 372 A of the Companies Act, 1956, and / or as may be prescribed hereafter under the said section and / or under any other provision(s) of the said Act, on such terms and conditions as may be finally decided."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do or cause to be done all such acts, deeds, matters and things as may be necessary from time to time in this regard,

By order of the Board  
for NCL INDUSTRIES LIMITED

Place : Hyderabad

Date : 10-06-2002

**B. SUBRAHMANYAM**  
Sr. Vice President &  
Company Secretary

**NOTES:**

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy instead of himself to attend and vote only in a poll and the proxy need not be a member. Proxies in order to be effective should be duly stamped, completed and signed and must be received by the company not less than 48 hours before the Annual General Meeting. A Proxy so appointed shall not have right to speak at the meeting.
2. The Register of Members and Share Transfer Registers will remain closed from 10-09-2002 to 23-09-2002 (both days inclusive).
3. The Dividend, if approved at the meeting of Shareholders shall

be payable, (on pro-rata basis in respect of partly paid shares) to those members whose names appear on the Company's Register of Members on 9th September 2002 for the purpose of shares held in demat form and as on 23rd Sept 2002 for the purpose of shares held in physical form.

4. a) Individual members whose total income is below the minimum amount liable to tax and where the dividend exceeds Rs.1000, if they desire to receive the dividend without deduction of tax at source, submit Form 15G in duplicate completed in all respect to the Company's shares department on or before 10th September 2002.  
b) In all cases where tax has been deducted at source, the

**NOTICE**

- company will issue TDS Certificate. In terms of Sec. 139 A (5A) of the IT Act 1961, shareholders are under obligation to intimate his / her Permanent Account Number (PAN) / General Index Register (GIR) Number to the company. Share holders are requested to furnish PAN / GIR number at the earliest to enable us to print the same on TDS Certificate. In case they are holding shares in Demat form, they are requested to furnish the said details to their DP.
5. Members holding shares in Electronic form may please note that as per the regulations of National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd (CDSL), the company is obliged to print the bank details on the dividend warrants as furnished by these depositories to the Company and the company cannot entertain any requests for deletion/change of bank details already printed on dividend warrants as per information received from the concerned depositories. In this regard, members should contact their depository participant (DP) and furnish particulars of any changes desired by them.
  6. The Members are requested to provide their Bank Account Number, Name and Address of the Bank/Branch to enable the company to incorporate the same in the dividend warrant, in order to prevent fraudulent encashment of Dividend.
  7. **SEBI has notified your company's equity shares for compulsory trading in the dematerialized form from 26-02-2001 under ISIN NO. INE732 CD1016. Shareholders may avail the facility of trading in demat form.**
  8. Members holding shares in electronic form are requested to inform the changes, if any, in their addresses to the Depository Participant with whom the demat account is maintained.
  9. Individual shareholders can avail the facility of nomination. Shareholders holding shares in physical form may write to the Shares Department of the Company for assistance. Shareholders holding shares in electronic form may approach their DP with whom they maintain their account.
  10. Pursuant to Section 192A, of the Companies Act, 1956 read with 'The Companies (Passing of the Resolution by Postal Ballot) Rules' 2000, that Special Resolution Under Section 372A of the Companies Act, 1956, mentioned at item No. 7 of the Notice is proposed to be passed by Postal Ballot. The Members of the Company are requested to convey their approval or otherwise on the postal ballot form sent here with (no other Form or Photocopy thereof is permitted) and send to the Scrutinizer at the Registered office of the Company, on or before 21st September, 2002. The Postal Ballot form received after the said date will be rejected. The Results of the Postal Ballot shall be declared at the Twenty First Annual General Meeting of the Company.
  11. Members who are holding shares in demat form are requested to bring their client ID and DP ID Numbers for identification of attendance at the meeting.

By order of the Board  
for NCL INDUSTRIES LIMITED

Place : Hyderabad **B. SUBRAHMANYAM**  
Date : 10-06-2002 Sr. Vice President & Company Secretary

**ANNEXURE TO THE NOTICE:**

**EXPLANATORY STATEMENT (PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956)**

**ITEM NO. 6**

M/s Indian Renewable Energy Development Agency (IREDA) have sanctioned a loan of Rs. 320 lakhs to the company for installation of Energy Saving Equipment. One of the terms of the sanction is that the loan shall be secured inter-alia by way of pari-passu first charge on all the immovable and movable assets (other than current assets) of the company as specified in their sanction letter. The borrowing is within the limits approved under section 293(1)(d) of the Companies Act, 1956.

The mortgage and / or charge by the company of its immovable properties etc, in favour of the lenders with a power to take over the management in certain events of the default by the company may be regarded as disposal of company's undertakings within the meaning of the section 293(1)(a) of the Companies Act. Hence, it is necessary for the members to pass a resolution under this section.

The directors recommend this resolution for approval of the members.

None of the Directors is concerned or interested in the said resolution.

**ITEM NO. 7**

NCL Energy Limited (NCLEL) has been promoted by NCL Industries Limited jointly with APIDC and other private promoters. NCLEL already implemented a 7.5 MW Hydel Power Project at Pothireddypadu, Kurnool District A.P at a cost 3095 lakhs, funded by a term loan of Rs.2311.25 lakhs from IREDA and the balance by way of equity. NCL Industries Ltd invested an amount of Rs.50.00 lakhs out of the above equity.

NCLEL is now proposing for setting up of 8 MW small Hydro power Project at Tungabhadra Dam Right Bank High level Canal at Mallapuram Village District, Bellary in the state of Karnataka, at a total project cost of Rs.2315 lakhs, for which IREDA has sanctioned a term loan of Rs. 1498 lakhs under Project Financing Scheme and the balance being met by way of promoters contribution. IREDA have stipulated that the loan shall be secured by a corporate guarantee, inter-alia, by NCL Industries Limited as well as the personal guarantees of the private promoters. NCLEL has requested the company to provide a corporate guarantee.

Since the aggregate of the proposed guarantees to be given will exceed the limits specified in sec 372 A of the Companies Act, 1956, approval of share holders by way of special resolution is sought.

In this regard it may be noted that approval was obtained earlier

**NOTICE**

from the shareholders in the extra ordinary general meeting held on 6th December 1999 upto the limit of Rs.30 crores for providing guarantee on behalf of NCLEL to IREDA and for making investment upto Rs.1.30 Crores in NCLEL and the company has actually provided a guarantee upto Rs. 23.11 crores and made an investment of Rs.50 lakhs.

Copies of the relevant documents including the sanction letters of IREDA to NCLEL are available for inspection by the members on any working day between 2 pm to 4 pm at the registered office of the company till the date of this meeting.

The Board of Directors recommend the proposed resolution for

acceptance by the Members, by exercising the vote through the postal ballot forms, which is sent alongwith this Notice.  
Shri K. Jayabharat Reddy, Chairman, Shri Kanna Reddy, Shri K Madhu Directors and Sri K. Ramachandra Raju Managing Director are interested in the proposed resolution.

By order of the Board  
for NCL INDUSTRIES LIMITED

Place : Hyderabad

Date : 10-06-2002

**B. SUBRAHMANYAM**

Sr. Vice-President &

Company Secretary

**DETAILS OF DIRECTORS RETIRING  
BY ROTATION AND SEEKING RE-APPOINTMENT  
(pursuant to clause 49 of the Listing Agreement)**

Name of Director	<b>Shri M. KANNA REDDY</b>	<b>Shri. G. SOMA RAJU</b>
Date of Birth	<b>18-07-1934</b>	<b>04-02-1922</b>
Date of Appointment	<b>19-12-1997</b>	<b>10-09-1979</b>
Qualifications	<b>Chartered Accountant and Management &amp; Financial Consultant</b>	<b>SSLC</b>
Expertise in specific functional area	<b>Rich experience as a Senior Executive in public sector Undertaking, for about 30 years including about 10 years at Board level</b>	<b>Rich Business experience of over 50 years. He is a Promoter Director of the company.</b>
Details of other Directorships	<b>1) NCL Energy Ltd. 2) Maharishi Commerce Ltd. 3) Continental Projects Ltd. 4) BP Properties Ltd.</b>	<b>NCL Saccolor Ltd. Vijaya Prestressed Products (P) Ltd.</b>
Chairman / Member of the Committee of the Board of the Company	<b>1) Member - Audit Committee 2) Chairman - Share, Debenture, Investor Grievance Committee 3) Member - Remuneration Committee</b>	<b>1) Member - Share Debenture, Investor Grievance Committee</b>
Chairman / Member of the Committee of other companies	<b>1) Member - Audit Committee of NCL Energy Limited.</b>	<b>Nil</b>

**DIRECTORS' REPORT**

Your Directors have pleasure in presenting their 21st Annual Report together with Audited Accounts for the year ended 31st March 2002

**FINANCIAL RESULTS:**

(Rs. in lakhs)  
2001-02      2000-01

**SALESTURNOVER &  
OTHER INCOME**

- Cement Division	4,380.40	5140.27
- Boards Division	1,813.68	1639.29
- Prefab Division	1,189.08	792.49
- Other Income	29.90	9.47
<b>TOTAL</b>	<b>7,413.06</b>	<b>7581.52</b>

Gross Profit (PBIDT)	1,375.60	1376.20
Less: Interest	666.82	790.38
- Depreciation	406.22	411.16
- Expenses written off	8.71	8.71

PROFIT (before extra-ordinary item and prior period adjustments)	293.85	165.95
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ADD Extra-ordinary Item	—	2.64
ADD: Previous year adjustments	8.94	(17.85)
ADD Depreciation Written Back	—	155.03

PROFIT BEFORE TAX	302.79	305.77
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Less :Income Tax	28.29	15.00
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NET PROFIT AFTER TAX	274.50	290.77
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Profit B/f	134.52	232.59
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Profit available for appropriation	409.02	523.36
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**LESS: APPROPRIATIONS**

a) Debenture Redemption Reserve	—	210.00
b) Dividend & Dividend Tax	162.29	178.84
c) Balance carried forward	246.73	134.52

**DIVIDEND:**

Your Directors have pleasure in recommending a Dividend of 10% on the Equity Shares for the financial year ended 31.3.2002 (10% in the previous year). The Dividend will absorb a sum of Rs. 162.29 lakhs (Rs.178.84 lakhs in previous year including Dividend Tax).

**OPERATIONS:**

There has been marginal decrease in Gross Turnover which is due to planned shutdown of Cement Plant for a period of around 50 days during the year and also low volume of sales in view of market conditions. However, the Clinker production increased from 1,93,360 MT to 209,760 MT during the year.

The profit for the year increased mainly due to reduced interest cost during the year.

**FINANCE:**

The Company, in terms of the Issue of Debentures, redeemed the 1st installment of Debentures

@ Rs.333/- per debenture as on 1.1.2002.

IREDA has sanctioned a term loan of Rs.320 lakhs for Installation of Energy Saving Equipment at the existing Cement factory, out of the total project cost of Rs.460 lakhs.

The Company received a maiden dividend of Rs.3.00 lakhs on its investment in NCL Energy Limited from its very first year of operations.

**CONTRIBUTION TO EXCHEQUER:**

The Company's contribution to the Exchequer during the year, in the form of various taxes and duties paid was Rs. 1223.29 Lakhs

**FIXED DEPOSITS:**

As on 31-3-2002 Rs.803.19 Lakhs have been accepted out of which Rs 7.50 Lakhs remained outstanding awaiting instructions from the Depositors either for repayment or renewal. The company repaid all other matured deposits.

**INDUSTRIAL RELATIONS :**

The industrial relations continue to be harmonious at all levels in the organisation during the year.

**PARTICULARS OF EMPLOYEES READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES AS AMENDED:**

There are no employees covered under Sec. 217 (2A) of the Companies Act, 1956.

**ENERGY, TECHNOLOGY, FOREIGN EXCHANGE AND ENVIRONMENT PROTECTION:**

The information required to be disclosed in terms of Sec. 217(1)(e) of the Companies Act, 1956 is furnished in Form A and forms part of this report.

**AUDITORS:**

M/s. Prayaga & Co. Chartered Accountants, the existing auditors of the Company retire at the conclusion of this Annual General Meeting and are eligible for reappointment.

**DIRECTORS:**

Shri M. Kanna Reddy and Shri G. Somaraju, retire by rotation at the ensuring Annual General Meeting and being eligible, offer themselves for reappointment.

**CORPORATE GOVERNANCE:**

A report on Corporate Governance along with a certificate of compliance from the auditors forms part of this report.

**DIRECTORS' RESPONSIBILITIES STATEMENT:**

The Board of Directors states:

- 1) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 2) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

**DIRECTORS' REPORT**

- 3) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- 4) that the Directors had prepared the annual accounts on a going concern basis.

pany, Financial Institutions and Central and State Government Departments. The Directors also thank the Shareholders, Dealers, Stockists, consumers and Depositors for the confidence reposed in the company.

Your Directors thank all the employees of the company for their valuable service and support during the year.

for and on behalf of the Board

**ACKNOWLEDGEMENTS :**

The Directors express their sincere thanks for the continued assistance and co-operation extended by the Bankers to the Com-

Place : Hyderabad

K. Jayabharath Reddy

Date : 10-06-2002

Chairman

**ANNEXURE TO DIRECTORS' REPORT****FORM - A****FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

A. POWER AND FUEL CONSUMPTION		2001-2002 Current Year	2000-2001 Previous year
1 ELECTRICITY :			
a. Purchased			
Units - Lacs		276.33	230.01
Total Amount (Rs. In Lacs)		1061.34	948.21
Rate/Unit (Rs)		3.84	4.03
b. Own Generation -			
Through Diesel generator			
Units (KWH lakhs)		3.01	46.05
Total amount (Rs. in lakhs)		16.66	192.89
Rate per Unit (Rs.)		5.54	4.19
2 COAL			
Quantity (Tonnes)		46,473	46964
Total Cost (Rs. Lacs)		744.64	704.86
Average Rate/Tonne(Rs)		1,602.3	1501
3 FIRE WOOD			
Quantity (MT)		3,994	3003
Total Cost (Rs. In Lacs)		23.83	26.13
Average Rate per MT (Rs)		597	870
4 CONSUMPTION PER MT OF PRODUCTION:			
Electricity - Units			
Cement Division		115.84*	110
Boards Division		191.11	184
Coal - MT (Cement Division)		0.221*	0.243
Firewood - MT (Boards Division)		0.258	0.206

\* per M.T. of equivalent Cement

**FORM B**  
(See Rule 2)**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION (R&D)**

A. Research and Developed (R & D)	-	Not applicable
B. Technology absorption, adoption and innovation	-	Not applicable

For and on behalf of the Board

Place : Hyderabad

K. Jayabharath Reddy

Date : 10-06-2002

Chairman



**REPORT ON CORPORATE GOVERNANCE**

(Pursuant to clause 49 of the listing agreement)

**1) Company's philosophy on code of Governance**

The Company firmly believes in and has consistently endeavoured to practice good Corporate Governance. The Company's philosophy on Corporate Governance envisages the attainment of the high levels of transparency, professionalism and accountability in all facets of its operations and in all its interactions with its stakeholders, including shareholders, employees, the Government and lenders. The Company will endeavour to improve on these aspects on ongoing basis.

**2) Board of Directors:****a) Constitution & Size of the Board**

The present strength of the Board is eight Directors. The Board comprises of both executive and non-executive directors. The non-executive directors bring external and wider perspective in the Board's deliberations and decisions. Apart from Managing Director, there are seven non-executive directors of which 4 directors, including the Chairman, are independent directors.

Independent directors are Directors who apart from receiving Directors remuneration do not have any other material pecuniary relationship or transactions with the company, its promoters, its management or its shareholders which in judgement of the Board may affect independence of judgement of the Directors.

**b) Number of Board Meetings held during the year along with dates of the meetings:**

Seven Board meetings were held during the year 2001-2002. The dates on which the said meetings were held are as under:

- |                |                  |               |                |
|----------------|------------------|---------------|----------------|
| 1) 15-6-2001   | (2) 28-7-2001    | (3) 10-8-2001 | (4) 31-10-2001 |
| (5) 27-12-2001 | (6) 25-01-2002 & | (7) 25-3-2002 |                |

**c) Attendance of Directors at Board Meetings, AGM and committees where he is a Director / Member.**

Name of the Director	Categories Of Directorship*	No of Board Meetings attended	Attendance at last AGM	Director-ship in other companies	No. of Committees in which Chairman	member
K. Jayabharath Reddy	Chairman, I & NED	7	Yes	7	5	2
R. Anand	I & NED	4	Yes	7	4	3
M. Kanna Reddy	I & NED	7	Yes	4	1	3
S. R. Gokul	I & NED	5	Yes	5	-	-
G. Somaraju	NED	3	No	1	-	1
V. V. Goradia	NED	3	Yes	2	-	-
K. Madhu	NED	7	Yes	4	-	2
K. Ramachandra Raju	MD	7	Yes	2	-	-

\* I &amp; NED

Independent and non executive Director

NED

Non-executive Director

MD

Managing Director

**d) Details of Appointment & Reappointment of Directors**

As per the Companies Act 1956, 2/3rds of the directors are retiring by rotation. Out of that, 1/3rd should retire each year and if other wise eligible qualify for reappointment

Relevant details form part of the notice of the Annual General Meeting at which the directors are appointed.

**3) Audit Committee:**

The Audit committee set up by the Board of Directors in October 2000. During the year 4 meetings were held out of which one was held before finalisation of Accounts. The said meetings were held on 15-6-2001, 31-10-2001, 10-1-2002 & 25-1-2002.

The constitution of the committee and attendance of each member of the committee is given below

Name	Designation	Whole time/ Independent	Profession	Committee meetings attended
K. Jayabharath Reddy	Chairman	Independent	IAS(Retd) from Govt Service	4
M. Kanna Reddy	Member	Independent	Chartered Accountant	4
K. Madhu	Member	Non Executive	Business	4



# REPORT ON CORPORATE GOVERNANCE



## 4) Share, Debenture, Investor Grievance (SDIG) Committee :

The Board constituted an Investors Grievance Committee on 31st October 2001, which looks into Shareholders and investors grievances. The following are the members of the committee

- 1) Shri M. Kanna Reddy (Chairman)
- 2) Shri K. Madhu
- 3) Shri G. Somaraju

Name and designation of Compliance Officer:

Mr B. Subrahmanyam, Sr. Vice President & Company Secretary

### i) Details of Investors letters / complaints received during the year ended 31st March 2002.

Sl No	Nature of letter / complains	Received	Disposed	Pending
1	Non-receipt of Dividend warrant(s)	14	14	Nil
2	Non-Receipt of Shares certificates after transfer / duplicate.	7	7	Nil
3	Miscellaneous - eg. Holding not matching, demat confirmation	2	2	Nil

### ii) Number of Complaints pending with the Company:

All the complaints / letters received during the Financial year were replied / resolved to the satisfaction of the share holders and there are NIL complaints pending as on 31st March 2002.

## 5) Remuneration Committee:

The Remuneration committee was set up by the Board of Directors during August 2001. The constitution of the committee is given hereunder.

Name	Designation	Whole time/ Independent	Profession
K. Jayabharath Reddy	Chairman	Independent	IAS(Retd) from Govt Service
M. Kanna Reddy	Member	Independent	Chartered Accountant
K. Madhu	Member	Non Executive	Business

No meetings were held during the year.

## 6) Remuneration of Directors :

(a) Details of remuneration paid to non-executive Directors are given below:

Directors	Sitting Fee	(Rs. in lakhs)	
		Total	
K. Jayabharath Reddy	0.11	0.11	
R. Anand	0.04	0.04	
M. Kanna Reddy	0.11	0.11	
S. R. Gokul	0.04	0.04	
G. Somaraju	0.04	0.04	
V. V. Goradia	0.03	0.03	
K. Madhu	0.11	0.11	

(b) Details of remuneration paid to Managing Director are given below:

Managing Director	Salary	Perquisites	Commission	Sitting Fee	Total
K. Ramachandra Raju	4.91	2.55	3.11	NIL	10.57

\* Perquisites includes HRA, Contribution to PF etc.

\* Commission payable to MD @ 1% of Net profits of the company computed in accordance with Section 198 of the Companies Act, 1956 which was separately shown in Notes to Accounts.

## 7) General Body Meetings:

a) Details of the location of the last 3 Annual General Meetings (AGM) are given hereunder:

Year	Date & time of AGM	Place
2000-2001 (12 months period)	10th August 2001 at 11.00 AM	Bharatiya Vidya Bhavan King Koti, Hyderabad
1998-2000 (18 months period)	22nd July 2000 at 10.00 AM	
1997-1998 (12 months period)	29th January 1999 at 11.00 AM	

**REPORT ON CORPORATE GOVERNANCE**

- b) No special resolution was required to be put through the postal ballot last year.
- c) Special resolution as listed at Item No. 7 of the Notice of this AGM is proposed to be conducted through postal ballot, this year, for which the ballot paper and other information are sent separately to the shareholders.
- 8) **Management discussion & Analysis Report:**  
Management Discussion and Analysis Report is separately published in this Report.
- 9) **Disclosures:**
- There are no materially significant related party transactions of the Company with its promoters, Directors or management or relatives etc that may have potential conflict with the interest of the company at large. The register of contracts containing the transactions in which directors are interested and placed before the board wherever required for its approval.
  - During the last 3 years there were no strictures or penalties imposed by either the SEBI or the Stock Exchanges or any statutory authority for noncompliance of any matter related to the capital markets.
- 10) **Means of communication:**
- Quarterly / Half yearly financial results of the company are forwarded to the stock exchanges and published in Business Standard and Andhra Bhoomi. Half yearly report is not sent to each household of shareholders as the results are published in the news papers
  - Results or official news were not displayed in any web site
  - Company has not made any presentations to any institutional investors / analysts during the year.
- 11) **General Shareholders information:**

a)	AGM	:	21st Annual General Meeting
	Date	:	23rd September 2002
	Time	:	3.00 P.M.
	Venue	:	Bhartiya Vidya Bhavan, King Koti, Hyderabad
b)	Financial Calendar		
	Tentative		
	Annual General meeting		23rd Sept 2002
	Results for the quarter ending 30-6-02		Last week of July 2002
	Results for the quarter ending 30-9-02		Last week of October 2002
	Results for the quarter ending 31-12-02		Last week of January 2003
	Results for the year ending 31st March 2003		Last week of June 2003
c)	Date of Book Closure		10-09-2002 to 23-09-2002 (both days inclusive)
d)	Dividend payment date		Within 30 days from the date of declaration (subject to approval of Members)
e)	Regd & Admn Office		7th Floor, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad 500 001
f)	Listing of Shares on Stock Exchanges at		Mumbai, Calcutta & Hyderabad (Regional Stock Exchange)
g)	Listing fee		Listing fees for year 2002-2003 has been paid to all stock exchanges.
h)	A) Scrip code		B.S.E. 502168, C.S.E. - 24028, H.S.E. - 666
	B) Demat ISIN No in NSDL & CDSL for equity shares		INE 732CO1016
i)	Stock Market Data		
	Market Price Data :		
	The Stock Exchange, Mumbai (BSE)		

MONTH & YEAR	HIGH	LOW	CLOSE	MONTH & YEAR	HIGH	LOW	CLOSE
Apr. 01	4.45	3.20	5.40	Oct. 01	6.20	4.50	5.10
May. 01	5.50	3.20	6.50	Nov.01	8.20	5.50	5.90
Jun. 01	8.25	5.10	6.25	Dec.01	9.10	5.75	5.65
Jul. 01	7.95	4.00	7.00	Jan.02	7.70	5.90	7.00
Aug. 01	7.00	5.55	7.25	Feb.02	8.00	5.65	5.50
Sep. 01	6.15	4.85	5.80	Mar.02	7.00	5.20	4.00