



A classic case of

**Pioneering**

that paid off

**24th  
Annual Report  
2004-2005**



**NCL INDUSTRIES LIMITED**

## BOARD OF DIRECTORS

Shri K. Jayabharath Reddy - Chairman  
 Shri R. Anand  
 Shri Vinodrai V. Goradia  
 Shri GDLSN Raju  
 Shri M. Bhaskara Rao (IREDA Nominee)  
 Shri S Gokul  
 Shri M. Kanna Reddy  
 Shri K. Madhu  
 Shri K. Ravi - Managing Director

## SR. VICE PRESIDENT & CO. SECRETARY

Shri B Subrahmanyam

## AUDITORS

M/s. Prayaga & Company  
 Chartered Accountants  
 304, Vijayasri Apts., S.R. Nagar,  
 Hyderabad - 500 038.

## BANKERS

Oriental Bank of Commerce  
 UCO Bank

## *Contents*

Notice	1
Directors Report	3
Report on Corporate Governance	5
Management Discussion & Analysis Report	10
Auditors Report	12
Balance Sheet	14
Profit & Loss A/c	15
Schedules	16
Cash Flow Statement	30
Balance Sheet Abstract	31

## UNITS

Cement & Cement Boards  
 Simhapuri  
 Mattampally Mandal  
 Nalgonda District - 508 204  
 Andhra Pradesh

## Prefab Units

Plot No. 34/A,  
 IDA, Jeedimetla  
 Hyderabad - 500 055

Indira Industrial Complex  
 Naharpur, Tigoan Road  
 Old Faridabad - 121 002

## Regd. & Admn. Office

7th, Floor, Raghava Ratna Towers,  
 Chirag Ali Lane,  
 Hyderabad - 500 001.  
 Tel : 23203637, 23202548, 23204243  
 Fax : 91 (040) - 23202496, 23203417  
 E-mail : [ncl@nclind.com](mailto:ncl@nclind.com)  
 Website : [www.nclind.com](http://www.nclind.com)

AGM on 15-12-2005 at 10.00 a.m at Bharatiya Vidya Bhavan(Auditorium), King Koti, Hyderabad – 500 029.



## NOTICE

Notice is hereby given that the 24<sup>th</sup> Annual General Meeting of the Members of NCL INDUSTRIES LIMITED will be held on Thursday the 15<sup>th</sup> December 2005 at 10.00 AM at Bharatiya Vidya Bhavan, King Koti Road, Hyderabad – 500 029 to transact the following business:

1. To receive, consider and adopt the Audited Profit and Loss Account for the Financial Year ended 31<sup>st</sup> March 2005 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 GDLSN Raju who retires by rotation and being eligible, offers himself for re-election.
4. To elect a Director in place of Shri S. Gokul 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.
6. To consider and, if deemed fit to pass with or without modifications, the following resolution as a Special Resolution.

### Creation of Mortgage/Charge in favour of SBI

**"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) wheresover 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 State Bank of India on pari passu basis in connection with term loan not exceeding Rs.1400 lakhs (Rupees Fourteen Hundred Lakhs only) lent and advanced by State Bank of India 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."

**"RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to execute the agreements and to do all other acts, deeds, things as may be required".

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

### Creation of Mortgage/Charge in favour CanBank Factors Limited

**"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) wheresover 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 CanBank Factors Limited in connection with Factoring Facilities not exceeding Rs.250 lakhs (Rupees Two Hundred Fifty Lakhs only) advanced by CanBank Factors Limited to the Company, on second charge basis.

**"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."

**"RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to execute the agreements and to do all other acts, deeds, things as may be required".

8. To Consider and, if deemed fit to pass with or without modifications, the following resolution as a Special Resolution.

### Creation of Mortgage/Charge in favour of OBC

**"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) wheresover 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 Oriental Bank of Commerce (OBC) in connection with Bank Guarantees Limit not exceeding Rs.50 lakhs (Rupees Fifty Lakhs only) advanced by OBC to the Company, on second charge basis.

**"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."

**"RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to execute the agreements and to do all other acts, deeds, things as may be required".

By order of the Board  
For **NCL INDUSTRIES LIMITED**

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

Place: Hyderabad  
Date : 31.10.2005



**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 should not have any right to speak at the meeting.
2. **The Register of Members and Share Transfer Registers will remain closed from 07.12.2005 to 15.12.2005 (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 07.12.2005 for the purpose of shares held in demat form and as on 15.12.2005 for the purpose of shares held in Physical form.
4. The Members are requested to provide their Bank Account Number, Name and Address of the Bank/Branch to enable the company to incorporate the name in the dividend warrant, in order to prevent against fraudulent encashment of Dividend.
5. SEBI has notified your company's equity shares for compulsory trading in the dematerialized form from 26-02-2001 under ISIN NO. INE732 C01016 Shareholders may avail the facility of trading in demat form.
6. Members holding shares in electronic form are requested to inform the changes, if any, in their addresses to the Depository Participant with whom demat account is maintained.
7. Individual shareholders can avail the facility of nomination. Shareholders holding shares in physical form may write to the Registrar for assistance. Shareholders holding shares in electronic form may approach their DP with whom they maintain their account.
8. Details of Directors retiring / appointed, pursuant to clause 49 (VI) (A) of the listing agreement.
  - a) Shri G.D.L.S.N. Raju – Director of the Company, retires by rotation at the ensuing Annual General Meeting. He was born on 20.11.1955 and is a commerce graduate. He has been inducted as Director since 2002 in the casual vacancy caused by the resignation of Shri G. Soma Raju, his father. Shri G.D.L.S.N. Raju, therefore, represents as a Promoter of the Company in the place of G. Soma Raju. He has rich experience in Real Estate and

Agricultural activities. He is a member of the Investor Grievance Committee. He is a Director of NCL Alltek & Seccolor Limited. He is also Managing Director of Nagarjuna Cerachem (P) Limited.

- b) Shri S. Gokul – Director of the Company since 30.09.1993 retires by rotation at the ensuing Annual General Meeting. He was born on 20.04.1942. He is a Professional Engineer in Chemical Engineering and has varied industrial exposure. He worked in different organisations that include Industrial Development Bank of India (IDBI). He is Director in OTCO International Limited.

By order of the Board  
For **NCL INDUSTRIES LIMITED**

Place: Hyderabad  
Date : 31.10.2005

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

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

Item No. 7, 8 & 9

State Bank of India, Canbank Factors Limited and Oriental Bank of Commerce have sanctioned financial assistance to the Company as stated in the respective resolutions. One of the terms of the sanction is that the loans shall be secured inter alia by way of *pari passu* first charge/second charge, as the case may be, on all the movable and immovable assets (other than current assets) of the Company as specified in their respective sanction letters. The borrowings are within the limits approved under Section 293 (1) (d) of the Companies Act 1956. Thus, the said resolutions proposed for the approval of the members.

None of the Directors is concerned or interested in the proposed resolutions.

The Board recommends the resolution for approval of the shareholders.

**Inspection of Documents:**

The documents pertaining to Special Business 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.

By order of the Board  
For **NCL INDUSTRIES LIMITED**

Place: Hyderabad  
Date : 31.10.2005

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



## DIRECTORS REPORT

Your Directors have pleasure in presenting their 24<sup>th</sup> Annual Report together with Audited Accounts for the year ended 31<sup>st</sup> March 2005.

**FINANCIAL RESULTS :** (Rs. in lakhs)

### SALES TURNOVER & OTHER INCOME

	2004-05	2003-04
Cement Division	6171.94	4864.39
Boards Division	2311.09	1800.91
Prefab Division	741.16	469.17
Trading turnover	-	-
Other Income	18.94	15.18
<b>TOTAL</b>	<b>9243.13</b>	<b>7149.65</b>

<b>Gross Profit (PBITD)</b>	<b>1321.42</b>	1259.24
<b>LESS : Interest</b>	<b>357.07</b>	492.21
- Depreciation	451.80	446.33
- Expenses written off	8.46	9.95
<b>PROFIT/LOSS</b>	<b>504.09</b>	310.75
<b>ADD: Previous year adjustments</b>	<b>13.93</b>	20.40
<b>PROFIT BEFORE TAX</b>	<b>518.02</b>	331.15
Less : Provision for Income Tax	189.96	25.46
<b>Profit after Tax</b>	<b>328.06</b>	305.69
Deferred Tax	75.87	177.12
<b>Net Profit</b>	<b>252.19</b>	128.57
Profit B/f	241.71	300.46
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>	<b>493.90</b>	429.03

### LESS: APPROPRIATIONS

a) General Reserve	50.00	50.00
b) Dividend & Dividend Tax	185.06	137.32
c) Balance carried forward	258.84	241.71

### DIVIDEND :

Your Directors have pleasure in recommending a Dividend of 10% on the Equity Shares for the financial year ended 31.3.2005 (as against 7.5% in the previous year). The Dividend will absorb a sum of Rs.185.06 lakhs (Rs.137.32 lakhs in previous year) including the Dividend Tax, which is free from Income Tax in the hands of the Shareholders.

### OPERATIONS :

During the year 2004-05, the total sales turnover increased by over 29% from Rs.7134 Lakhs to Rs. 9224 Lakhs.

The Profit before Tax increased by over 56% from Rs.331 Lacs to Rs.518 Lacs and the net profit after tax increased by over 96% from Rs.128.57 Lakhs to Rs.252.19 Lakhs.

Cement Turnover increased by over 27% from Rs.4864 Lakhs to Rs.6172 Lakhs. The Segment profit of this Division (before interest and tax) increased by over 13% from Rs.471 Lakhs to Rs.535 Lakhs. **The Company produced all time high of 296500 Tons of Cement as against 241134 MTs. in the previous year**, which is an increase of 23%. Sales realization increased marginally by about 3% during the year.

Boards Division turnover increased by over 28% from Rs.1801 Lakhs to Rs.2311 Lakhs. The Segment profit came

down by 9% from Rs.376 Lakhs to Rs.343 Lakhs due to increase in input costs. **The Company produced all time high of 24599 MTs of Board** in different thicknesses as against 20376 MTs in previous year, which is an increase of 21%. Sales realisation in the Boards Division increased by 10.60% during the year.

Prefab Division Turnover increased by 58% from Rs.469 lakhs to Rs.741 Lakhs and the Segment Loss came down from Rs.24 Lakhs in the previous year to Rs.3 Lakhs in the current year. Company produced and sold 17167 SQM as against 12125 SQM, which is an increase of 42% compared to the previous year. Sales realization increased by about 12% compared to the previous year.

### FINANCE:

During the year the Company continued its efforts in reducing the interest costs which resulted in saving of Rs.135 Lakhs as compared to the previous year. The Company changed one of the Working Capital Bankers in order to achieve savings in the interest cost and avail higher credit limits. The Company also availed a structured loan from State Bank of Hyderabad in order to repay the unsecured loans.

### CONTRIBUTION TO EXCHEQUER:

The Company's contribution to the Exchequer during the year, in the form of various taxes and duties paid was Rs.1989 Lakhs

### FIXED DEPOSITS:

As on 31.03.2005 Rs.600.73 Lakhs of Public Deposits are outstanding. The company repaid all the matured deposits which have been claimed. The company has an excellent record of servicing the depositors.

### INDUSTRIAL RELATIONS:

The industrial relations continue to be harmonious at all levels in the organization 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 & B 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.

### COST AUDITORS:

Mr. R.Srinivasa Rao, Cost Accountant, the existing Cost Auditor of the Company has been re-appointed to conduct the cost audit pertaining to the Cement Division of the company for the year 2004-2005.

### DIRECTORS:

Shri G,D L S N Raju and Shri S. Gokul retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

**CORPORATE GOVERNANCE:**

In terms of the listing agreement with Stock Exchanges, the company is required to comply with the corporate governance provisions. As a listed company, necessary measures have been taken to comply with the listing agreements with the stock exchanges. The annexed report on Corporate Governance along with a certificate of compliance from the auditors forms part of this report.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Your company's internal auditors have conducted periodic audit to provide reasonable assurance that established policies and procedures have been followed.

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;

- 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.

**ACKNOWLEDGEMENTS :** The Directors express their sincere thanks for the continued assistance and co-operation extended by the Bankers to the Company, IREDA and Central and State Government Departments and 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 services and support during the year.

For and on behalf of the board

Place : Hyderabad  
31<sup>st</sup> October 2005

**K.JAYABHARATH REDDY**  
CHAIRMAN

**FORM - A****FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

<b>A. POWER AND FUEL CONSUMPTION</b>		<b>Current Year (2004-2005)</b>	<b>Previous year(2003-2004)</b>
<b>1 ELECTRICITY:</b>			
a. Purchased			
Units - Lacs		357.66	286.32
Total Amount (Rs. In Lacs)		1309.95	925.02
Rate/Unit(Rs)		3.66	3.23
b. Own Generation			
Through Diesel generator (units Kwh lakhs)		0.50	0.47
Total Amount (Rs. In Lacs)		4.33	3.08
Rate/Unit(Rs)		8.68	6.55
<b>2 COAL</b>			
Quantity (Tonnes)		61791	45476
Total Cost (Rs. Lacs)		1147.94	767.91
Average Rate/Tonne(Rs)		1857.79	1688.60
<b>3 FIRE WOOD</b>			
Quantity (MT)		1362.194	4035
Total Cost (Rs. In Lacs)		11.29	28.79
Average Rate per MT (Rs)		828.81	713.51
<b>4 CONSUMPTION PER MT OF PRODUCTION:</b>			
<b>Electricity - Units</b>			
Cement Division		99.72	99.82*
Boards Division		143.510	146.02
Coal - MT (Cement Division)		0.198	0.194
Kcal/kg clinker		839	(837)
Firewood - MT (Boards Division)		0.0554	0.162
* Per MT of equivalent Ordinary Portland cement			

**FORM B**

(See Rule 2)

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO****TECHNOLOGY ABSORPTION, (R&D)**

- |   |  |   |                |
|---|--|---|----------------|
| A | Research and Development (R&D)                 | : | Not applicable |
| B | Technology Absorption, adoption and innovation | : | Not applicable |

Place : Hyderabad  
Date : 31-10-2005

For and on behalf of the Board  
**K. JAYABHARATH REDDY**  
CHAIRMAN



## REPORT ON CORPORATE GOVERNANCE

### REPORT ON CORPORATE GOVERNANCE

(Pursuant to clause 49 of the listing agreement)

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

The company's philosophy on corporate Governance is aimed at assisting the Board of Directors of the company in the efficient conduct of its business and in meeting its obligations to shareholders. The company has taken several steps towards complying with requirements in this regard.

#### 2) Board of Directors:

##### a) Constitution & Size of the Board

The present strength of the Board is Nine Directors. The Board comprises of one executive and eight non-executive directors. The non-executive directors bring external and wider perspective in the Board's deliberations and decisions. Out of Eight non-executive directors, 5 directors, including the Chairman, are independent directors.

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

Six Board meetings were held during the year 2004-2005. The dates on which the said meetings were held are as under:

(1) 07.05.2004 (2) 17.07.2004 (3) 17.09.2004 (4) 27.10.2004 (5) 24.01.2005 (6) 24.02.2005

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

Name of the Director	Categories Of Director-ship*	No of Board Meeting attended	Attendance at last AGM	Director-ship in other companies	No. of Committees held in other Public Limited Companies	Chairman Member
K.Jayabharath Reddy	Chairman, I & NED	6	Yes	11	5	3
R.Anand	I & NED	3	Yes	6	-	2
M.Kanna Reddy	I & NED	6	Yes	1	-	1
S.R. Gokul	I & NED	6	Yes	1	-	-
VV Goradia	NED	4	Yes	-	-	-
K Madhu	NED	6	Yes	5	-	2
GDLSN Raju	NED	6	Yes	1	-	-
M. Bhaskara Rao	I & NED	4	No	2	-	1
K. Ravi	ED	6	Yes	6	-	-

I & NED Independent and non executive Director

NED Non-executive Director

ED Executive 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 1/3<sup>rd</sup> 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 was set up by the Board of Directors in October 2000. During the year 5 meetings were held. The said meetings were held on 07.05.2004, 17.07.2004, 27.10.2004, 24.01.2005 & 24.02.2005.

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)	5
M. Bhaskar Rao	Member	Independent (IREDA Nominee)	Chartered Accountant	4
M.Kanna Reddy	Member	Independent	Chartered Accountant	5
K. Madhu	Member	Non Executive	Business	5



#### 4) Investor's Grievance 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. During the year 3 meetings were held on 17.07.2004, 27.10.2004 & 24.02.2005.

Name	Designation	Whole time/ Independent	Profession	Committee meetings attended
M. Kanna Reddy	Chairman	Independent	Chartered Accountant	3
K. Madhu	Member	NED	Business	3
GDLSN Raju	Member	NED	Business	3

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 31<sup>st</sup> March 2005.

Sl No	Nature of letter / complaints	Received	Disposed	Pending
1	Non-receipt of Dividend warrant(s)	26	26	Nil
2	Non-Receipt of Share certificates after transfer/ duplicate.	1	1	Nil
3	Non – Receipt of Annual Report	2	2	Nil
4	Miscellaneous – others	1	1	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 shareholders.

#### 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

During the year, no meeting was conducted.

#### 6) Remuneration of Directors:

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

(Rupees)

Directors	Salary	Perquisites	Commission	Sitting Fee	TotalFees
K.Jayabharath Reddy	NIL	NIL	NIL	22000	22000
R.Anand	NIL	NIL	NIL	6000	6000
M.Kanna Reddy	NIL	NIL	NIL	23500	23500
S.R. Gokul	NIL	NIL	NIL	12000	12000
VV Goradia	NIL	NIL	NIL	8000	8000
K Madhu	NIL	NIL	NIL	23500	23500
M. Bhaskara Rao	NIL	NIL	NIL	16000	16000
GDLSN Raju	NIL	NIL	NIL	13500	13500

Details of remuneration paid to Managing Director are given below:

(Rs in lakhs)

Director	Salary	Perquisites	Commission	Sitting Fee	Total
K. Ravi	6.14	2.54	5.44	Nil	14.12

Perquisites include HRA, Contribution to PF etc.

Commission payable to MD at 1% of Net profits of the company computed in accordance with Section 198 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
2003-2004	17 <sup>th</sup> September 2004 at 10.00 AM	Bharatiya Vidya Bhavan, King Koti, Hyderabad
2002-2003	22 <sup>nd</sup> September 2003 at 10.00 A.M.	KLN Prasad Auditorium, Federation House, Red Hills, Hyderabad.
2001-2002	23 <sup>rd</sup> September 2002 at 3.00PM	Bharatiya Vidya Bhavan, King Koti, Hyderabad

b) No resolution was put through postal ballot last year.

## 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 made by the Company with its promoters, Directors or management or relatives etc that may have conflict with the interest of the company at large. The register of contracts containing the transactions in which directors are interested are placed before the board regularly for its approval.
- There was separate disclosure on this item in the notes to accounts, which is forming part of the Annual Report.
- 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:

The quarterly and half year results are published in any two of the national and local daily's Business Standard, Economic Times, Eenadu and Deccan Chronicle and Andhra Bhoomi.

- 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 however the same are posted in the SEBI's web site on EDIFAR.
- Company has not made any presentations to any institutional investors / analysts during the financial year. 2004-05

## 11) Shareholders information:

- AGM : 24<sup>th</sup> Annual General Meeting  
Date : 15.12.2005  
Time : 10.00 AM  
Venue : Bharatiya Vidya Bhavan, King Koti, Hyderabad
- Financial Calendar  
Tentative  
Annual General meeting : 15<sup>th</sup> December, 2005  
Results for the quarter ending 30-6-05 : Last week of July 2005  
Results for the quarter ending 30-9-05 : Last week of October 2005  
Results for the quarter ending 31-12-05 : Last week of January 2006  
Results for the year ending 31<sup>st</sup> March 2006 : Last week of April 2006
- Date of Book Closure : 07.12.2005 to 15.12.2005
- Dividend payment date : Within 30 days from the date of declaration
- Regd & Admn Office : 7<sup>th</sup> Floor, Raghava Ratna Towers,  
Chirag Ali Lane, Hyderabad 500 001
- Listing of Shares on Stock Exchanges at : Mumbai & Calcutta. Securities have been delisted from the Hyderabad Stock Exchange w.e.f 01.04.2004 (Applied for de-listing from Calcutta Stock Exchange – formal de-listing awaited)
- Listing fee : Listing fee for the year 2005-2006 has been paid to BSE
- A) Script Code : BSE 502168, CSE 24028  
B) Demat ISIN No in NSDL & CDSL for equity shares : INE 732CO1016

**ix) Stock Market Data****SHARE PRICE (BSE)**

Month & Year	High	Low	Close	No of Shares
Apr-04	8.24	6.01	7.43	327807
May-04	9.69	6.90	7.75	969994
Jun-04	8.40	7.40	7.61	281991
Jul-04	10.70	7.25	9.02	687741
Aug-04	14.20	8.75	13.69	2661544
Sep-04	16.10	12.32	15.32	2909855
Oct-04	19.45	15.00	17.80	2741197
Nov-04	27.55	17.40	23.35	5144079
Dec-04	27.00	21.25	25.15	2692005
Jan-05	29.00	22.00	22.15	2871584
Feb-05	25.60	20.50	21.70	1761485
Mar-05	23.25	16.50	19.85	1322362

**x) Address of Registrar and Share Transfer Agents:****Venture Capital & Corporate Investments Ltd**

6-2-913/914, 3<sup>rd</sup> floor,  
Progressive Towers, Khairatabad,  
Hyderabad 500 004

**xi) Share transfer system:**

Transfer of securities in physical form is registered and the duly transferred share certificates are despatched within 30 days of receipt, provided transferred documents are in order. The Board of Directors have delegated powers to approve the transfer, transmissions, folio considerations etc to Shri K.Madhu, Director.

**xii) DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2005**

ORDINARY	NO. OF SHAREHOLDERS		%	SHARES HELD	
					%
Upto - 5000	42488	92.86		5288627	32.58
5001 - 10000	1859	4.06		1487520	9.16
10001 - 20000	737	1.61		1121350	6.91
20001 - 30000	221	0.48		573612	3.53
30001 - 40000	86	0.19		314936	1.94
40001 - 50000	111	0.24		525819	3.24
50001 - 100000	129	0.28		944234	5.82
100001& ABOVE	128	0.28		5978727	36.83
<b>TOTAL</b>	<b>45759</b>	<b>100.00</b>		<b>16234825</b>	<b>100.00</b>

The Company has also adopted a Code of Conduct for Prevention of Insider Trading in the shares of the Company pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. The Board has designated Shri B.Subrahmanyam, Sr Vice President & Company Secretary, as the Compliance Officer.

**xiii) SHAREHOLDING PATTERN AS ON 31.03.2005**

	NO. OF SHARES HELD	%
Indian Public	10535506	64.90
Indian Financial Institutions, Mutual Funds, Banks	130340	0.80
Promoters	4346130	26.77
Others	1222849	7.53