



Pennar

Pennar Industries Limited

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**Annual Report
2003 - 04**



BOARD OF DIRECTORS

SHRI NRUPENDER RAO (Executive Chairman)
 PROF. LAXMI NARAIN
 SHRI C. RANGAMANI (GIC Nominee)
 SHRI P. BHASKARA RAO
 SHRI CH. ANANTHA REDDY (Executive Director)

COMPANY SECRETARY

Shri P.V.Varaprasad

AUDITORS

M/s Rambabu & Co.,
 Chartered Accountants,
 31, Pancom Chambers,
 6-3-1099/1/A, Rajbhavan Road,
 Somajiguda, Hyderabad - 500 082.

BANKERS

State Bank of India
 State Bank of Hyderabad
 Andhra Bank
 Canara Bank
 The Bank of Rajasthan Ltd.,
 IDBI Bank Limited
 Bank of Bahrain & Kuwait B.S.C

PLANTS

Patancheru Unit,
 IDA, Patancheru,
 Medak (Dist), A.P.

Isnapur Unit,
 Isnapur Village,
 Medak (Dist.), A.P.

Tarapur Unit,
 MIDC, Tarapur,
 Maharashtra.

REGISTERED OFFICE

1-10-75/1/1-6, 3rd Floor,
 Saptagiri Towers,
 S.P. Road, Begumpet,
 Hyderabad - 500 016, A.P.

REGISTRARS & SHARE TRANSFER AGENTS

Dakshin Consultants (P) Ltd.,
 # 6 - 3 - 655/2/4,
 Civil Supplies Bhavan Lane,
 Somajiguda,
 Hyderabad - 500 082.

CONTENTS

Page No.

Notice of AGM	2
Directors' Report	3
Management Discussion and Analysis	5
Corporate Governance Report	7
Auditors' Report	12
Balance Sheet	16
Profit & Loss Account	17
Schedules	18
Cash Flow Statement	32



NOTICE OF THE 28TH ANNUAL GENERAL MEETING

Notice is hereby given that the 28th Annual General Meeting of PENNAR INDUSTRIES LIMITED will be held at 10.30 a.m. on Thursday, the 15th day of July 2004 at The Federation of Andhra Pradesh Chamber of Commerce and Industry (FAPCCI), "Surana Udyog Hall" House No.11/ 6/841, Red Hills, Hyderabad - 500 014, to transact the following business:

1. To receive, consider and adopt the report of the Directors, the Balance sheet as at March 31, 2004 and the Profit and Loss Account for the nine months period ended March 31, 2004 and the report of the auditors thereon.
2. To appoint a Director in place of Shri P. Bhaskara Rao, who retires by rotation and offers himself for reappointment.
3. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 224A of the Companies Act, 1956, M/s. Rambabu & Co., Chartered Accountants, Hyderabad, the retiring auditors, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration and out-of-pocket expenses as may be fixed by the Board of Directors of the Company".

By Order of the Board
For Pennar Industries Limited

Place : Hyderabad
Date : June 11, 2004

P.V. Varaprasad
Company Secretary

NOTES:

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON POLL TO VOTE ON HIS/HER BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be deposited at the Registered Office of the Company, not less than 48 hours before the time fixed for the meeting.
- (b) The Register of Members and the Share Transfer Books of the Company will remain closed from July 14, 2004 to July 19, 2004 (both days inclusive).
- (c) The Explanatory Statement pursuant to Sec.173(2) of the Companies Act, 1956 in respect of the business set out under Item No. 3 is annexed.
- (d) Members are requested to bring their copies of the Annual Report to the meeting.

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

Item No. 3

This explanatory statement is given in respect of the resolution mentioned in this item of Notice, since the resolution for the re-appointment of the retiring Auditors will be proposed as a Special Resolution. Section 224A of the Companies Act, 1956 provides that in the case of a Company where not less than 25% of the subscribed share capital is held by any public financial institution or any Government or Nationalised Bank or other Financial Institution referred therein, the appointment or reappointment of Auditors shall be made by a special resolution. As more than 25% of the subscribed share capital of the Company is held by institutions covered by the said Section, the resolution for the re-appointment of the retiring auditors is proposed as a Special Resolution.

As required under Section 224 of the Companies Act, 1956 a certificate has been received from the auditors to the effect that their appointment, if made, will be in accordance with the limits prescribed in section 224 (1B) of the Companies Act, 1956.

None of the Directors are concerned or interested in the resolution.

The Directors commend the resolution for your approval.

By Order of the Board
For Pennar Industries Limited

Place : Hyderabad
Date : June 11, 2004

P.V. Varaprasad
Company Secretary

INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

1. Name of the Director : Shri P. Bhaskara Rao
2. Date of Birth : 12-10-1948
3. Date of Appointment : 30-10-2000
4. Qualification : M.Tech
5. Expertise : Experience in various fields of Management for the past few decades.
6. List of Companies in which out side Directorship held as on March 31, 2004 : Pennar Aluminium
Company Limited
Pennar Profiles Limited
7. Chairman / Member of the Committees of other: Nil
Companies on which he is a Director as on March 31, 2004



DIRECTORS' REPORT

To
The Members,

Your Directors present the 28th Annual Report together with the audited accounts for the nine months period ended March 31, 2004.

FINANCIAL RESULTS:

During the year under review, your company has made an impressive turnaround in all areas of its operations. The company's sales have increased during the nine months period ending 31.03.2004 (47059 MT as against the previous year's 34735 MT). In rupee terms, sales were Rs. 175.5 Crores (previous year Rs. 109.5 Crores). The company has made a surplus before interest and depreciation of Rs.941 lakhs (previous year Rs. 141 lakhs). After accounting for the financial effect of debt restructuring, depreciation on leased assets, and non-recurring items, the company made a net loss of Rs. 751 lakhs.

PERFORMANCE:

The year 2003-04 was a very good year for the steel industry in general. There was a surge in demand from the auto, white goods and construction industries for your company's products. There were continuous price rises in the international steel markets and also in the domestic markets. Your company could take advantage of the demand growth and favourable market conditions by increasing sales. However, due to continuous price increases by the integrated steel plants and with the time lag in passing on the price increases to the customers, the margins were under continuous pressure.

There has been a quantum jump in demand for load body panels for light and medium commercial vehicles. Your company has been selected as a global source by the world's leading cement machinery manufacturer, M/s. F. L. Smidth & Company, Denmark for the supply of collecting electrodes which form a part of electrostatic precipitators used to control dust pollution. Your company has executed a major project of supplying collecting electrodes to China. Export orders for collecting electrodes from other leading international manufacturers are expected during the current year. Your company has executed orders for steel profiles used in wagon building by the Indian Railways and has also received orders for Stainless Steel Sections from the Integral Coach Factory, Madras.

Due to improved performance in the year under review and the anticipated higher demand during the current year, your Company has re-started the production in Isnapur plant from April 2004. Your company expects to make a significant improvement in performance during the current year.

Your Company continued to maintain its quality rating through ISO 9002 certification for the Rolling and Forming Divisions and QS 9000 certification for the Components Division.

RESTRUCTURING OF DEBT:

The loans of your company have been restructured by the lenders under the aegis of the Corporate Debt Restructuring Forum vide their letter of intent dated 9th February 2004.

The salient features of the revised CDR package inter alia are conversion of a portion of debt into equity shares; extended period of seven years for repayment of term loans; conversion of part of working capital loan into term loan; conversion of unpaid interest into zero interest term loans to be repaid back-ended; restructuring of equity capital; induction of funds by the promoters and strategic investors; reduction of interest rates; write off of penal interest; and the option for some lenders for exiting early at a discount.

Your company proposes to make an application to the Honourable High Court of Andhra Pradesh for the approval of restructuring of capital and debt as required by the CDR package. The members will be informed about the scheme of arrangement and capital restructuring at the appropriate time.

Your Directors had made a reference to the Board for Industrial and Financial Reconstruction (BIFR) in the year 2002, as the company's net worth had been completely eroded. BIFR has registered the case as No. 87/2003, but the first meeting has not been held as of date. BIFR has been informed about the debt restructuring finalised with the lenders.

DIVIDEND:

In the absence of profits, your directors are unable to recommend a dividend on the preference and equity shares for the year under review.

DIRECTORS:

Shri P. Bhaskara Rao retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 217(2AA) of the Companies Act, 1956, the directors would like to state that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed, except those that have been referred to by the auditors in their report;
- ii. the directors had selected such accounting policies and applied them consistently and made judgments 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 or loss of the company for the year under review;
- iii. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities
- iv. the directors had prepared the annual accounts of the company on a going concern basis.



MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE:

The report on management discussion and analysis and the status report on the compliance of corporate governance are annexed and form part of the annual report. A compliance certificate from the company's auditors is annexed.

AUDITORS:

The retiring auditors at the forthcoming annual general meeting, M/s. Rambabu & Co., Chartered Accountants, are eligible for re-appointment and have indicated their willingness to continue.

PUBLIC DEPOSITS:

The total principal amount of fixed deposits as on March 31, 2004, was Rs 620 lakhs. During the year, no fresh deposits were accepted.

PERSONNEL:

Your directors place on record, their sincere appreciation of the company's employees at all levels whose dedication and commitment has been responsible for the recovery and growth of the company under challenging circumstances.

No employee was in receipt of remuneration, which requires disclosure in terms of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

LISTING OF COMPANY'S SHARES:

Your company's shares are listed at the Hyderabad Stock Exchange Ltd., 6-3-654, Somajiguda Hyderabad and The Stock Exchange, Mumbai, P. J. Towers, Dalal Street, Mumbai and the company is regular in paying the annual listing fees to these stock exchanges.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

In accordance with the provisions of section 217(1)(e) of the Companies Act, 1956, the required information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed.

AUDITORS QUALIFICATIONS:

The qualifications made by the auditors in their report regarding the accounts for the period ended March 31, 2004 have been dealt with in the Notes on Accounts (Schedule 18) and are self-explanatory.

The Board wishes to thank SBI, IDBI, ICICI Bank, IFCL, UTI, LIC, GIC, UIIC, SBH, Canara Bank, Andhra Bank, IDBI Bank, Bank of Rajasthan and Bank of Bahrain & Kuwait B.S.C, customers, suppliers and other stakeholders for their continued support.

For and on behalf of the Board

Place : Hyderabad
Date : June 11, 2004

Nrupender Rao
Executive Chairman

ANNEXURE TO DIRECTORS' REPORT FORM A

PARTICULARS	01-07-2003	01-07-2002
	to 31-03-2004	to 30-06-2003

A POWER & FUEL CONSUMPTION

1. ELECTRICITY :		
Purchased Units	7739290	7283816
Total Amount (Rs)	32161112	31661722
Rate Per Unit (Rs)	4.15	4.35
Own Generation Through Diesel Generator		
1000 KVA Units (KWH)	6656	34112
Units per litre of diesel oil	3.00	2.52
Cost of diesel per KWH (Rs)	7.59	8.12
2. COAL :		
Quantity (Tonnes)	1178	1324
Total Amount (Rs)	2472824	2685865
Average Rate (Rs)	2099	2028
3. DIESEL OIL :		
Quantity (KL)	3	17
Total Amount (Rs)	74837	350556
Average Rate (Rs)	22956	20798
4. C IX OIL :		
Quantity (MT)	773	666
Total Amount (Rs)	11308229	9439720
Average Rate (Rs)	14630	14184

B CONSUMPTION PER UNIT OF PRODUCTION

a. Product :		
Cold Rolled Steel Strips		
Unit : Tonnes		
Electricity (KWH)	180	220
Coal (Kgs)	32	47
Diesel (Ltrs)	0.09	0.61
C IX (Kgs)	2094	23.75
b. Product :		
Cold Rolled Metal Profiles		
Unit : Tonnes		
Electricity (KWH)	55.77	68.41

**FORM B****RESEARCH & DEVELOPMENT (R&D)**

1. Specific areas in which R&D was carried out by the company:
 - a. Developed Yokes for Wiper Motors.
 - b. Shrouds for Automobile Industry.
 - c. Developed Electro Static Precipitators for Hamon Research Cottrel, Belgium.
 - d. Introduced high strength cold formed profiles for Wagons & Coaches for Indian Railways.
 - e. Developed Stainless Steel cold rolling process for manufacturing Razor Blades / Shaving products.
2. Benefits derived as a result of the above R&D : Increased Business Volume.
3. Future plan of action : Development of new components and Automation of the Press feed system.
4. Expenditure on R& D : Rs. 42 Lakhs.
5. Technology Absorption, adaptation and innovation : Technology fully absorbed for the above and benefits derived.
6. Foreign exchange earnings and outgo : Nil

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(Forming part of Directors' Report)

(a) Industry Structure and Developments**The Global Steel Scenario**

The steel industry after going through turbulent times for a decade, started looking up worldwide from April 2002 onwards with the rise in demand for steel products world over. The steel demand exceeded 950 Million Tonnes, with the result that there was a heavy strain on the availability of basic raw materials for steel viz. Iron Ore, Metallurgical Coke, scrap etc.

The sudden demand spurt and the closure of some of the coking coal mines resulted in shortage of basic raw materials for steel industry. Consequently, steel prices started rising world over abnormally during this year. The buoyancy in the steel demand continued during the entire year. The future for steel industry is bright and the demand growth is expected to continue. However, any slowdown in the demand from the high growth economies like China could dampen the steel prices.

The Indian Steel Industry

The domestic steel industry has been growing steadily. Most of the integrated steel plants having come out of financial problems, started making profits and are expanding their capacities. Export of value added products like Galvanised, Colour Coated, CR & HR coils continued inspite of government withdrawing some export benefits to discourage exports.

With the continued growth in the automobile industry and the thrust on growth of the rural economy, the demand for steel products is expected to grow by 6 to 7%. General demand increase and consequent capacity expansion by down stream steel industries like Cold Rolling, Galvanising and Colour Coated, will lead to increased competition in the market.

Cold Rolled Steel Industry

The Cold Rolled Steel (CR) Industry comprises of Cold Rolled Steel Strips/Coils of Deep and Extra Deep Drawing Qualities, Galvanised Steel, Colour Coated Steel and Electrical Steel Sheets. Auto & Consumer durables are the two sectors that consume the maximum amount of C.R. Steel. The total CR capacity in India is 6.5 million tonnes with the production at 5.2 million tonnes. Apart from Tata Steel and Steel Authority of India Ltd.(SAIL), other major players include Bhushan Steel, Uttam Steel, Thyssen Arm EBG India, Tube Products, Ruchi Steel and Jindal Steel. The installed capacity of the Indian Galvanised Steel market is 2.7 million tonnes while production stands at 2.3 million tonnes. In the domestic market, the hot rolled coil prices have increased by Rs.8000/- per tonne between April, 2003 and March, 2004. The increase in prices of Hot Rolled Coils in the domestic market has affected the margins of the cold rolled steel industry.

Recently the Automobile Association of India has approached the Government to intervene and ensure the stability of steel prices. Consequently, the integrated steel plants have agreed to change the prices on a quarterly basis. The steel user industry got the much needed relief and could sustain their



margins and were able to compete in the domestic as well as export markets.

(b) Opportunities and Threats

In India, major part of the cold rolled steel products are consumed in Automobile, White Goods and General Engineering applications. The Auto sector includes two Wheeler, three Wheeler, LCVs, MCVs, HCVs and Auto Components. Consumable durables include refrigerators and washing machines. Indian steel industry has been growing during the last two years with the demand picking up both in the domestic and overseas markets. Because of this impetus, most of the units are running at good capacity. Major industries are planning to expand their capacities for HR, CR, Galvanised & Colour Coated Steel. With the increased thrust of the government on infrastructure, the demand for steel is likely to grow.

(c) Product-wise Analysis

COLD ROLLED STEEL STRIPS

With the demand for automobile products going up, the demand for Cold Rolled Steel Strips is likely to go up by 20%.

COLD ROLL FORMED SECTIONS

The Cold Roll Formed Sections market is also expected to grow during this year as the prices of long products are steeply going up, and the formed sections are more economical in comparison. There could be good growth for Pre-engineered Buildings and Road Safety Systems.

PRESSED COMPONENTS

The automobile ancillary industries are growing at a rapid pace due to continued growth of auto and white goods sector and also export of auto components. There has been renewed thrust on export of Compressors for air conditioning industry which will give new opportunity for companies like ours for increasing their production.

(d) Risks & Concerns

As the impetus for steel industry growth has come from countries like China and Russia, any slowdown in these countries may reverse the process. Also, as additional production in steel capacities are built up in the country, any slowdown in usage may affect the domestic industry.

(e) Internal Control Systems and their adequacy

The company has in place well defined objectives and control system for people at various levels. The company has an internal audit system. Effective budgetary control on all capital expenditure ensures that actual spending is in line with the budget. There are adequate internal audit control procedures commensurate with the size of the company and the nature of its business.

(f) Material developments in human resources / industrial relations

The company has always had an excellent track record of cordial and harmonious industrial relations. This year too, the industrial relations in the company have been very cordial and not a single man-day was lost on this account.

(g) Corporate Debt Restructuring Scheme

The loans of the company have been restructured by the lenders under the aegis of the CDR Empowered Group vide the letter of intent issued by CDR cell on 9th February 2004. IDBI, ICICI, IFCI, SBI, Andhra Bank, Canara Bank, SBH, IDBI Bank, LIC & GIC have issued their letters of approval during March / April / May 2004.

h) Discussion on financial performance with respect to operational performance

The financial statements have been prepared under the historical cost convention, on the basis of a going concern.



COMPLIANCE REPORT ON CORPORATE GOVERNANCE

In compliance with Clause 49 of the Listing Agreement with the Stock Exchanges, the company hereby provides to the shareholders details of Corporate Governance :

1. Company's Philosophy on Code of Corporate Governance

The Company's philosophy on Corporate Governance is aimed at assisting the top management of your company in the efficient and ethical conduct of its business, in meeting its obligations to shareholders, stakeholders, Government and the society at large.

2. Board of Directors

(a) Composition of the Board

The company's Board consists of five directors including the promoter director. The Executive Chairman and the Executive Director receive only the remuneration payable to them and do not have any material pecuniary relationship or transactions with the company. Besides the Executive Chairman and Executive Director, the company has three independent directors one of whom is a nominee of GIC and the other two are independent directors having wide experience of Business, Finance and Management in Industry.

(b) Attendance of each Director at Board Meetings and the last Annual General Meeting (AGM)

Four Board Meetings were held during the financial year ended March 31, 2004.

Sl. No.	Name of the Director	Category of Directorship	No. of Board meetings attended	Attendance at the last AGM held 06.12.2003
1	Shri Nrupender Rao	Promoter, Executive Chairman	4	Yes
2	Prof. Laxmi Narain	Independent, Non-executive Director	4	Yes
3	Shri C. Rangamani	Independent, Non-executive Director, GIC Nominee	4	Yes
4	Shri P. Bhaskara Rao	Independent, Non-executive Director	4	Yes
5	Shri Ch. Anantha Reddy	Non-Promoter, Executive Director	4	Yes

(c) Pecuniary relationship or transactions of the non-executive Directors vis-à-vis the company:

The company's non-executive Directors do not have any pecuniary relationship or transactions with the company.

(d) Number of other Boards / Board Committees each Director (being a Director of the company as at the end of the financial year) is a Director / Chairman

Sl. No.	Name of the Director	No. of other companies in which Director	No. of Committee Memberships held in other companies in which member / Chairman
1	Shri Nrupender Rao	3	2
2	Prof. Laxmi Narain	2	1
3	Shri C. Rangamani	1	Nil
4	Shri P. Bhaskara Rao	2	Nil
5	Shri Ch. Anantha Reddy	Nil	Nil

(e) Number of Board Meetings held during the financial year and the dates of the Board Meetings:

During the nine months period from July, 2003 to March, 2004, the Board met 4 times, on July 31, 2003, October 31, 2003, December 06, 2003 and January 29, 2004.



3. Audit Committee

(a) Brief description of the terms of reference

The terms of reference of the audit committee are comprehensive and cover the matters specified for audit committees under the Listing Agreements with Stock Exchanges. The Committee provides the Board with additional assurance as to the adequacy of company's Internal Control Systems and financial disclosures.

(b) Composition, Name of members and Chairperson

The Committee consists of:

- | | |
|---------------------------|--------------------------------------------------|
| 1. Prof. Laxmi Narain | - Chairman (Non-Executive, Independent Director) |
| 2. Shri C. Rangamani | - Member (Non-Executive Director, GIC Nominee) |
| 3. Shri P. Bhaskara Rao | - Member (Non-Executive, Independent Director) |
| 4. Shri Ch. Anantha Reddy | - Member (Non-Promoter, Executive Director) |

(c) Meetings and attendance during the year

All the members attended the three meetings of audit committee held during the nine months period in the year 2003-04.

4. Remuneration of Directors

(i) Remuneration to Non-executive Directors

Presently, the non-executive Directors do not receive any remuneration from the company and are paid sitting fees for attending the meetings of the Board and Committees thereof.

(ii) Remuneration to Executive Chairman & Executive Director is as below:

The company does not have a remuneration committee. The remuneration payable to whole-time Directors is decided by the Board of Directors subject to the approval of the members.

Name of the Director	Designation	Salary (Rs.)	Commission (Rs.)	Provident Fund, Superannuation Fund and other perquisites (Rs.)
Shri Nrupender Rao	Executive Chairman	2,50,000	—	1,77,336
Shri Ch. Anantha Reddy	Executive Director	5,61,750	—	1,03,410

5. Shareholders' / Investors' Grievances Committee

A Committee of the Board, designated as 'Shareholders'/Investors' Grievances Committee' was constituted on February 01, 2002, to specifically look into the redressal of shareholders' / investors' complaints and to strengthen investor relations.

(a) Name of non-executive Director heading the Committee

The Committee functions under the Chairmanship of Shri C Rangamani, a non-executive and independent director. Other two members include Prof. Laxmi Narain, Director and Shri P. Bhaskar Rao, Director

(b) Name and designation of Compliance Officer: Shri P.V. Varaprasad, Company Secretary

(c) No. of complaints received from Shareholders.

46 complaints were received from shareholders, which have been replied/resolved to the satisfaction of the shareholders, and there were no complaints pending reply.

(d) Number of pending share transfers : Nil

(e) Three meetings of the Committee were held during the period ended 31-03-2004 and all the members attended the meeting.

6. General Body Meetings

(a) Details of the location and time of the last three Annual General Meetings

Date of Meeting & Year	Venue of the meeting	Time of meeting
06.12.2003 (2002-2003)	FAPCCI, Red Hills, Hyderabad	3.30 p.m
19.12.2002 (2001-2002)	Bharatiya Vidya Bhavan, Basheer Bagh, Hyderabad	4.00 p.m.
24.12.2001 (2000-2001)	Bharatiya Vidya Bhavan, Basheer Bagh, Hyderabad	3.00 p.m.



- (b) Information on directors seeking appointment / reappointment as required under Clause 49VI(A) of the Listing Agreement with Stock Exchanges.

Notes appended to the Explanatory Statement under the heading 'Information on Director seeking re-appointment at the Annual General Meeting'.

- (c) Whether special resolutions were put through postal ballot last year, details of voting pattern, person who conducted the postal ballot exercise, proposed to be conducted through postal ballot and procedure for postal ballot.

No special Resolution was placed for the consideration of the members at the last Annual General Meeting of the company requiring postal ballot.

7. Disclosures

- (a) Disclosures on materially significant related party transactions i.e., transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large : None.
- (b) Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years : None

8. Means of Communication

- | | |
|-------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| (a) Half-yearly report sent to each household of shareholders | : No |
| (b) Quarterly Results-which newspapers they are normally published in | : The New Indian Express and Andhra Prabha |
| (c) Web-sites where they are displayed | : Not yet ready |
| (d) Whether it also displays official news releases; and the presentations made to institutional investors or to the analysts | : No |
| (e) Whether Management discussion and analysis report is a part of the Annual Report | : Yes |
| (f) General Information | : Has been provided |