

20th

Annual Report

2013-14

RADIX INDUSTRIES (INDIA) LIMITED

Contents :

| | Page No. |
|---|----------|
| ✧ Corporate Information | 2 |
| ✧ Notice | 3 |
| ✧ Director's Report | 13 |
| ✧ Management Discussion and Analysis Report | 17 |
| ✧ Report on Corporate Governance | 19 |
| ✧ Certificate on Corporate Governance | 28 |
| ✧ Auditor's Report | 29 |
| ✧ Balance Sheet | 34 |
| ✧ Profit & Loss Account | 35 |
| ✧ Cash Flow Statement | 36 |
| ✧ Notes on Accounts | 37 |
| ✧ Attendance/Proxy | |

CORPORATE INFORMATION

BOARD OF DIRECTORS

| | | |
|--|---|-----------------------------|
| · Sri. G. Raghu Rama Raju | : | Managing Director |
| · Smt. G. Parvathi | : | Director |
| · Sri. G. Gangapathy Rama Prabakara Raju | : | Director |
| · Sri V. Viswanada Raju | : | Independent Director |
| · Sri G. Ramalakshmi Narayana Rao | : | Independent Director |
| · Sri M. Kiran Phani Varma | : | Independent Director |

AUDITORS : **M/s Chevuturi Associates** Chartered Accountants Vijayawada.

CIN : L37200AP1993PLC016785

REGISTERED OFFICE : Door No. 4-243
Chivatam, Near NH-5 Road
Tanuku – 534211
West Godavari Dist, Andhra Pradesh,
India

CORPORATE OFFICE : Plot No. 21, Aswini Heights,
Road No.7, Jubilee Hills,
Hyderabad – 500 033

BANKERS : **State Bank of India**, Tanuku
Axis Bank, Tanuku

LISTED AT : The BSE Limited, Mumbai
Madras Stock Exchange Limited, Chennai

REGISTRARS & SHARE TRANSFER AGENTS : **M/s Bigshare Services Pvt. Ltd.**
306, RightWing Amrutha Ville
Opp Yashoda Hospital
Rajbhavan Road Somajiguda,
Hyderabad – 500 082

Corporate Consultants : **M/s. P.S. Rao & Associates**
Company Secretaries
Flat No. 10, 4th Floor, D. No. 6-3-347/22/2
Ishwarya Nilayam, Opp. Sai Baba Temple,
Dwarakapuri Colony, Punjagutta,
Hyderabad - 500 082, T.S., India

NOTICE

Notice is hereby given that the **Twentieth Annual General Meeting** of the members of the Company will be held on Saturday, the 20th September 2014 at 11.00 A.M. at the registered office of the company at 4-243, Chivatam, Near NH-5 Road, Tanuku - 534211 West Godavari District, Andhra Pradesh to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2014 and the Statement of Profit and Loss Account and cash flow statement for the financial year ended on that date along with the Report of Directors and the Auditors thereon.
2. To appoint a Director in the place of Sri. G. Gangapathy Rama Prabakara Raju, who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**

RESOLVED THAT Pursuant to the provisions of Sections 139 of the Companies Act, 2013, ("Act") and other applicable provisions of the Act, if any and the Rules framed there under, as amended from time to time M/s Chevuturi Associates, Chartered Accountants, Vijayawada (ICAI Firm Registration No 000632S) the retiring auditor be and is hereby re-appointed as the statutory Auditors of the company to hold the office from the Conclusion of this Meeting to hold office for a period of 5 years i.e from the conclusion of this AGM till the conclusion of 25th AGM subject to ratification of their appointment by the members at every Annual General Meeting, on such remuneration as may be fixed by the Board of Directors and mutually agreed by the Auditors."

SPECIAL BUSINESS

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

Appointment of Shri V. Viswanada Raju as an Independent Director of the Company

"RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Shri V. Viswanada Raju (DIN 03094927), Independent Director, whose term of office is liable to determination by retirement of directors by rotation as per the provisions of Companies Act, 1956 and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act 2013 proposing his candidature for the office of Director of the Company be and is hereby appointed as Independent Director of the Company, whose period of office shall not be liable to retire by rotation, to hold office for five consecutive years with effect from 20th September 2014 upto 19th September 2019."

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

Appointment of Shri G. Ramalakshmi Narayana Rao as an Independent Director of the Company

“RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Shri. G. Ramalakshmi Narayana Rao (DIN 02784846), Independent Director, whose term of office is liable to determination by retirement of directors by rotation as per the provisions of Companies Act, 1956 and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act 2013 proposing his candidature for the office of Director of the Company be and is hereby appointed as Independent Director of the Company, whose period of office shall not be liable to retire by rotation, to hold office for five consecutive years with effect from 20th September 2014 upto 19th September 2019.”

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

Appointment of Shri M. Kiran Phani Varma as an Independent Director of the Company

“RESOLVED that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, M. Kiran Phani Varma (DIN 03177698), Independent Director whose term of office is liable to determination by retirement of directors by rotation as per the provisions of Companies Act, 1956 and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act 2013 proposing his candidature for the office of Director of the Company be and is hereby appointed as Independent Director of the Company, whose period of office shall not be liable to retire by rotation, to hold office for five consecutive years with effect from 20th September 2014 upto 19th September 2019.”

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

To consider and reconfirm the authority to Board of Directors borrow in excess of the Paid up capital and Free Reserves:

“RESOLVED that in supersession of the resolution passed by the shareholders through Postal Ballot on 28th August 2012 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys from time to time, any sum or sums of money for the purposes of the Company upon such terms and conditions and with or without security as the Board of Directors may in its discretion think fit, not withstanding, that the money or monies to be borrowed by the Company (apart from the Temporary loans obtained or to be obtained from time to time from the Company's Bankers in the ordinary course of business) together with the money already borrowed, may exceed the aggregate of the Paid-up share Capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose(s), provided however that the money or monies to be borrowed by the Company together with the money already borrowed shall not, at any time exceed Rs. 100 Crores (Rupees One Hundred Crores only)”.

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

Authorization To The Board Of Directors Of The Company To Borrow Moneys By Way Of Creating Charge On The Assets Of The Company.

"RESOLVED THAT subject to the provisions of Section 180 (1)(a) and all other applicable provisions, if any, of the Companies Act, 2013, the consent of the company be and is hereby accorded to the Board of Directors of the company to mortgage / to create charge in such form and manner with such ranking and at such time and on such terms and conditions as the Board may determine, on any of the movable and immovable properties of the company, both present and future and / or the whole or any part of the undertakings of the company together with the power to take over the management of the business and concern of the company in sustained events of defaults, in favour of any Bank / Financial Institution, or any lender(s), trustee(s) for securing the borrowings of the company to be availed by way of loans / Working Capital limits / Bank Guarantee or any other form and other debt instruments issued by the company from time to time together with the interest at the respective agreed rates and in case of default all other applicable charges payable by the company, as specified in the trust deeds / agreement etc or any other document entered into between the company and the lender(s) and containing such terms and conditions and comments in respect of enforcement of security as may be stipulated in that behalf and agreed between the Board of Directors / Committee thereof and the lenders or their trustees."

BY ORDER OF THE BOARD
For Radix Industries (India) Limited

Place: Tanuku
Date: 23.07.2014

Sd/-
G.Raghu Rama Raju
Managing Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND TO VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the meeting. A person cannot act as proxy for more than 50 members and holding in aggregate not more than 10% of the total share capital of the Company.
2. The Register of Members and the Share Transfer Books will remain closed from 16th September, 2014 to 19th September, 2014 (both days inclusive).
3. Members / Proxies are requested to bring their copies of Annual Report with them for the Annual General Meeting and the attendance slip duly filled in for attending the Meeting. No copies of the Annual Report will be distributed at the meeting.
4. Members are requested to quote their Registered Folio No or Demat Account No and Depository Participant Identification Number (DPID No) on all correspondence with the Company.
5. Members are requested to send all communication relating to shares to the Company's RTA, M/s Bigshare Services Pvt. Ltd. 306, Right Wing Amrutha Ville Opp Yashoda Hospital Rajbhavan Road Somajiguda, Hyderabad – 500 082
6. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued circular stating that service of notice/documents including annual report can be sent by e-mail to its members. We fully support the Ministry's green initiative. Accordingly, the members are requested to inform their e-mail addresses to RTA - M/s Bigshare Services Pvt. Ltd. 306, Right Wing Amrutha Ville Opp Yashoda Hospital Rajbhavan Road Somajiguda, Hyderabad – 500 082
7. The information pursuant to Clause 49 of the Listing Agreement with respect to the details of the Directors seeking appointment / re-appointment in this Annual General Meeting is annexed.
8. All the documents referred to in the Notice and explanatory statement will be available to the members at the Registered of the company between 10.30 A.M to 12.30 P.M on all working days from the date hereof up to the date of the Meeting.
9. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, Which sets out details relating to Special Business at the meeting, is annexed hereto.
10. Shareholder Instructions For E-voting
Pursuant to provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 20th Annual General Meeting to be held on 20th September 2014. The Company has engaged the services of Central Depository Services Limited (CDSL) to provide the E-Voting facility.
The E-Voting facility is available at the link :

| Even (e-voting Event Number | Commencement Of E-voting | End Of E-voting |
|-----------------------------|--------------------------|-----------------|
| 140827037 | 11.09.2014 | 13.09.2014 |

These details and instructions form an integral part of the notice for the Annual General Meeting to be held on 20th September 2014.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins from 10.00 AM on Thursday the 11th day of September 2014 and ends at 5.00 PM on Saturday the 13th day of September 2014. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) 22nd August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

| | For Members holding shares in Demat Form and Physical Form |
|-----------------------|--|
| PAN | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the folio/client id number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 1 then enter RA00000001 in the PAN field. |
| DOB | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details | <p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio .</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares in the Dividend Bank details field. |

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN of < RADIX INDUSTRIES (INDIA) LIMITED > on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non- Individual Shareholders and Custodian
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to www.evotingindia.co.in and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for scrutinizer to verify the

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

(xx) You are advised to cast your vote only through E-voting or through Poll at the AGM. In case you cast your votes through both the modes, votes cast through e-voting shall only be considered and votes cast at the meeting through Poll would be rejected.

(xxi) **GENERAL INSTRUCTIONS**

- a. The e-voting period commences on 11th September 2014 (10.00 AM) and ends on 13th September 2014 (5.00PM). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd August 2014, may cast their votes electronically. The E-Voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the Shareholder shall not be allowed to change it subsequently.
- b. Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (22nd August 2014) they not casting their vote electronically, may only cast their vote at the Annual General Meeting.
- c. Mrs. N. Vanitha, Practicing Company Secretary, Hyderabad (Membership No.26859), has been appointed as the Scrutinizer to scrutinize the E-Voting process in a fair and transparent manner.
- d. The Scrutinizer shall, within a period of not exceeding three days from the conclusion of the E-Voting period, unlock the votes in the presence of at least two witnesses, not in employment of the Company and make a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.
- e. The voting rights of the shareholders shall be in proportion to the shares held by them, of the paid-up equity share capital of the company as on the cut-off date of 22nd August 2014.
- f. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.radixindustries.com and on the website of CDSL within two days of passing of the resolutions at the 20th Annual General Meeting of the Company on 20th September 2014 and shall be communicated to BSE Ltd., and Madras Stock Exchange Limited.

All documents referred to in the accompanying Notice and Statement pursuant to Schedule IV and Section 102(1) of the Companies Act 2013 will be available for inspection at the Registered Office of the Company during business hours on all working days up to the date of declaration of the results of the 20th Annual General Meeting of the Company.

BY ORDER OF THE BOARD
For Radix Industries (India) Limited

Place: Tanuku
Date: 23.07.2014

Sd/-
G.Raghu Rama Raju
Managing Director