



# Fifteenth Annual Report

2002 - 2003

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**FIFTEENTH ANNUAL GENERAL MEETING**

at 11.00 a.m.

On Monday 29th September 2003

at 64-9-2, Kanuru Subbaiah Buildings, Beside Eenadu

Vijayawada - 520 010.

Regd. Office : 64-9-2, Kanuru Subbaiah Buildings, Beside Eenadu, Vijayawada - 520 010.

## BOARD OF DIRECTORS

Sri L.V. Raghava Rao	Executive Chairman
Sri L. Ravindra	Managing Director
Sri L. Tulasi Prasad	Joint Managing Director
Sri T. Sri Rambabu	Executive Director
Sri K. Harischandra Prasad	Director
Sri Ch. Anjaneyulu	Director
Sri Pradeep Kumar	Director
Sri A. Srinivas	Director
Sri B. Suhasini	Director
Sri K. Koteswara Rao	Director
Sri S.V.K. Satyanarayana	Director
Sri M.K.S. Prakasa Rao	Director

## AUDITORS

**Suresh and Babu**  
Chartered Accountants  
36-14-3/1, Moghalrajapuram  
Vijayawada- 10.

## BANKERS

Union Bank of India  
ING Vysya Bank Limited

**NOTICE**

NOTICE is hereby given that the Fifteenth Annual General Meeting of the company will be held at 11.00 a.m. on Monday, the 29<sup>th</sup> day of September, 2003 at the Registered Office of the company at Door No.64-9-2, Kanuru Subbaiah Buildings, Patamatalanka, Vijayawada-10 to transact the following business :-

**ORDINARY BUSINESS :**

01. To receive, consider and adopt the audited balance sheet as at 31<sup>st</sup> March, 2003 and the Profit & Loss Account for the year ended on that date and the report of the Directors' and Auditors' thereon.
02. To appoint a Director in place of Sri.Pradeep Kumar who retires by rotation and being eligible offers himself for re-appointment.
03. To appoint Auditors and to fix their remuneration.

M/s.SURESH AND BABU Chartered Accountants, present auditors of the company retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

**SPECIAL BUSINESS :**

04. 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 Section 257 of the Companies Act, 1956, Sri A.Srinivas who has been appointed as an additional director of the company at the Board of Directors meeting held on 10<sup>th</sup> Jan'2003 and holds office up to the date of ensuing Annual General Meeting be and is hereby appointed as a Director of the company and his term of office will be liable to retire by rotation."

05. 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 Section 257 of the Companies Act, 1956, Smt. B.Suhasini who has been appointed as an additional director of the company at the Board of Directors meeting held on 10<sup>th</sup> Jan'2003 and holds office up to the date of ensuing Annual General Meeting be and is hereby appointed as a Director of the company and her term of office will be liable to retire by rotation."

06. 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 Section 257 of the Companies Act, 1956, Sri K. Koteswara Rao who has been appointed as an additional director of the

company at the Board of Directors meeting held on 10<sup>th</sup> Jan'2003 and holds office up to the date of ensuing Annual General Meeting be and is hereby appointed as a Director of the company and his term of office will be liable to retire by rotation".

07. 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 Section 257 of the Companies Act, 1956, Sri S.V.K.Satyanarayana who has been appointed as an additional director of the company at the Board of Directors meeting held on 10<sup>th</sup> Jan'2003 and holds office up to the date of ensuing Annual General Meeting be and is hereby appointed as a Director of the company and his term of office will be liable to retire by rotation."

08. 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 Section 257 of the Companies Act, 1956, Sri M.K.S.Prakasa Rao who has been appointed as an additional director of the company at the Board of Directors meeting held on 10<sup>th</sup> Jan'2003 and holds office up to the date of ensuing Annual General Meeting be and is hereby appointed as a Director of the company and his term of office will be liable to retire by rotation."

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

"RESOLVED THAT subject to provisions of the Companies Act, 1956, Securities Contract (Regulations) Act, 1956, the Listing Agreements with the Stock Exchanges and Guidelines framed under Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and all other applicable laws, rules regulations and guidelines as may be applicable and modifications, if any, made to the above from time to time and subject to such other authorities and such other approvals and sanction as may be necessary, consent of the members be and is hereby accorded to the Board of Directors of the Company (herein after referred to as the Board which expression shall be deemed to include a Committee of Directors duly authorised in this behalf) to get the Company's Equity Shares voluntarily delisted from the Stock Exchanges at Hyderabad & Madras."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as may be necessary for the above purpose and to settle any questions difficulties or doubts that may arise in this regard."

For and on behalf of the Board

Place : Vijayawada  
Date : 03.09.2003

(L.V. RAGHAVA RAO)  
Executive Chairman

(L.RAVINDRA)  
Managing Director.

**Notes :**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. The instrument appointing proxy should, however, be deposited at the Registered Office of the company not less than 48 hours before the commencement of the meeting.
2. The register of members will remain closed from 22-9-2003 to 29-9-2003 (both days inclusive). The transfer books of the company will also remain closed for the aforesaid period.
3. The Members are requested to intimate change, if any, in their registered addresses immediately and to quote ledger folio numbers in all their correspondences.
4. An explanatory statement pursuant to Sec.173(2) of the Companies Act, 1956 relating to special business to be transacted at the meeting is annexed hereto.



**EXPLANATORY STATEMENT:**

In conformity with the provisions of Sec.173(2) of the Companies Act, 1956, the following explanatory statement sets out all material facts relating to the special business and should taken as forming part of the notice.

**ITEM No: 4**

The Board of Directors at their meeting held on 10<sup>th</sup> Jan'2003 appointed Sri A.Srinivas as director of the company in accordance with the provisions of Sec.260 of the Companies Act, 1956. He will hold the office of Director till the ensuing Annual General Meeting. The company has received notice from a member of the company proposing his candidature for the office of the Director.

A.Srinivas, a graduate in Mechanical Engineering and Managing Partner of M/s Supriya Plasts. His experience would be very valuable to the company.

Keeping in view of the experience and qualification of the aforesaid person, your directors consider it to be in the interest of the company, if he is appointed as director liable to retire by rotation as per the provisions of Companies Act, 1956.

Your directors therefore recommended the said resolution for your approval.

None of the Directors except A.Srinivas, is in any way interested or concerned in this resolution.

**ITEM No: 5**

The Board of Directors at their meeting held on 10<sup>th</sup> Jan'2003 appointed Smt. B.Suhasini as director of the company in accordance with the provisions of Sec.260 of the Companies Act, 1956. She will hold the office of Director till the ensuing Annual General Meeting. The company has received notice from a member of the company proposing her candidature for the office of the Director.

Smt. B.Suhasini, a graduate in both Science and Education. Her knowledge is helpful to the company.

Keeping in view of the experience and qualification of the aforesaid person, your directors consider it to be in the interest of the company, if she is appointed as director liable to retire by rotation as per the provisions of Companies Act, 1956.

Your directors therefore recommended the said resolution for your approval.

None of the Directors except Smt. B.Suhasini, is in any way interested or concerned in this resolution.

**ITEM No: 6**

The Board of Directors at their meeting held on 10<sup>th</sup> Jan'2003 appointed Sri K.Koteswara Rao as director of the company in accordance with the provisions of Sec.260 of the Companies Act, 1956. He will hold the office of Director till the ensuing Annual General Meeting. The company

has received notice from a member of the company proposing his candidature for the office of the Director.

**K.Koteswara Rao, a graduate in Mechanical Engineering and sole proprietor of a HSD outlet in Vijayawada and involved in many construction activities. His knowledge in construction industry is an advantage to the company.**

Keeping in view of the experience and qualification of the aforesaid person, your directors consider it to be in the interest of the company if he is appointed as director liable to retire by rotation as per the provisions of Companies Act, 1956.

Your directors therefore recommended the said resolution for your approval.

None of the Directors except K.Koteswara Rao is in any way interested or concerned in this resolution.

**ITEM No: 7**

The Board of Directors at their meeting held on 10<sup>th</sup> Jan'2003 appointed Sri S.V.K.Satyanarayana as director of the company in accordance with the provisions of Sec.260 of the Companies Act, 1956. He will hold the office of Director till the ensuing Annual General Meeting. The company has received notice from a member of the company proposing his candidature for the office of the Director.

**S.V.K.Satyanarayana, a post graduate in Commerce and is a Manager-Operations for K.C.B.Transporters for the last 15 years. His administrative skills will go a long way in shaping the future policies of the Company.**

Keeping in view of the experience and qualification of the aforesaid person, your directors consider it to be in the interest of the company if he is appointed as director liable to retire by rotation as per the provisions of Companies Act, 1956.

Your directors therefore recommended the said resolution for your approval.

None of the Directors except S.V.K.Satyanarayana, is in any way interested or concerned in this resolution.

**ITEM No: 8**

The Board of Directors at their meeting held on 10<sup>th</sup> Jan'2003 appointed Sri M.K.S.Prakasa Rao as director of the company in accordance with the provisions of Sec.260 of the Companies Act, 1956. He will hold the office of Director till the ensuing Annual General Meeting. The company has received notice from a member of the company proposing his candidature for the office of the Director.

**M.K.S. Prasaka Rao, a graduate in Commerce and is a Manager-Operations for K.C.B.Transporters, Tadiparti Branch. His expertise and knowledge in administration field over**



the last 2 decades will be valuable contribution to the company.

Keeping in view of the experience and qualification of the aforesaid person, your directors consider it to be in the interest of the company if he is appointed as director liable to retire by rotation as per the provisions of Companies Act, 1956.

Your directors therefore recommended the said resolution for your approval.

None of the Directors except M.K.S.Prakasa Rao, is in any way interested or concerned in this resolution.

**ITEM No: 9**

Presently, the Company's equity shares are listed at The Hyderabad Stock Exchange Limited (HSE), The Madras Stock Exchange and The Stock Exchange, Mumbai.

With the extensive networking of the Stock Exchange, Mumbai to other cities as well, investors have access to online dealings in the Company's securities across the country.

Over the last few years the Equity Shares of the Company are not actively traded on Hyderabad Stock Exchange and Madras Stock Exchange. Trading in the Equity shares have been negligible and even zero, Delisting of the equity shares from the Hyderabad Stock Exchange and Madras Stock Exchange would result in administrative convenience and saving in cost on account of listing fees etc. As a part of its cost reduction measures, the Company proposes this enabling resolution to voluntarily delist its equity shares from the Hyderabad Stock Exchange Limited and The Madras Stock Exchange.

According to SEBI (Delisting of Securities) Guidelines 2003 the Company can delist from the other Stock Exchange without giving any exit option to share holders provided it has terminal with the Stock Exchange, Mumbai or National Stock Exchange. Since the Company's equity shares is continued to be listed at the Stock Exchanges, Mumbai, it proposes to delist its equity shares from the Hyderabad Stock Exchange Limited and The Madras Stock Exchange without giving any exit opportunity to shareholders.

In line with the SEBI guidelines, members' approval is being sought by a Special Resolution for enabling voluntary delisting of its equity shares from the said stock exchanges.

Your directors recommend the resolution for your approval.

None of the directors of the Company are in any way concerned or interested in the resolution.

**For and on behalf of the Board**

Place : Vijayawada

Date : 03.09.2003

(L.V. RAGHAVA RAO)

Executive Chairman

(L.RAVINDRA)

Managing Director.

**DIRECTORS' REPORT**

Your Directors have great pleasure in presenting 15<sup>th</sup> Annual Report together with the Annual Audited Accounts for the Financial year ended 31<sup>st</sup> March, 2003.

	<b>For the Year Ended 31-03-2003</b>	<b>For the Year Ended 31-03-2002</b>
<b>FINANCIAL RESULT</b>	<b>Rs.</b>	<b>Rs.</b>
Profit before interest and depreciation	47,03,194	29,32,052
Interest	21,53,956	7,81,939
Depreciation	13,60,578	15,28,724
Profit for the Year	11,88,659	6,21,389
Miscellaneous Expenditure written off	2,26,662	2,26,662
Profit before tax	9,61,997	3,94,727
Provision for Income Tax	-----	-----
— Current Tax	75,758	30,197
— Deferred Tax	2,63,397	3,59,519
Profit after tax	6,22,842	5,011
Profit/Loss brought forward from Previous period	14,96,925	26,70,097
Less : Deferred Tax Liability up to 31-03-2002	-----	11,78,180
Profit carried to Balance Sheet	21,19,767	14,96,925
<b>Earning per share</b>		
Basic/Diluted.	0.155	0.0012

**DIVIDEND:**

In view of the cash requirements for the on going venture and forthcoming ventures, no dividend has been recommended by Directors

**PERFORMANCE:**

The new housing venture called Narayanapuram colony with numerous individual houses had been announced in the year and has got overwhelming response from the coveted customers. In view of the above success, the company has extended the present venture upto the fulfillment of the customers' needs. Land acquisition for forthcoming venture at Kankipadu is still going - on. Company has acquired 63 acres till date and acquisition of another 40 acres is under process.

**DIRECTORS :**

Sri Pradeep Kumar retires by rotation and being eligible offer himself for re-appointment.

The Board of Directors at their meeting held on 10<sup>th</sup> Jan'2003 appointed Sri A.Srinivas, Smt B.Suhasini, Sri K.Koteswara Rao, Sri S.V.K.Satyanarayana and Sri M.K.S.Prakasa Rao as directors of the company in accordance with the provisions of Sec.260 of the Companies Act, 1956. They will hold the office of Directors till the ensuing Annual General Meeting. The company has received notices from members of the company proposing their candidature for the office of the Director.