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# **Eighteenth Annual Report**

## **2005 - 2006**

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### **EIGHTEENTH ANNUAL GENERAL MEETING**

at 10.00 a.m.

On Saturday 30th September 2006

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

Vijayawada - 520 010.

## BOARD OF DIRECTORS

Sri L.V. Raghava Rao	Executive Chairman
Sri L. Ravindra Rao	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.

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## BANKERS

United Bank of India  
ING Vysya Bank Limited

## **NOTICE**

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Company will be held at 10.00 a.m. on Saturday, the 30<sup>th</sup> day of the September, 2006 at the Registered Office of the company at Door No.64-9-2, 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, 2006 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 a Director in place of Sri A. Srinivas who retires by rotation and being eligible, offers himself for re-appointment.
04. To appoint a Director in place of Sri M.K.S. Prakasa Rao who retires by rotation and being eligible, offers himself for re-appointment.
05. To consider, and if thought fit, to pass, with or without modification (s) the following resolution as Ordinary Resolution.

RESOLVED THAT the retiring Auditors M/s.SURESH AND BABU Chartered Accountants 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 and fix their remuneration in addition to reimbursement of actual out of pocket expenses incurred in connection with the Company's audit.

### **SPECIAL BUSINESS :**

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

"RESOLVED THAT pursuant to the provisions of Sections 198,269,309 & 310 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modifications or re-enactments thereof, for the time being in force, consent of the company be and is hereby accorded Mr. L.V. Raghava Rao be and is hereby appointed as the Executive Chairman, with effect from 1<sup>st</sup> August, 2006 to 31<sup>st</sup> July 2011 as stated in the explanatory statement annexed to the notice.

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

"RESOLVED THAT pursuant to the provisions of Sections 198,269,309 & 310 read with schedule XIII and other applicable provisions, if any, of the Companies Act,1956, including any statutory modifications or re-enactments thereof , for the time being in force, consent of the company be and is hereby accorded Mr. L. Ravindra Rao be and is hereby appointed as the Managing Director, with effect from 1<sup>st</sup> August, 2006 to 31st July 2011 as stated in the explanatory statement annexed to the notice.

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

"RESOLVED THAT pursuant to the provisions of Sections 198,269,309 & 310 read with schedule XIII and other applicable provisions, if any, of the Companies Act,1956, including any statutory modifications or re-enactments thereof , for the time being in force, consent of the company be and is hereby accorded Mr. L. Tulasi Prasad be and is hereby appointed as the Joint Managing Director, with effect from 1<sup>st</sup> August, 2006 to 31st July 2011 as stated in the explanatory statement annexed to the notice.

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

"RESOLVED THAT pursuant to the provisions of Sections 198,269,309 & 310 read with schedule XIII and other applicable provisions, if any, of the Companies Act,1956, including any statutory modifications or re-enactments thereof , for the time being in force, consent of the company be and is hereby accorded Mr. T.S. Rambabu be and is hereby appointed as the Executive Director, with effect from 1<sup>st</sup> August, 2006 to 31st July 2011 as stated in the explanatory statement annexed to the notice.

For and on behalf of the Board

Place : Vijayawada

Date : 04.09.2006

**(L.V.RAGHAV RAO)**

Executive Chairman

**(L.RAVINDRA RAO)**

Managing Director

**Note:**

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 the members will also remain closed from 23-9-2006 to 30-9-2006(both days inclusive). The transfer books of the Company will remain closed for the aforesaid period.
3. The members are requested to :-
  - (a) Intimate change, if any, in their registered address immediately
  - (b) Quote ledger folio number in all their correspondence.

Additional information on Directors seeking reappointment at the Annual General Meeting (Pursuant to Clause (49) of the listing Agreement)

**Item no. 2 :**

Sri Pradeep Kumar aged 42 years is a Chartered Accountant and has rich experience in trading and marketing business. He is the member of the Share holders committee, Share Transfer Committee Audit Committee and Remuneration Committee of the Company.

**Item no.3 :**

Sri A Srinivas aged 46 years is a Graduate in Mechanical Engineering and has rich experience in trading and marketing business. He is the member of the Share holders committee, Share Transfer Committee, Audit committee and Remuneration Committee of the Company.

**Item no. 4 :**

Sri M K S Prakasa Rao aged 49 years is a Graduate in commerce and has rich experience in trading and marketing business. He is the member of the Share holders committee, Share Transfer Committee, Audit Committee and Remuneration Committee of the Company.

**EXPLANATORY STATEMENT**

As required by Section 173(2) of the Companies Act, 1956, the following explanatory statement sets out material facts relating to the special business under Item No.6,7,8 & 9 of the accompanying Notice dated 4-09-2006

**Item No.6:**

The Board of Directors of the company at its meeting held on 28-07-2006 re-appointed Sri L.V. Raghava Rao, Executive Chairman of the company for a period of 5 years. The tenure and the salary particulars are as mentioned below:-

L.V.RAGHAVA RAO	Executive Chairman	01-08-2006 to 31-07-2011	Rs.20,000/- P.M.
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**Emoluments :**

Salary - Rs.20,000/-p.m.

**Perquisites**

**Housing** - Rent free furnished residential accommodation.

The expenditure incurred by the company on gas, electricity, water and furnishings will be valued as per the Income Tax Rules 1962 subject, however, to a ceiling of 10% (ten percent) of the salary.

**Personal Accident Policy :**

Premium not to exceed Rs. 10,000/- per annum.

For the purpose of his category 'family' shall means, the spouse, dependent children and dependent parents.

Now withstanding anything herein, where in any financial year, during the currency of the tenure of the appointee, the company has no profits or its profits are inadequate. The company will pay the remuneration to Mr.L.V.Raghava Rao by way of salary and perquisite and allowance as specified above.

The re-appointment and salary proposed to be paid, of Executive Chairman are as per the provisions of Sections 198, 269, 309 & 310 with Section XIII of the Companies Act, 1956.

The drafts of the agreements to be entered into by the Company with Mr.L.V.Raghava Rao are available for inspection of members of the Company on all its working days except Sundays between 11a.m. & 1p.m. upto the date of the Annual General Meeting.

Mr.L.V.Raghava Rao is interested in the proposed resolution to the extent of his re-appointment and remuneration payable to him. No other Director is concerned or interested in the proposals

The Directors therefore recommend the resolution for your approval.

**Item No.7:**

The Board of Directors of the company at its meeting held on 28-07-2006 re-appointed Sri L.Ravindra Rao, Managing Director of the company for a period of 5 years. The tenure and the salary particulars are as mentioned below:-

L.RAVINDRA RAO	Managing Director	01-08-2006 to 31-07-2011	Rs.20,000/- P.M.
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**Emoluments :**

Salary - Rs.20,000/-p.m.

**Perquisites**

**Housing** - Rent free furnished residential accommodation.

The expenditure incurred by the company on gas, electricity, water and furnishings will be valued as per the Income Tax Rules 1962 subject, however, to a ceiling of 10% (ten percent) of the salary.

**Personal Accident Policy :**

Premium not to exceed Rs. 10,000/- per annum.

For the purpose of his category 'family' shall means, the spouse, dependent children and dependent parents.

Now withstanding anything herein, where in any financial year, during the currency of the tenure of the appointee, the company has no profits or its profits are inadequate. The company will pay the remuneration to Mr. L.RAVINDRA RAO by way of salary and perquisite and allowance as specified above.

The re-appointment and salary proposed to be paid, of Managing Director are as per the provisions of Sections 198, 269, 309 & 310 with Section XIII of the Companies Act, 1956.

The drafts of the agreements to be entered into by the Company with Mr.L.RAVINDRA RAO are available for inspection of members of the Company on all its working days except Sundays between 11a.m. & 1p.m. upto the date of the Annual General Meeting.

Mr.L. RAVINDRA RAO is interested in the proposed resolution to the extent of his re-appointment and remuneration payable to him. No other Director is concerned or interested in the proposals

The Directors therefore recommend the resolution for your approval.



**Item No.8:**

The Board of Directors of the company at its meeting held on 28-07-2006 re-appointed Sri L. TULASI PRASAD, Jt. Managing Director of the company for a period of 5 years. The tenure and the salary particulars are as mentioned below:-

L. TULASI PRASAD	Jt. Managing Director	01-08-2006 to 31-07-2011	Rs. 20,000/-P.M
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**Emoluments :**

Salary - Rs.20,000/-p.m.

**Perquisites**

**Housing** - Rent free furnished residential accommodation.

The expenditure incurred by the company on gas, electricity, water and furnishings will be valued as per the Income Tax Rules 1962 subject, however, to a ceiling of 10% (ten percent) of the salary.

**Personal Accident Policy :**

Premium not to exceed Rs. 10,000/- per annum.

For the purpose of his category 'family' shall means, the spouse, dependent children and dependent parents.

Now withstanding anything herein, where in any financial year, during the currency of the tenure of the appointee, the company has no profits or its profits are inadequate. The company will pay the remuneration to Mr. L. TULASI PRASAD, by way of salary and perquisite and allowance as specified above.

The re-appointment and salary proposed to be paid, of Jt.Managing Dircetor are as per the provisions of Sections 198, 269, 309 & 310 with Section XIII of the Companies Act, 1956.

The drafts of the agreements to be entered into by the Company with Mr. L. TULASI PRASAD,are available for inspection of members of the Company on all its working days except Sundays between 11a.m. & 1p.m. upto the date of the Annual General Meeting.

Mr.L. TULASI PRASAD is interested in the proposed resolution to the extent of his re-appointment and remuneration payable to him. No other Director is concerned or interested in the proposals

The Directors therefore recommend the resolution for your approval.

**Item No.9:**

The Board of Directors of the company at its meeting held on 28-07-2006 re-appointed Sri T.S.RAM BABU, Executive Director of the company for a period of 5 years. The tenure and the salary particulars are as mentioned below:-

T.S.RAM BABU	Executive Director	01-08-2006 to 31-07-2011	Rs. 20,000/-P.M
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**Emoluments :**

Salary - Rs.20,000/-p.m.

**Perquisites**

**Housing** - Rent free furnished residential accommodation.

The expenditure incurred by the company on gas, electricity, water and furnishings will be valued as per the Income Tax Rules 1962 subject, however, to a ceiling of 10% (ten percent) of the salary.

**Personal Accident Policy :**

Premium not to exceed Rs. 10,000/- per annum.

For the purpose of his category 'family' shall means, the spouse, dependent children and dependent parents.

Now withstanding anything herein, where in any financial year, during the currency of the tenure of the appointee, the company has no profits or its profits are inadequate. The company will pay the remuneration to Mr. T.S.RAM BABU, by way of salary and perquisite and allowance as specified above.

The re-appointment and salary proposed to be paid, of Executive Director are as per the provisions of Sections 198, 269, 309 & 310 with Section XIII of the Companies Act, 1956.

The drafts of the agreements to be entered into by the Company with Mr. T.S.RAM BABU, are available for inspection of members of the Company on all its working days except Sundays between 11a.m. & 1p.m. upto the date of the Annual General Meeting.

Mr.T.S.RAM BABU is interested in the proposed resolution to the extent of his re-appointment and remuneration payable to him. No other Director is concerned or interested in the proposals

The Directors therefore recommend the resolution for your approval.

For and on behalf of the Board

Place : Vijayawada

Date : 04.09.2006

**(L.V.RAGHAVA RAO)**

Executive Chairman

**(L.RAVINDRA RAO)**

Managing Director