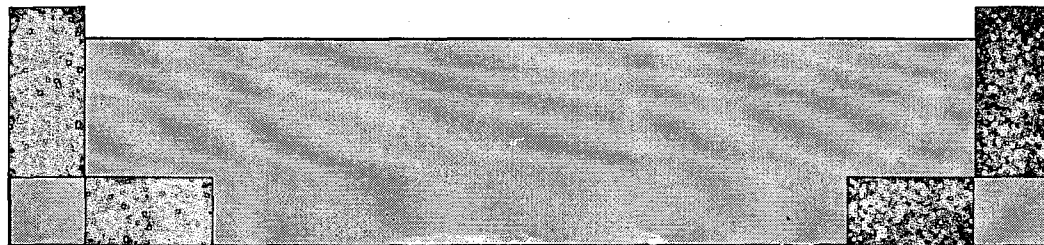


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# Nineteenth Annual Report 2006 - 2007



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**NINETEENTH ANNUAL GENERAL MEETING**  
at 10.00 a.m.  
On Saturday 29th September 2007  
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.

## BANKERS

United Bank of India  
ING Vysya Bank Limited

**NOTICE**

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Company will be held at 10.00 a.m. on Saturday, the 29<sup>th</sup> day of the September, 2007 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, 2007 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 K.Harischandra Prasad who retires by rotation and being eligible, offers himself for re-appointment.
03. To appoint a Director in place of Smt. B.Suhasini who retires by rotation and being eligible, offers himself for re-appointment.
04. To appoint a Director in place of Sri K.Koteswara 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 for the revision and modifications in the salary of Managing Director i.e, Mr.L.Ravindra Rao with effect from 1<sup>st</sup> September, 2007 for the remaining part of their respective tenure as stated in the explanatory statement annexed to the notice be and is hereby approved.”

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 for the revision and modifications in the salary of Joint Managing Director Mr.L.Tulasi Prasad with effect from 1<sup>st</sup> September, 2007 for the remaining part of their respective tenure as stated in the explanatory statement annexed to the notice be and is hereby approved.”

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 for the revision and modifications in the salary of Executive Director i.e, Mr.T.S.Rambabu respectively with effect from 1<sup>st</sup> September, 2007 for the remaining part of their respective tenure as stated in the explanatory statement annexed to the notice be and is hereby approved.”

For and on behalf of the Board

Place : Vijayawada  
Date : 01-09-2007

(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 21-9-2007 to 29-9-2007(both days inclusive). The transfer books of the Company will remain closed for the aforesaid period.
3. Explanatory statement pursuant to Section 173(2) of the companies Act, 1956 is annexed hereto.
4. 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 re-appointment at the Annual General Meeting (Pursuant to Clause (49) of the listing Agreement)

**Item no. 2:**

Sri K.Harischandra Prasad aged 52 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.3 :**

Smt. B.Suhasini aged 48 years is a Graduate in Commerce and has rich experience in trading and marketing business. She is the member of the Share holders committee, Share Transfer Committee, Audit Committee and Remuneration Committee of the Company.

**Item no.4 :**

Sri K.Koteswara Rao aged 54 years is a Graduate in Civil 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.

**EXPLANATORY STATEMENT**

As required by Section 173(2) of the Companies Act, 1956, the following explanatory statement sets out material facts relating to the business under Item No.6 of the accompanying Notice dated 01-09-2007.

**Item No.6**

The Board of Directors of the company at its meeting held on 01-09-2007 revised the salary with effect on and from 1<sup>st</sup> September, 2007 payable to Managing Director of the company for the remaining part of their respective tenure as follows:-

NAME	DESIGNATION	PERIOD	SALARY PER MONTH (Rs.)
L.RAVINDRA RAO	Managing Director	01-09-2007 to 31-07-2011	50,000/-

The salary proposed to be paid is within the limits prescribed in Part II of Schedule XIII to the Companies Act, 1956. The draft of the agreement to be entered into by the Company with Mr.L.Ravindra Rao is available for inspection of members of the company on all its working days except Sundays between 11 a.m. to 1 p.m. upto the date of Annual General Meeting.

Mr.L.Ravindra Rao Managing Director of the company respectively are interested in the proposed respective resolution to the extent of remuneration payable to each of them. No other director is concerned or interested in the proposals.

This explanation together with the accompanying notice should be treated as an abstract u/s.302 of the Companies Act, 1956 in respect of the variations in the contracts with the Managing Director of the company.

The Directors therefore recommend the resolution set out in item-6 of the notice.

**Item No.7**

The Board of Directors of the company at its meeting held on 01-09-2007 revised the salary with effect on and from 1<sup>st</sup> September, 2007 payable to Joint Managing Director of the company for the remaining part of their respective tenure as follows:-

NAME	DESIGNATION	PERIOD	SALARY PER MONT (Rs.)
L.TULASI PRASAD	Jt. Managing Director	01-09-2007 to 31-07-2011	50,000/-

The salary proposed to be paid is within the limits prescribed in Part II of Schedule XIII to the Companies Act, 1956. The draft of the agreement to be entered into by the Company with Mr.L.Tulasi Prasad is available for inspection of members of the company on all its working days except Sundays between 11 a.m. to 1 p.m. upto the date of Annual General Meeting.

Mr.L.Tulasi Prasad, Joint Managing Director of the company respectively are interested in the proposed respective resolution to the extent of remuneration payable to each of them. No other director is concerned or interested in the proposals.

This explanation together with the accompanying notice should be treated as an abstract u/s.302 of the Companies Act, 1956 in respect of the variations in the contracts with the Joint Managing Director of the company.

The Directors therefore recommend the resolution set out in item-7 of the notice.

#### Item No.8

The Board of Directors of the company at its meeting held on 01-09-2007 revised the salary with effect on and from 1<sup>st</sup> September, 2007 payable to Executive Director of the company for the remaining part of their respective tenure as follows:-

NAME	DESIGNATION	PERIOD	SALARY PER MONTH (Rs.)
T.S.RAMBABU	Executive Director	01-09-2007 to 31-07-2011	35,000/-

The salary proposed to be paid is within the limits prescribed in Part II of Schedule XIII to the Companies Act, 1956. The draft of the agreement to be entered into by the Company with Mr.T.S.Rambabu are available for inspection of members of the company on all its working days except Sundays between 11 a.m. to 1 p.m. upto the date of Annual General Meeting.

Mr.T.S.Rambabu being the Executive Director of the company respectively are interested in the proposed respective resolution to the extent of remuneration payable to each of them. No other director is concerned or interested in the proposals.

This explanation together with the accompanying notice should be treated as an abstract u/s.302 of the Companies Act, 1956 in respect of the variations in the contracts with the Executive Director of the company.

The Directors therefore recommend the resolution set out in item-8 of the notice

For and on behalf of the Board

Place : Vijayawada  
Date : 01-09-2007

(L.RAVINDRA RAO)  
Managing Director



**DIRECTORS' REPORT**

Your Directors have great pleasure in presenting 19<sup>th</sup> Annual Report together with the Annual Audited Accounts for the Financial year ended 31<sup>st</sup> March, 2007.

	For the Year Ended 31-03-2007	For the Year Ended 31-03-2006
<b>FINANCIAL RESULT</b>	Rs.	Rs.
Profit before interest and depreciation	2,41,30,144	2,04,92,108
Interest	1,33,47,139	93,51,058
Depreciation	14,84,973	17,41,207
Profit for the Year	92,98,032	93,99,843
Miscellaneous Expenditure written off	0	21,013
Profit before tax	92,98,032	93,78,830
Provision for Income Tax		
— Current Tax	(10,32,030)	(8,14,142)
— Fringe Benefit Tax	(83,251)	(89,633)
— Deferred Tax	(17,052)	(8,42,603)
Profit after tax	81,65,699	76,32,452
Profit/Loss brought forward from Previous period	6,51,44,953	5,75,12,501
Profit carried to Balance Sheet	7,33,10,652	6,51,44,953
Earning per share		
—Basic/Diluted.	2.03	1.90

**DIVIDEND:**

In view of the working capital requirements for the on going & forth coming projects, the board has not recommended any dividend.

**PERFORMANCE:**

The new housing venture called Sreenivasapuram colony at Edupugally was announced and it has good response from the customers. The final layout of Sreenivaasapuram colony was approved by VGTM Urban Development Authority with L.P.No.40/2006 & 41/2006.

**FUTURE PROSPECTS:**

Your company views the future with optimism as the demand for Housing is growing day by day. The Directors have pleasure in announcing the new housing venture Gayatriapuram at Proddatur. Your company is hoping for an enormous increase in turnover during the forthcoming years.

DIRECTORS :

Sri.K.Harischandra Prasad who retires by rotation and being eligible offers himself for re-appointment.

Smt. B. Suhasini who retires by rotation and being eligible offers himself for re-appointment.

Sri K.Koteswara Rao who retires by rotation and being eligible offers himself for re-appointment.

AUDITORS :

M/s SURESH AND BABU, Chartered Accountants, Vijayawada Auditors of the Company, retire and are eligible for re-appointment for the Current Year.

Information as per Sec.217(2A) of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES:

There were no employees in receipt of remuneration in excess of the amounts specified in Section 217(2A) of the Companies Act, 1956.

CONSERVATION of Energy ,Technology absorption, Foreign Exchange and outgo :

Information regarding compliance of Rules relating to conservation of Energy and Technology absorption is not provided, as the same is not applicable to the Company.

**CORPORATE GOVERNANCE :**

A report on corporate governance has been obtained from the statutory auditors of the company and form part of this report.

Directors' Responsibility Statement:

Pursuant to the requirement U/s 217(2AA) of the Companies Act, 1956, with respect to Directors responsibility statement, it is hereby confirmed

- i) That in the presentation of Annual accounts, Applicable accounting standards have been followed and there is no material departure.