

11th
ANNUAL REPORT
2005 - 2006

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RANKLIN
SOLUTIONS LIMITED

RANKLIN SOLUTIONS LIMITED

1

11th Annual General Meeting26th Day of September, 2006

at 3.00 p.m.

#3, 2nd Floor, Topaz Buildings,

Somajiguda, Hyderabad – 500 082

Andhra Pradesh, INDIA

Contents :**Page No.**

Corporate Information	2
Notice	3
Directors' Report	4
Report on Corporate Governance	7
Auditor's Report	19
Balance Sheet	21
Profit & Loss Account	22
Cash Flow Statement	23
Schedules	24
Notes on Accounts	27
Abstract of Balance Sheet	30
Attendance/Proxy	31

RANKLIN SOLUTIONS LIMITED

CORPORATE INFORMATION**Board of Directors**

M.J.V.V.D. Prakash	-	Chairman & Managing Director
P.Venkateswara Rao	-	Director
M.Jyothsna lakshmi	-	Director
M.N.V.Satyanarayana	-	Director
Ravi. K.Rally	-	Director
P.Srinivasa Rao	-	Director
CH.Raghu	-	Director
K.S.Chakravarthi	-	Director

Auditors

M/s Suresh & Co
Chartered Accountants
1-405, Divya Shakthi Complex,
Ameerpet, Hyderabad -16

Registered Office

#3, 2nd Floor, Topaz Buildings,
Somajiguda, Hyderabad – 500 082

Bankers

Indusind Bank, Begumpet,
Hyderabad.
ICICI Bank,
Panjagutta Branch, Hyderabad.

Share Registrars

M/s Venture Capital & Corporate Investments Ltd
12-10-134, Bharat Nagar, Hyderabad -18.

Listing at

The Hyderabad Stock Exchange Limited
The Madras Stock Exchange Limited

RANKLIN SOLUTIONS LIMITED

3

NOTICE

Notice is hereby given that the 11th Annual General Meeting of Ranklin Solutions Limited will be held on Tuesday the 26th day of September 2006 at 3.00p.m. at the Registered Office of the Company at #3, 2nd Floor Topaz Buildings, Hyderabad - 500 082 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March, 2006 and the Balance Sheet as at 31st March, 2006 together with the Report of Auditors and the Report of Board of Directors .
2. To appoint a Director in the place of Mr. P.Venkateswara Rao who retires by rotation and being eligible, offer himself for reappointment.
3. To appoint a Director in the place of Smt M.Jyothsna lakshmi who retires by rotation and being eligible, offer herself for reappointment
4. To appoint Auditors and to fix their remuneration by passing the following resolution as ordinary resolution.

"RESOLVED THAT M/s S. Suresh & Co, Chartered Accountants, Hyderabad be and are hereby 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 of the company at a remuneration to be fixed by the Board of Directors of the company."

By order of the Board Of Directors

Sd/-

Place : Hyderabad
Date : 20.07.2006

(M.J.V.V.D.PRAKASH)
Chairman & Managing Director

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES DULY STAMPED AND SIGNED MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING
2. Members/ proxies are requested to bring along with them annual reports being sent to them.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 23.09.2006 to 26.09.2006 (Both Days Inclusive) to ascertain the list of members for 11th Annual General Meeting.

RANKLIN SOLUTIONS LIMITED

4

DIRECTORS' REPORT

Your Directors take pleasure in presenting the Eleventh Annual Report of your Company and the Audited Statement of Accounts for the year ended 31st March 2006 thereof. The Business and operations of the Company over the last fiscal year are briefly encapsulated below:

FINANCIAL OVER VIEW

The overall performance of your company during this year is encouraging compared to previous year. The company has achieved a turnover of Rs.797.94 lakhs against to the turnover of 674.51 lakhs in the previous year. The net profit after tax was Rs.33.60 lakhs against Rs.38.58 lakhs for the previous financial year.

Your Directors are of the view that the company's performance will improve substantially in the current fiscal.

The overall performance of the company is summarized below:-

(Rs. In Lakhs)		
Particulars	31.03.2006	31.03.2005
1. Sales Revenue	797.94	674.51
2. Profit before Depreciation	88.95	62.29
3. Depreciation	36.50	28.12
4. Profit Before Tax	52.44	34.17
5. Provision for Taxation		
- Income Tax	15.10	2.68
- Deferred Tax	2.54	(7.10)
- FBT	1.19	-
6. Profit After Tax	33.60	38.58
7. EPS (Basic and Diluted)	0.67	0.77

DIVIDEND

Due to inadequacy of Profits your Directors do not recommended any dividend for the financial year 2005-06.

OUT LOOK FOR THE CURRENT YEAR

Outlook for the current year is elaborately explained in Management Discussion and Analysis report, which forms part of Annual Report.

RANKLIN SOLUTIONS LIMITED

5

STATUTORY DISCLOSURES**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

The company is not engaged in manufacturing activities and as such the particulars relating to conservation of energy and technology absorption are not applicable. The company makes every effort to conserve energy as far as possible in all aspects of business.

FOREIGN EXCHANGE EARNINGS AND OUTGOINGS.

	<u>Rs.in.Lakhs</u>
1. Total Foreign Exchange earned	Nil
2. Total Foreign Exchange utilised	Nil

PARTICULARS OF EMPLOYEE'S REMUNERATION AND INDUSTRIAL RELATIONS

There are no employees whose particulars, pursuant to Section 217(2A) of the Companies Act 1956, read with Companies (Particulars of Employees) Rules, 1975, are to be disclosed. Industrial relations in the company were very cordial and stable

PUBLIC DEPOSITS:

Your Company has not accepted any deposits from the public during the year under review and there are no outstanding deposits as on 31st march 2006.

DIRECTORS

In accordance with the Provisions of the Companies Act, 1956 and the Articles of Association of the Company, Smt M.Jyothsna lakshmi and Sri, P.Venkateswara Rao are retires by rotation and being eligible, offer themselves for re-appointment.

AUDITORS

M/s. S.Suresh & Co, Chartered Accountants are Auditors of the company retire at the ensuing Annual General Meeting and are eligible for re-appointment.

CORPORATE GOVERNANCE

Pursuant to clause 49 of the listing agreement executed with the stock exchanges, the company has complied with all the provisions of Corporate Governance and a detailed note in this regard is provided in this Annual Report elsewhere. A certificate from the Auditors of the company regarding compliance of conditions of Corporate Governance is attached to this report.

RANKLIN SOLUTIONS LIMITED

6

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis report is provided elsewhere in this Annual Report.

DIRECTOR 'S RESPONSIBILITY STATEMENT

As required under the Companies Act 1956, your Directors wish to state:

1. In the preparation of the Annual Accounts for the year ended March 31, 2006 applicable Accounting Standards have been followed with no material departure.
2. Accounting policies have been selected and applied consistently, at the same time judgments and estimates have been made, 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 for the year under review.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting Records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. Accounts for the year ended 31st March 2006 have been prepared on going concern basis.

HUMAN RESOURCES

The Board of Directors would like to place on record its deep appreciation to all the employees for their dedicated services to the company. Our organizational culture and work environment is central to our ability to compete effectively.

Management is in the process of Identifying a Suitable person to appoint as Company Secretary and to comply with provisions of Companies Act 1956, Listing Agreement executed with stock exchanges.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their deep sense of appreciation for the devoted services of the Executives, Staff, Clients, the Central & State Governments, Bankers, Institutional for their Continued support and as well as co-operation with the Company.

For and on behalf of the Board

Sd/-

(M.J.V.V.D.PRAKASH)

Chairman & Managing Director

Place: Hyderabad
Date: 20.07.2006

RANKLIN SOLUTIONS LIMITED

7

REPORT ON CORPORATE GOVERNANCE:

Ranklin Solutions Limited is committed to the highest standards of Corporate Governance in all its activities.

Company's Philosophy on code of governance:

Your company believes in providing highest transparency and ethical value in Corporate Governance. Your company also believes in taking into confidence all the stakeholders viz Shareholders, Employees, Creditors, Customers etc.

Board of Directors: -**a) Composition**

The Board of Director of the Company consists of 8 Members comprising of.

Four Promoters Directors out of whom one is in the Whole time employment of the Company.

Four Independent Directors, drawn from amongst persons with experience in Business, Finance, Management, Marketing and industry.

b) Other Directorship/Committee Memberships held:

Name	Category	Designation	Directorship Held in other Companies.	
			Director	Committee Member
M.J.V.V.D Prakash	Promoter Executive	Chairman & Managing Director	1	NIL
M. Jyothsna Lakshmi	Promoter Non- Executive	Director	1	NIL
P.Venkateswara Rao	Promoter Non- Executive	Director	NIL	NIL
M.N.V.Satya Narayana	Promoter Non-Executive	Director	NIL	NIL
Ravi.K.Rally	Independent Non-Executive	Director	NIL	NIL
P.Srinivasa Rao	Independent Non-Executive	Director	NIL	NIL
Ch. Raghu	Independent Non-Executive	Director	NIL	NIL
K.S.Chakravarthi	Independent Non-Executive	Director	NIL	NIL

RANKLIN SOLUTIONS LIMITED

8

c) Board Meetings held during the Year:

S.No	Date Of Board Meeting
1.	26 - 04 - 2005
2.	28 - 07 - 2005
3.	20 - 08 - 2005
4.	31 - 10 - 2005
5.	31 - 01 - 2006

D). Attendance of Directors at Board Meetings and Last Annual General Meeting:

Name of the Director	Board Meetings Attended	Attendance at Last AGM
M.J.V.V.D. Prakash	5	Yes
P.Venkateswara Rao	4	Yes
M.Jyothsna lakshmi	5	Yes
M.N.V.Satyanarayana	5	Yes
Ravi. K. Rally	4	Yes
P.Srinivasa Rao	4	No
CH.Raghu	3	No
K.S.Chakravarthi	3	No

Audit committee:**a) Terms of Reference**

The Audit Committee Provides the Board with additional Assurance as to the adequacy of the Company's internal control systems and financial disclosures. The Audit Committee acts as a link between the Management, Statutory Auditors, Internal Auditors, and the Board of Directors. The composition, powers and functions of the Audit committee meet the requirements of the listing Agreement and Section 292 A of the Companies Act 1956. The Broad terms of reference of the Audit committee are to review with the Management and / or Internal Auditors and / or Statutory Auditors in the following areas.

- I. Overview of Company's financial reporting process and financial information disclosures.
- II. Review with Management, external and internal audits, the adequacy of internal control systems.
- III. Review the adequacy and effectiveness of accounting and financial controls of the Company, compliance with the company's policies and applicable laws and regulations.
- IV. Review with Management, the Annual financial statement before submission to the Board.
- V. Recommending the appointment/removal of external and internal auditors, fixation of Audit fees.

RANKLIN SOLUTIONS LIMITED

9

b) Composition, name of members and chairman.

The Audit Committee of the Company comprises three members; all are "Independent" Non-Executive Directors. The names of the members of the Audit Committee are as follows.

K.S.Chakravarthi	-	Chairman
Ravi. K. Rally	-	Member
P.Srinivasa Rao	-	Member

The audit committee has met four times in the year and the Attendance During the Year is as follows

Name of the Director	No Of meetings Held	No Of Meetings Attended
K.S.Chakravarthi	4	4
Ravi. K. Rally	4	4
P.Srinivasa Rao	4	4

Remuneration Committee

The company has a remuneration committee comprising three members all are Non Executive and independent directors to decide the remuneration payable to the directors.

Shareholders / Investors Grievance Committee

As a measure of Good Corporate Governance and to focus on the shareholder's grievances and towards strengthening investor relations, an Investor's Grievance Committee has been constituted as sub committee of the Board.

a). The functions of the Committee include:

To Specifically look into redressing investor's grievances pertaining to

1. Transfer of Shares
2. Dividend
3. Dematerialisation of Shares
4. Replacement of lost/stolen/mutilated share certificates.
5. Non-receipt of rights/bonus/split shares certificates
6. Any other related issues.

b). Constitution and Composition

The Committee was constituted with three directors under the Chairmanship of Non executive Director as follows.

Ch. Raghu	- Chairman
P. Venkateswara Rao	- Member
M.Satyanarayana	- Member

Shri. M.J.V.V.D. Prakash, Managing Director appointed as compliance officer.