

# 23rd ANNUAL REPORT

2005 - 2006

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**BOARD OF DIRECTORS**

Sri P. Veerananarayana

Vice Chairman and

Managing Director

Sri.P.Harischandra Raju

Nominee Director( APIDC)

Sri P.Madhuprathap

Technical Director

Sri.K.Subbaiah

Director

**REGISTERED OFFICE**

D4&D5, Industrial Estate  
Renigunta Road,  
Tirupati-517506

**FACTORY**

D4, D5, D11 & Shed No.3 Industrial  
Estate  
Renigunta Road  
Tirupati-517506

**AUDITORS**

Pinnamaneni & Co.,  
Chartered Accountants  
3, 4<sup>th</sup> Ground Ram's VSR Aparts  
Opp. VPS Siddharth Public School  
Vijayawada-520010.

**FINANCIAL INSTITUTIONS / BANKS**

Industrial Development Bank of India,  
Chennai  
Central Bank of India, GS Mada St.  
Tirupati

**LISTING**

The Hyderabad Stock Exchange Ltd.,  
Hyderabad  
The Stock Exchange, Mumbai

**SHARE TRANSFER AGENTS**

Sibar Financial Services (P) Ltd.,  
D.NO.27-14-49, II Floor  
Rajagopalachari St.,  
Governorpet  
Vijayawada-520002 (A.P.)

**REGISTRAR FOR DEMAT**

Bigshare Services Pvt. Ltd  
E-2, Ansa Industrial Estate,  
Sakivihar Road, Saki Naka,  
Andheri(E),  
Mumbai-400072

**23<sup>rd</sup> ANNUAL GENERAL MEETING**Date : Friday 29<sup>th</sup> September, 2006

Time : 3:30 pm

Venue : Registered Office  
D4 & D5, Industrial Estate  
Renigunta Road  
TIRUPATI-517506

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**NOTICE TO SHAREHOLDERS :**

NOTICE is hereby given that the 23<sup>rd</sup> Annual General Meeting of the Company will be held at its Registered Office : D4 & D5, Industrial Estate, Renigunta Road, Tirupati-517506 (AP) at 3.30P.M on Friday, 29th September, 2006 to transact the following business :

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the audited Balance sheet as at 31<sup>st</sup> March'2006 and the Profit and Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.

2. To appoint a Director in place of Mr. K. Subbaiah who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

By order of the Board of Directors.

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(P.VEERANARAYANA)  
VICE CHAIRMAN &  
MANAGING DIRECTOR

Place : Tirupati

Date : 31-7-2006.

**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. A form of proxy is enclosed.
- 2) The Register of Members and Transfer Books of the Company will remain closed from 23<sup>rd</sup> September'2006 to 28<sup>th</sup> September'2006 (both days inclusive).
- 3) The instrument appointing a proxy should however be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.
- 4) Shareholders are requested to notify change in address if any, immediately to the Company's Registered Office.
- 5) Shareholders are requested to bring their copies of Annual Reports to the Meeting. Copies of the Annual Report will not be available for distribution to shareholders at the Meeting hall.
- 6) Shareholders attending the Meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the Meeting hall.
- 7) Shareholders intending to require information about accounts to be explained in the meeting are requested to inform the company at least 7-days in advance of the Annual General Meeting.
- 8) All communications relating to shares are to be addressed to the Company's Transfer Agent M/s. SIBAR FINANCIAL SERVICES PRIVATE LIMITED, 27-14-49, II Floor, RGC Street, Governor Pet, Vijayawada-520002

## DIRECTORS' REPORT

Your Directors have the pleasure to present the 23<sup>rd</sup> Annual Report together with the Auditor's Report thereon for the year ended 31<sup>st</sup> March'2006.

### 1. FINANCIAL RESULTS :

The brief financial results of the company for the year ended 31<sup>st</sup> March'2006 are given hereunder

	(Rs.in Lacs)	
	2005-06	2004-05
Total sales	205.82	123.53
Profit after dep&Int	(79.99)	(230.34)
Other Income	1.15	2.31
Provision for Tax	—	—
Profit After Tax	(78.84)	(228.03)
Prior Period Adjustment	(7.57)	(0.48)
Balance c/f to Balance Sheet	(86.41)	(228.51)

### 2. OPERATIONS :

During the year under review, the turnover of your company has increased to Rs.205.82 lakhs from Rs.123.53 lakhs thereby registering a growth of 60% over the previous year. The directors are hopeful of better results in the coming years.

### 3. DIVIDEND :

The Board has not recommended Dividend for the year 2005-06 due to losses.

### 4. DISCLOSURES :

Disclosures in terms of Companies (particulars of Employees) Rules, 1975 and companies (disclosure of particulars in the report of the Board of Directors) Rules, 1988 in respect of conservation of energy, technology, absorption, out of foreign exchange and foreign exchange earned are attached and forms part of the Report.

### 5. DIRECTORS :

Mr.K. Subbaiah, Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

**6. DIRECTORS RESPONSIBILITY STATEMENT**

In compliance with the Provisions of Section 217(2AA) of the Companies Act, 1956 your directors hereby confirm that

i) In preparing the Annual Accounts applicable accounting Standards have been followed

ii) Accounting Policies were adopted and applied consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company as at 31.3.2006 and of the loss of the Company for the year ended on that date.

iii) Proper and sufficient care for the maintenance of adequate records in accordance with the provisions of the Act for safe guarding the assets of the Company and for preventive / detecting fraud and irregularities have been taken.

iv) The Annual Accounts have been prepared on a going concern basis

**7. CORPORATE GOVERNANCE**

**As the networth of the company is less than Rs.25 crores, Corporate Governance Clause is not applicable to the Company.**

8. Regarding the auditors comments about non payment of statutory dues to the authorities we submit that due to the continuous cash losses we could not deposit in time. However during the year under review the company has paid Rs.1.42 lacs and 0.20 lacs towards PF

and ESI dues. The Company is taking all necessary steps to clear the statutory dues.

**9. AUDITORS :**

The Company's Auditors, M/s.Pinnamaneni & Co., Chartered Accountants, Vijayawada, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

**10. ACKNOWLEDGEMENTS :**

Your Directors wish to express their gratitude to Financial Institutions, Banks, for the whole hearted-co-operation and assistance extended to the Company.

Your Directors also wish to thank the employees of the Company for their dedicated services and valuable contribution to the growth of the Company.

Your Directors sincerely thank the members for the confidence reposed by them in the company and look forward to their valuable support for the future plans of the company.

For and on behalf of the Board.

**P.VEERANARAYANA,**  
**P.MADHUPRATHAP**  
 Directors

PLACE : Tirupati  
 Date : 31-07-2006

## ANNEXURE TO THE DIRECTORS' REPORT

### A. CONSERVATION OF ENERGY :

As in the past, the Company has been continuing its efforts to improve methods of energy conservation and utilization

### B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

The latest technology is being adopted for improving productivity and product quality and reducing consumption of inputs.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

	2005-06 (Rs.in Lacs)	2004-05 (Rs. in Lacs)
A) Value of Exports(F.O.B.Value)	--	3.10

D. Particulars of employees pursuant to Section 217(2A) of the Companies Act, 1956 read with the companies (particulars of Employees) rules 1975 and forming part of the Directors Report for the year ended 31<sup>st</sup> March 2006.

During the year under report, none of the employee of your company were in receipt of remuneration in excess of the limits prescribed for disclosure as per Section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975 as amended.

**E. ARREARS OF LISTING FEE :**

In terms of the clause 32(b) of listing agreement, the details of listing fee payable to the stock exchanges are given below :

Stock Exchange	Due Amount (in Rs.)
Hyderabad Stock Exchange Ltd	86,200
Mumbai Stock Exchange Ltd	Nil


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**FOR AND ON BEHALF OF THE BOARD**

**P.VEERANARAYANA P. MADHUPRATAP  
DIRECTORS**

**PLACE : TIRUPATI**

**DATE : 31-07-2006**