

26th ANNUAL REPORT

2008 - 2009

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**BOARD OF DIRECTORS**

Sri P. Veerananarayana

Vice Chairman and
Managing Director

Sri P. Madhuprathap

Technical Director

Sri. K. Subbaiah

Director

Sri. K. Eshwaraiah

Nominee Director (APIDC)

REGISTERED OFFICED4 & 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, 4th 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 Stock Exchange, Mumbai

REGISTRAR FOR DEMATBigshare Services Pvt. Ltd
E-2, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri(E),
Mumbai-400072**26th ANNUAL GENERAL MEETING**Date : Saturday 21st November, 2009

Time : 3:30 pm

Venue : Registered Office
D4 & D5, Industrial Estate
Renigunta Road
TIRUPATI-517506**CONTENTS****Page No.**

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NOTICE TO SHAREHOLDERS :

NOTICE is hereby given that the 26th Annual General Meeting of the Company will be held at its Registered Office: D4 & D5, Industrial Estate, Renigunta Road, Tirupati-517506 (AP) at 3.30 P.M on 21st November, 2009 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance sheet as at 31st March' 2009 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 to held office from the conclusion of the Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By order of the Board of Directors.

P. Veernarayana
 (Vice Chairman &
 Managing Director)

P. Madhupratap
 (Technical Director)

Place : Tirupati

Date : 20-07-2009.

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. A form of proxy is enclosed. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.
- 2) The Register of Members and Transfer Books of the Company will remain closed from Monday, 17th August 2009 to Friday, 21st August 2009 (both days inclusive).
- 3) The instrument appointing a proxy should however be deposited.
- 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) Members are requested to note that herein after all shares related transactions i.e., transfer, transmission, transposition, nomination, change of name etc., are being handled by the company/ through share registrars.

DIRECTORS' REPORT

The Directors submit the Annual Report of the company together with the Audited Statements of the accounts for the year ended 31st March'2009.

1. FINANCIAL RESULTS:

The brief financial results of the company for the year ended 31st March 2009 are given hereunder

	(Rs in Lakhs)	
	2008-09	2007-08
i) Total Sales	888.80	752.63
ii) Profit before Depreciation, Interest and Tax	74.87	28.07
iii) Interest	0.18	1.53
iv) Depreciation	87.05	88.5
v) Other Income	3.51	3.35
vi) Profit before Tax	(8.85)	(58.62)
vii) Provision for Tax	--	--
viii) Net Profit for the Year	(8.85)	(58.62)

2. OPERATIONS:

The Company continued to see strong growth in the financial year 2008-09 driven by good performance in existing and new areas of business.

During the year under review, the turnover of your company has increased to Rs. 888.80 lakhs from Rs.752.63 lakhs thereby registering a growth of 14.42% 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 2008-09.

4. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, the directors hereby confirm that

i) In preparing the Annual Accounts for the year 2008-09, the applicable accounting Standards have been followed and no material departure are there.

ii) That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the states of affair of the Company at the end of the financial year and of the profit or loss of the Company for that period.

iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv) That the Directors had prepared the annual accounts on a going concern basis.

5. DIRECTORS:

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

Mr. K. Eswaraiah has been nominated as Nominee Director by APIDC.

6. DEPOSITS:

The Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956.

7. CORPORATE GOVERNANCE:

As the net worth of the company is less than Rs 25 crores, corporate Governance clause is not applicable to the company.

8. REPLY TO AUDITORS COMMENTS:

Regarding the auditors comments on confirmation of balances from Debtors and Creditors, we submit that we have already sent the letters to the Debtors and Creditors to confirm the balances; we have received some of the confirmation letters.

The auditors commented for not making provision for gratuity liability. Earlier the Company had LIC Gratuity account and was closed due to non-payment of regular premiums. The Company is taking the necessary to open a new account. The Company is paying gratuity as and when the amount is ascertainable. As the Company has accumulated losses from the past years, it's not able to make provision for gratuity liability.

9. PARTICULARS OF EMPLOYEES:

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 31st March 2009.

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.

10. AUDITORS:

Pinnamaneni & Co., Statutory Auditors of the Company retire at the conclusion

of this meeting. In view of the preoccupation of the present auditors with other assignments, your Board recommends the appointment of Sesha Prasad and Company, Chartered Accountants, Secunderabad as statutory auditors of the company to hold office from the conclusion of this annual general meeting till the conclusion of the next annual general meeting.

11. CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION.

The particulars as prescribed under section 217(2A) (1) (e) of the Act,, read with the companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, are set out in in an annexure to this report.

12. ACKNOWLEDGEMENTS

The Directors thank the Company's customers, vendors, investors, business associates, bankers for their support to the company.

The Directors appreciate and value the contributions made by every member of the SIBAR family.

For and on behalf of the Board.

P. Veernarayana

(Vice Chairman &
Managing Director)

P. Madhupratap

(Technical Director)

PLACE : Tirupati

Date : 20-07-2009.

ANNEXURE TO THE DIRECTORS' REPORT

A. CONSERVATION OF ENERGY:

A) Conservation of Energy:

As a part of continuing efforts to conserve various resources, following steps were taken to conserve energy:

- Electrical energy saving was achieved by installation of energy efficient motors, the production processes by eliminating high power consuming machines/equipments, optimization of central air conditioning plant, providing for automatic switch off for pump house motors, illumination systems, transparent roof sheets and use of CFL lamps in installation of natural draft air exhaust ventilators.

The Particulars of conservation of energy are as follows:

Particulars	Units	Amount in Rs.
Diesel	54130 Ltrs	1812297
Electricity	922946 KWH	3745948
Coal	11092 KGs	104043

B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

The Company continuous to use latest technology is for improving productivity and quality of its product.

- a) Research and Development cost NIL
- b) Technology absorption and innovation NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

	2008-09 (Rs.in Lacs)	2007-08 (Rs. in Lacs)
A) Value of Imports (F.O.B.Value)	3.06	- Nil -