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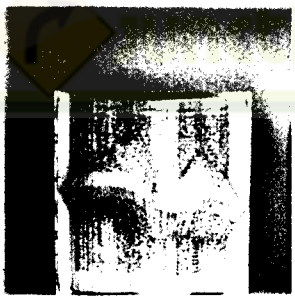
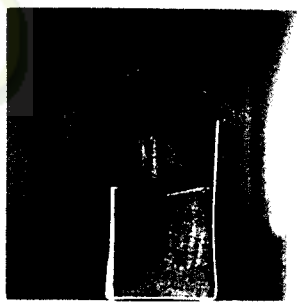
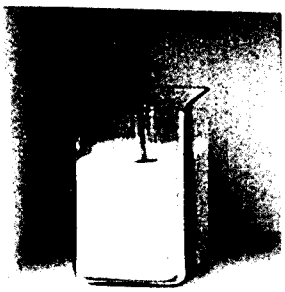
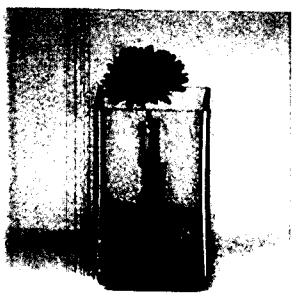
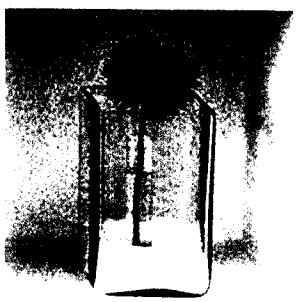
Himatsingka Seide

ANNUAL REPORT 2002-2003

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Himatsingka Seide Limited

NOTICE IS HEREBY GIVEN THAT the Eighteenth Annual General Meeting of the Company will be held as scheduled below:

Day	:	Friday
Date	:	8th August, 2003
Time	:	3.30 P.M.
Place	:	Hotel Gateway on Residency Road, 66, Residency Road, Bangalore

to transact the following business:

As Ordinary Business

1. To consider and adopt the Profit and Loss Account of the Company for the Financial Year ended 31st March, 2003, the Balance Sheet as at that date, and the Reports of the Directors and Auditors thereon.
2. To declare dividend for the financial year ended 31st March, 2003.
3. To elect a Director in place of Sri Basant Poddar, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To elect a Director in place of Sri Dilip J. Thakkar, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

As Special Business

6. To consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to provisions of Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals or permissions from any authorities as may be necessary and subject to such modifications or stipulations as may be advised / stipulated by such authorities, the Company hereby approves the appointment of Mr. Shrikant Himatsingka, as a Wholetime Director designated as Executive Director of the Company, liable to retire by rotation, for a period of 5 years with effect from 03.06.2003 on the following terms and remuneration:

(a) Salary: Rs 50,000/- per month in the scale of Rs 50,000 – 5,000 – 70,000. This will include dearness allowance and all other allowances not otherwise specified herein.

(b) Commission: Such amount of commission (in addition to salary and perquisites hereinafter stated) calculated with reference to the net profit of the Company for each financial year as may be fixed by the Board of Directors or a Sub-Committee of Directors which together with the salary and monetary value of perquisites shall not exceed the ceiling laid down in Section 309 of the Act.

(c) Perquisites as follows:

(i) Housing: Provision of a furnished accommodation, owned / hired by the Company and to deduct 10% of the monthly salary. If no accommodation is provided by the Company, house rent allowance will be payable at 50% of salary.

Explanation:

The expenditure incurred by the Company on electricity, water and furnishing, will be valued as per the Income tax Rules, 1962.

(ii) All medical expenses incurred for self and family shall be reimbursed.

(iii) Leave Travel concession for self and family will be allowed once in a year as may be sanctioned by the Board.

(iv) Fees of Clubs subject to a maximum of two clubs; this will not include admission and life membership fees.

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(v) Personal Accident Insurance, the premium of which shall not exceed Rs 10,000/- per annum.

(vi) Medical Insurance, the premium for which does not exceed Rs 25,000/- per annum.

(vii) Contribution to Provident Fund, Pension Fund, Superannuation Fund, Annuity Fund to the extent the same are not taxable under the Income Tax Act.

(viii) Gratuity as per the provisions of the Payment of Gratuity Act, or as per the Gratuity scheme of the Company, whichever is higher.

(ix) Provision of Car with driver for use on Company's business and telephone at residence.

(x) Leave unavailed of, to be allowed to be accumulated/encashed as per the rules of the Company.

"RESOLVED FURTHER THAT in the event of inadequacy or absence of profit in any financial year Mr. Shrikant Himatsingka, shall be paid the same remuneration as stated hereinabove, as minimum remuneration but subject to the upper limit, if any, prescribed under the Companies Act, 1956 from time to time."

"RESOLVED FURTHER THAT in the event of loss of his office as Wholetime Director, Mr. Shrikant Himatsingka shall be paid compensation in the manner and to the extent permissible under the provisions of Section 318 of the Companies Act, 1956."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby further authorised to take all such steps and to do all such acts, deeds and things, as may be necessary to implement the above resolution."

Registered Office
2/1, Midford Gardens
M.G.Road
Bangalore 560 001

By order of the Board,
for Himatsingka Seide Ltd.,

Amit Jain
Company Secretary

Date 3rd June, 2003

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Notes:

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed.

2. 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. PROXIES IN ORDER TO BE EFFECTIVE MUST REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.

3. The Register of members and share transfer books of the Company shall remain closed from 25th July, 2003 to 8th August, 2003 (both days inclusive).

4. The dividend for the year ended 31st March, 2003 as recommended by the Board, if sanctioned at the meeting, will be paid within the statutory time limit, to those members whose names appear in the Company's Register of Members on 8th August, 2003. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per the details furnished by National Securities Depository Limited and Central Depository Services of India Limited for this purpose.

5. Members desiring any information as regards accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

6. The Company has already transferred, unclaimed dividend declared upto the financial year ended 31st March, 1995 to the General Revenue Account of the Central Government as required by the Companies

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Proxy Form

Himatsingka Seide Limited
Registered Office
2/1, Midford Gardens, M.G.Road, Bangalore - 560 001

Registered Folio No..... No. of shares.....
Or
DP ID No.....
Client ID No.....

I/We.....

of.....in the district of.....

hereby appoint.....of.....

in the district of.....

or failing him..... of.....

in the district of.....
as my/our proxy to vote for me/us on my/our behalf at the EIGHTEENTH ANNUAL GENERAL MEETING of the Company to be held on 8th August, 2003 and at any adjournment thereof.

Signed this.....day of.....2003

Signature.....

Re.1/-
Revenue
Stamp

Note– This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

Attendance Slip

Himatsingka Seide Limited
Registered Office
2/1, Midford Gardens, M.G.Road, Bangalore - 560 001

AGM 8th August, 2003

Registered Folio No..... No. of shares.....
Or
DP ID No.....
Client ID No.....

I certify that I am a Registered Shareholder/Proxy for the Registered Shareholder of the Company

I hereby record my presence at the EIGHTEENTH ANNUAL GENERAL MEETING of the Company at Gateway Hotel on Residency Road, 66, Residency Road, Bangalore - 560 025

Member's / Proxy's name in BLOCK Letters .....

Member's / Proxy's Signature .....

Note– Please fill in this Attendance Slip and hand it over at the Entrance of the Meeting Hall.

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Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules. Those shareholders who have so far not claimed or collected their dividend upto the aforesaid financial year may claim their dividend from the Registrar of Companies, Karnataka, 2nd Floor "E" Wing, Kendriya Sadan, Koramanagala, Bangalore - 560 034. Members who have not encashed the dividend warrant/s are requested to immediately forward to the Company the said Dividend Warrant/s for cancellation and issue of demand draft/s in lieu thereof. In case the said Dividend Warrant/s has / have been lost or misplaced or not received by any member for any reason whatsoever, such member may please apply for issue of demand drafts in lieu thereof.

7. In case Members are holding shares under different folio numbers, but in the same order of name, the holdings can be consolidated under one folio. In such cases, members may send the certificates to the Registered Office of the Company by Registered Post.
8. Notify immediately any change of address to Company / Registrars (for shares held in physical form) and Depository Participants (for shares held in dematerialized form).

Explanatory Statement Pursuant to section 173(2) of the Companies Act, 1956

Item No. 6

Mr. Shrikant Himatsingka has obtained a degree of Bachelor of Science in Economics from the Leonard Stern School of Business, New York University. His subject majors included Financial Accounting, Management and organizational behaviour.

He joined the Company as Executive on 15.05.2001.

Mr. Shrikant Himatsingka is 23 years old. In the last two years, he has gained experience in various departments in the Company. He has been instrumental in taking forward the Company's plan to enter the domestic market.

The Board of Directors in its meeting held on 3rd June, 2003 appointed Mr. Shrikant Himatsingka as a whole time Director designated as Executive Director of the Company, liable to retire by rotation for a period of 5 years w.e.f. 3rd June, 2003, subject to approval of the shareholders.

A notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose the name of Mr. Shrikant Himatsingka as a Director of the Company. Mr. Shrikant Himatsingka has filed with the Company his consent to act as a Director, if so appointed.

The terms and conditions stated in this Notice may be deemed to be an abstract of the terms of the contract of appointment, as required to be disclosed under Section 302 of the Companies Act, 1956.

Since Mr. Shrikant Himatsingka is less than 25 years of age, his appointment as Whole Time Director and payment of Remuneration requires the approval of shareholders by a Special Resolution. The Board recommends the resolution for adoption.

Mr. D.K. Himatsingka and Mr. Shrikant Himatsingka would be interested in the resolution and none of the other Directors of the Company are interested in the resolution.

Registered Office
2/1, Midford Gardens
M.G. Road
Bangalore 560 001

Date 3rd June, 2003

By order of the Board,
for Himatsingka Seide Ltd.,

Amit Jain
Company Secretary

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Additional Information on Directors Recommended for Appointment or seeking Election at the Annual General Meeting.

The following paragraphs provide biographical data about the Directors seeking re-election or recommended for appointment as a Director.

Sri Basant Poddar has been a Director of the Company since 1994. He is a industrialist and has rich experience in business and export markets. He is a member of the Audit Committee and Shareholders / Investors Grievance Committee of the Board. He is a Director of K.L. Poddar and Sons Private Limited, Karnatak Mining Company Private Limited, Mineral Enterprises Private Limited, Designer Pavings & tiles Private Limited, Linkwell Enterprises Private Limited, Credit Himatsingka Limited, Nandi Engineers Private Limited, Jay Narayan Finance Company Private Limited, Ferrock Exports Limited and Syndicated Reality Private Limited. He is also a member of the Advisory Committee (Employer's representative), Iron / Manganese / Chrome Ore Mines Labour Welfare Fund for the State of Karnataka, Ministry of Labour, Government of India.

Sri Dilip J Thakkar has been a Director of the company since January 2001. He is the Chairman of the Audit Committee of the Company. He is a Chartered Accountant since 1961 and is a senior partner of the eminent firms, M/s Jayantilal Thakkar & Co., Mumbai and M/s. Jayantilal Thakkar Associates, Mumbai and has sound knowledge of accountancy and corporate governance. He has extensively travelled abroad in the course of his professional practice. He specializes in Foreign Exchange Management Act and extensively advises Non Resident Indians, Overseas Corporations and large Indian Companies on Investments, Taxation, collaboration etc. He was the Chairman and a member of the Indian Advisory Boards of Hongkong and Shanghai Banking Corporation Limited and The British Bank of Middle East. He is a Director of Omega Management Services Limited, Rajasvi Properties Holdings Private Limited, Nandan Investments Private Limited, Monotona Exports Limited, Starrock Investments & Trading Private Limited, Matsushita Lakhanpal Battery India Limited, Deccan Florabase Limited, Essar Investments Limited, Essar Oil Limited, India Consultancy Group Private Limited, Golden Heer Importers Private Limited, Thirumalai Chemicals Limited, The Ruby Mills Limited, Premier Auto Electric Limited, Chrysanthemum Investments Private Limited, Blueberry Trading Company Private Limited, Township Real Estate Developers Private Limited, Hamlet Constructions India (Private) Limited, Indo Count Industries Limited, Walchandnagar Industries Limited. He is a trustee of HSBC Mutual Fund.

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Despite the not too comfortable global economic outlook, your company was able to maintain its turnover, and in fact showed a better price realisation.

Dear Shareholders

The global economy, which was widely expected to recover during 2003, is continuing to show signs of weakness. With the cessation of hostilities in Iraq, the US economy showed initial signs of coming out of its stagnation, but the recovery could not be sustained. On the other hand, Europe, which had all along maintained its modest growth in its GDP, seemed to be getting into a recessionary trend. With Japan, the third largest economic group, locked into a deep recession over an extended period of time, the global economy continues to remain uncertain.

There are, however, some signs of recovery, principally in USA, beginning from the last quarter of 2003. The weakening of the dollar against other currencies is expected to be beneficial to the US exporters, while greater stability in the Middle East and the waning of the threat of terrorism is likely to bolster consumer confidence. It is also hoped that the problems in Europe would be only short lived and the major countries in the continent would come out of recession soon.

Paradoxically, in the context of the global economic uncertainty, the Indian economy seems to be in a robust state. With a steady flow of inward remittances, the Foreign Exchange Reserve situation continues to be comfortable, imparting a measure of stability to the external payments situation. The first month of monsoon has been above normal and the forecast so far indicates a normal monsoon for the rest of the season. Agriculture, which showed a decline in the last fiscal year, is expected to stage a smart recovery during the year. The news on the industrial front, is also cheerful with most of the industries recording higher turnover and profits. It looks as though indian industry has been successfully able to overcome the challenges of globalisation and has now acquired greater confidence to confront the global economy on level terms. Despite the continuing strengthening of the Indian Rupee, the export sector is registering reasonable growth and this shows that the consolidation and cost cutting efforts of the export sector has paid handsome dividends.

It looks as though the Indian economy has crossed the hump and is poised to scale new heights in the years to come.

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