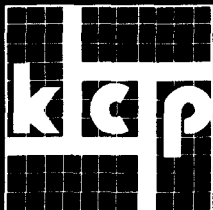


Report  Junction.com

THE  LIMITED

62

ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2003



CONTENTS

	<u>Page No.</u>
Board of Directors	3
Notice to Shareholders	4
At a Glance	5
Report of the Directors	6
Report on Corporate Governance	11
Balance Sheet Abstract and Company's General Business Profile	15
Auditors' Report	16
Balance Sheet	18
Profit and Loss Account	19
Schedules	20
Statement of Significant Accounting Policies	29
Notes forming part of the Accounts	31
Cash Flow Statement	39
Subsidiary Companies	
1. KECEPE Investments Private Limited	41
2. KCP Vietnam Industries Limited	53
3. KCP Bio Tech Limited	65
Consolidated Financial Statements of the KCP Limited Group	78

THE KCP LTD.

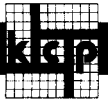
HIGHLIGHTS

(Rs. in Lakhs)

	Year Ended									
	31-3-94	31-3-95	31-3-96	31.3.97**	31-3-98	31-3-99	31-3-00	31-3-01	31-3-02	31-3-03
SHARE CAPITAL	1719	2578	2578	1289	1289	1289	1289	1289	1289	1289
RESERVES & SURPLUS	4908	5969	7263	9035	9425	9399	8329	8740	8435	8112
NET WORTH	6627	8547	9841	10324	10714	10688	9618	10029	9725	9401
FIXED ASSETS (NET)	8751	9056	10146	5292	6628	9357	9316	8686	8146	7556
GROSS INCOME	26002	35870	37654	21941	15466	19235	13957	13954	14092	14353
GROSS PROFIT	4752	6614	4569	7176	1702	2039	1139	2544	2734	1122
DEPRECIATION	636	632	692	360	356	419	618	701	695	688
INTEREST	1577	1262	1738	487	590	1152	1480	1255	1051	774
PROFIT BEFORE TAX	2538	4720	2139	6328	756	468	-959	587	988	-339
PROFIT AFTER TAX	2537	3369	1939	5478	656	318	-962	567	790	-178
EARNINGS PER SHARE (Rs.)	14.76	13.07	7.52	42.49	5.09	2.47	-7.08	4.40	6.13	-1.38
BOOK VALUE PER SHARE(Rs.)	38.55	33.15	38.17	80.08	83.11	82.91	74.61	77.79	75.43	72.93
DIVIDENDS ON EQUITY (%)	25	35*	25	25	25	25	10	11	20	10
DEBT EQUITY RATIO	0.77	0.51	0.55	0.41	0.67	0.76	0.76	0.62	0.47	0.62

* Including 10% recommended as Founder's Centenary Bonus Dividend.

** After . Re-Organisation

**DIRECTORS**

DUTT V.L.
Chairman & Managing Director

INDIRA DUTT V.L.
Joint Managing Director

KAVITHA D. CHITTURI
Executive Director

RAMAKRISHNAN P.R.

RAMAKRISHNAN V.H.
Nominee of IDBI

NANDAGOPAL S.

PANIKAR C.V.R.

PINNAMANENI KOTESWARA RAO

RAJU G.S.

REDDY D.S.

SWAMINATHA REDDY O.

**SECRETARY AND CORPORATE
GENERAL MANAGER (Finance)**

PRANESH K.B.

AUDITORS

M/s BRAHMAYYA & CO.
Chartered Accountants, Vijayawada

COST AU

M/s P. PARANKUSAM & CO., Hyderabad.

BANKERS

STATE BANK OF INDIA
CANARA BANK

REGISTERED AND CORPOR

"RAMAKRISHNA BUILDINGS"
2, Dr. P.V. CHERIAN CRESCENT,
EGMORE, CHENNAI - 600 008.
PH : 28270687 & 28279533 E MAIL : kcp@vsnl.com

**REGISTRARS & SHARE TRANSFER AGENT
&
DEPOSITORY REGISTRARS**

M/s INTEGRATED ENTERPRISES (INDIA) LIMITED
II FLOOR, "KENCES TOWERS",
NO.1, RAMAKRISHNA STREET,
NORTH USMAN ROAD, T.NAGAR,
CHENNAI - 600 017.
Ph : 28140801 to 803 Fax : 28142479
Website : www.iepindia.com

THE KCP LTD.

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Sixty Second Annual General Meeting of the Shareholders of the Company will be held on Monday, the 29th September, 2003 at the Registered Office of the Company at "Ramakrishna Buildings", No. 2, Dr. P.V. Cherian Crescent, Egmore, Chennai - 600 008 at 11.30 A.M. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, the accounts of the Company for the year ended 31st March, 2003 and the Auditors' Report thereon.
2. To declare a dividend.
3. To appoint auditors for the current financial year and to authorise the Board of Directors to fix their remuneration. Messrs. Brahmayya & Company, Chartered Accountants, Vijayawada, retire at this Annual General Meeting and are eligible for re-appointment and to consider if thought fit, to pass the following resolution as Special Resolution.

Pursuant to Section 224A of the Companies Act and other applicable provisions, if any, RESOLVED that M/s. Brahmayya & Co., Chartered Accountants, Vijayawada retiring at this Annual General Meeting be and are hereby appointed as Statutory Auditors till the conclusion of next Annual General Meeting.

Further RESOLVED that the Board of Directors be and are hereby authorised to fix their remuneration.

4. To appoint a Director in the place of Sri. D.S. Reddy, who retires by rotation and who is eligible for re-appointment and to consider and if thought fit, to pass the following resolution as an Ordinary Resolution. RESOLVED that Sri. D.S. Reddy, who retires by rotation be and is hereby re-appointed as a Director of the Company.
5. To appoint a Director in the place of Sri. O. Swaminatha Reddy, who retires by rotation and who is eligible for re-appointment and to consider and if thought fit, to pass the following resolution as an Ordinary Resolution. RESOLVED that Sri. O. Swaminatha Reddy, who retires by rotation be and is hereby re-appointed as a Director of the Company.
6. To appoint a Director in the place of Sri. Kavitha Dutt Chitturi, who retires by rotation and who is eligible for re-appointment and to consider and if thought fit, to pass the following resolution as an Ordinary Resolution. RESOLVED that Sri. Kavitha Dutt Chitturi, who retires by rotation be and is hereby re-appointed as a Director of the Company.

SPECIAL BUSINESS

7. To delist the Company's Equity Shares from Madras Stock Exchange Limited and Hyderabad Stock Exchange Limited and to consider and if thought fit, to pass with or without any modification the following resolution as a Special Resolution.

RESOLVED that pursuant to Securities and Exchange Board of India (delisting of securities) Guidelines 2003 issued under section 11(1) read with sub-section (2) of Section 11A of SEBI Act, 1992 and other applicable rules and regulations, if any, equity shares of the Company listed in Madras Stock Exchange Limited and Hyderabad Stock Exchange Limited be delisted from the said Exchanges w.e.f. 1-4-2004.

(BY ORDER OF THE BOARD OF DIRECTORS)

Place : Chennai-600 008

For **THE K C P LIMITED**

Date : 20th June, 2003

V.L. DUTT

Chairman

NOTES :

1. Any member entitled to attend and vote may appoint a proxy to attend and vote instead of himself, and a proxy need not be a member.
2. Any member/proxy wishing to attend the meeting must complete the admission slip and hand it over at the entrance.
3. Shareholders are requested to notify their change of address, if any, without delay. IN ALL CORRESPONDENCE THE LEDGER FOLIO NUMBER / CLIENT ID SHOULD BE INDICATED.
4. A brief profile of the Directors retiring by rotation and eligible for re-appointment, as required by Clause 49 (VI) (A) of the Listing Agreements signed by the Company with the Stock Exchanges, is given as item no. 13 in the Directors' Report forming part of the Annual Report.
5. Shareholders are requested to bring with them their copies of the Annual Report as due to the prohibitive costs of printing, it will not be possible to supply extra copies.
6. The Register of Members and the Register of Share Transfer will remain closed from 16th September, 2003 to 30th September, 2003, both days inclusive.
7. Members who wish to have their dividend warrant printed with the bank account for direct credit may please forward a mandate for payment of dividend, to avoid loss during postal transit or interception and encashment by unscrupulous persons.
8. The Company has already transferred the 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 Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978.
9. Pursuant to the amendments to the Companies Act, 1956 the unpaid dividends that are due for transfer to the Investor Education and Protection Fund, on 6th September, 2003.



10. Shareholders who have not encashed the dividend warrants for the earlier years (prior to June, 1996) are requested to claim the amount from the Registrar of Companies (Tamil Nadu), Shastri Bhavan, No. 26, Haddows Road, Chennai - 600 006.

Members who have not encashed their dividend warrants pertaining to the years subsequent to 31st March 1996 may approach the Company's Registered Office at No. 2, Dr. P.V. Cherian Crescent, Egmore, Chennai - 600 008 or the Registrars & Transfer Agent.

EXPLANATORY STATEMENT ANNEXED TO THE NOTICE

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

Note on Item No. 3

Banks & Financial Institutions hold more than 25% of the subscribed and paid up share capital of the Company, mainly by way of shares held as security. In terms of clarification of the Department of Company Affairs in this regard, it is necessary to pass a Special Resolution to appoint auditors in terms of Section 224A of the Companies Act, 1956. Accordingly a Special Resolution is tabled for consideration.

None of the Directors of the Company is interested in this Resolution.

Note on Item No. 7

The Company's equity shares are listed in National Stock Exchange of India Limited, Madras Stock Exchange Limited and Hyderabad Stock Exchange Limited. These shares are regularly traded only in National Stock Exchange of India

Limited. National Stock Exchange of India Limited is an exchange having nationwide trading terminals. Therefore, the equity shares of the Company listed in National Stock Exchange of India Limited will remain liquid and tradable. In the past few years the Company's securities has not been effectively traded in Madras Stock Exchange Limited and Hyderabad Stock Exchange Limited.

Securities and Exchange Board of India (SEBI) has framed guidelines called the "SEBI (delisting of securities) Guidelines 2003" under Section 11(1) read with sub-section (2) of Section 11A of SEBI Act. Under the said guidelines, Companies may opt for delisting of securities from multiple stock exchanges provided they remain listed in the stock exchanges having nationwide trading terminals. Presently, guidelines notify National Stock Exchange of India Limited and Stock Exchange, Mumbai as Stock Exchanges having nationwide terminals. Therefore after delisting in two stock exchanges i.e. Madras Stock Exchange Limited and Hyderabad Stock Exchange Limited, equity shares of the Company will remain listed only in National Stock Exchange of India Limited.

Guidelines also prescribe that prior approval of the shareholders of the Company by a Special Resolution passed in the General Body Meeting is to be obtained before an application for delisting is made to the Stock Exchange(s). Accordingly, the above Special Resolution is being tabled for members consideration.

None of the Directors of the Company is interested in this Resolution.

AT A GLANCE

	31.3.2003		31.3.2002	
Cement Produced (M.T.)	496255		360565	
Power Generated (KWH)	4086320		21802225	
TURNOVER:	Rs. (000')	%	Rs. (000')	%
Machinery & Equipment	419392	30.85	332254	25.48
Cement	877282	64.54	789872	60.59
Power	24970	1.84	101269	7.77
Others	37624	2.77	80337	6.16
	1359268	100	1303732	100
FIXED ASSETS				
Gross. Block	1655826		1651465	
Depreciation	903592		839489	
Nett	752234		811976	
RESERVES	811244		843536	
PROFITS (Before Depreciation and taxation)	34887		168323	
NETT PROFIT (After Depreciation, and taxation, available for appropriation and dividends)	-17841		78973	

THE KCP LTD.

REPORT OF THE DIRECTORS' FOR THE YEAR ENDED 31ST MARCH 2003

Submitted to the Shareholders at the 62nd Annual General Meeting held
at the Registered Office of the Company on Monday, the 29th September, 2003 at 11.30 a.m.

1. Your Directors have pleasure in submitting their report for the financial year ended 31st March, 2003 together with the Balance Sheet on that date and the Profit and Loss Account for the year ended on that date.

2. PROFIT & APPROPRIATIONS	Rs.
The accompanying accounts	
Show a net loss of	1,78,40,600
for the year 2002-2003 after providing	
for interest of Rs. 7,73,59,699	
Depreciation of Rs.6,87,97,717	
and withdrawal of deferred	
taxation of Rs.1,60,70,407 to which	
are added, income-tax refund of	
Rs. 92,058 and	
Balance brought forward from	
2001-2002	53,66,50,349
	51,89,01,807

Deduct:

Transfer to general reserve	NIL
Proposed dividend and tax thereon	1,45,43,918
Leaving the balance to be carried	
to the next year of account amounting	
to	50,43,57,889

3. DIVIDENDS

Your Directors recommend payment of a Dividend of Rs. 1.00 per share on 1,28,92,116 Equity Shares of Rs. 10/- each amounting to Rs. 1,28,92,116.

4. CAPITAL & RESERVES

Capital of the Company stood at Rs.12,89,21,160 and the Reserves stood at Rs. 81,12,44,033 as on 31st March, 2003.

5. FIXED DEPOSITS

As at 31st March, 2003, there were deposits matured and unclaimed amounting to Rs. 55,62,000 of 387 depositors. Since then, Rs. 9,55,000 of 61 depositors were renewed and Rs. 6,08,000 of 28 depositors were repaid.

6. MANAGEMENT DISCUSSION & ANALYSIS

SALES & PROFITS

FINANCIAL YEAR

2002-2003 2001-2002
(Rs. in lakhs)

Sales	13,593	13,037
Profit before interest & tax	435	2039
Operating margin	3.20%	15.64%
Profit(+)/Loss(-) after tax	-178	+790
Return on capital employed	8.02 %	15.23%
Current ratio	2.09	2.02
Debt equity ratio	0.13	0.23
Inventory Turnover	4.17	3.87

During the year, operating margin deteriorated as compared to the previous year mainly due to set back in power generation. Inadequate water storage in Nagarjuna Sagar Dam owing to poor monsoon resulted in meagre flow of water for shorter duration during the year. Consequently, power generation was less than 20% of capacity.

CEMENT

Operational Performance :

FINANCIAL YEAR

	<u>2002-2003</u>	<u>2001-2002</u>
Cement produced (M.T.)	4,96,255	3,60,565
Capacity Utilisation (%)	99%	72%
Cement sold (M.T.)	4,92,886	3,67,974
Turnover (Rs. in lakhs)	8,780	7,899
Segment result (Rs. in lakhs)	279	1130

During the first half-year, prices were very low due to excess supply. During the second half-year, improved demand firmed up prices. In the overall, even with a substantial increase in production and sale, segment results were just marginal. The Company could achieve reduction in consumption of power per unit of production.

Overview :

The Company operates a plant of 500,000 tonnes annual capacity at Macherla in Guntur District of Andhra Pradesh. The Company markets cement in Andhra Pradesh, Pondicherry and parts of Tamil Nadu. Status of cement industry in Andhra Pradesh has a major impact on the Company, since over 85% of sales is effected in that State.

State of the Industry :

Andhra Pradesh traditionally has surplus capacity in cement production. Consequently, severe competition and pressure on prices are the adverse economic factors which the company has to withstand. Production at 100% capacity i.e. 500,000 tonnes per annum mentioned above, constitutes 5% of capacity available in Andhra Pradesh. With new units having come into production near the core market area, there is severe competition in the company's core market. Cement industry in Andhra Pradesh witnessed a fall in realisation with increased sales and vice versa.

The Company markets 10% of its production in Tamil Nadu. This market had a set back due to current year's budget proposals of the State Government, which levied higher Sales Tax over prescribed price limits on a multi-point basis. With the above price ceiling, market in Tamil Nadu became totally unremunerative. However, it is necessary to be present in the market as an insurance towards any loss in market share of core market due to severe competition.



It is imperative that cost of production is maintained at the lowest by modernising and absorbing new energy efficient technology to keep pace with the latest plants. Constant effort is made towards cost reduction, especially with a view to achieve energy efficiency.

Another trend in the industry is to manufacture and supply blended cement.

Outlook :

The Company produced 28% blended cement and 72% portland cement during the year. The Company proposes to increase blended cement production in the coming year which will serve to reduce costs and to preserve ecology.

Outlook for the current year is similar to the year under report. During the first two months, prices have not collapsed. In view of volatility in prices, this segment is expected to post results only marginally better than the previous year.

POWER

Operational Performance :

FINANCIAL YEAR

	2002-2003	2001-2002
Hydel power generation in (KWH)	40,86,320	2,18,02,225
Usage (KWH)	65,48,942	2,50,44,133
Turnover (Rs. in lakhs)	250	1,013
Segment result (Rs. in lakhs)	-162	576

Generation of electricity was less than 20% of the capacity due to inadequate water storage in Nagarjuna Sagar Dam, owing to poor monsoon.

Overview :

The Company set up five mini-hydel units aggregating to 8.25 MW capacity in the Guntur branch canal of the Nagarjuna Sagar Dam. This being an irrigation canal, water is expected to be available for seven to eight months of the year. Electricity generated in these units is wheeled to the Company's cement unit for use. Generation in excess of the consumption at the cement unit is banked on a monthly basis and is to be used within twelve months of generation. Electricity unused even after twelve months is sold to the Grid. Electricity used in the cement factory will be deducted from the monthly bills and will get a relief at the H.T rates, while electricity sold to grid will be paid for at the prevalent purchase price by APTRANSCO.

Risks :

Two schemes are operating at half the capacity due to irrigation and canal constrains. Further, water flow in the canal is unpredictable. This is entirely dependant on the monsoon and filling up of Nagarjuna sagar dam. In the current year, owing to failure of monsoon, water storage was very low. Consequently, water release was poor both in terms of quantum and number of days. During the year under report, this resulted in total generation being 20% of normal capacity.

Concerns :

The Company has entered into an agreement with Andhra Pradesh Transmission Corporation Limited (APTRANSCO) for wheeling the generated energy at Hydel stations to the cement plant at a charge of 2% fixed for a period of 20 years. However, Andhra Pradesh Electricity Regulatory Commission reviewed these provisions and hiked the wheeling charges by about 15 times. This issue was challenged and the A.P. High Court has quashed the order of APERC.

Similarly, APERC also ordered fresh charges for service line connection and the Government of Andhra Pradesh hiked water cess exorbitantly. Our appeal to the High Court against APERC order has been disposed of favourably while the appeal against Government is pending before the Court.

Outlook :

Prospects of this unit is dependent on good monsoon in catchment area for Nagarjuna Sagar Dam. Further, due to constant search for ways and means to augment revenue earnings, State Electricity Authorities are likely to end up enhancing costs for power producers.

ENGINEERING

Operational Performance :

FINANCIAL YEAR

	2002-2003	2001-2002
		(Rs. in lakhs)
Turnover :		
Domestic	4,112	3,818
Export	453	307
Segment result	130	298

The Company operates a versatile engineering facility which is capable of manufacturing heavy mechanical equipment to a given design for varied industries. This workshop has foundry, heavy fabrication and machine shop facilities, integrated within the plant location. The Company continued to use the facility at Arkonam for manufacture through sub-contracting.

Operation of the Engineering Unit at Tiruvottiyur was marginally better than the previous year in terms of turnover. However, owing to customer delays the Company had to hold finished goods in stock and was unable to book profits for completed jobs.

Overview:

Status of capital goods sector :

Domestic demand for capital goods was sub-due. Orders for general engineering products and power project equipment were received. The Company completed fabrication of satellite launch pad for ISRO to be installed in Sriharikota. Export orders from Germany, USA and Australia were contracted for. Domestic industrial revival in steel and export potential are positive factors that will generate demand.

THE KCP LTD.

Opportunities :

The Company has added new range of products like valves and filters to the product line. Further, prompt execution of export jobs with quantity has generated international enquiries from new customers.

Risks :

Product mix and customer mix are the deciding factors for the performance of this segment. These are variable with shorter time cycle. Consequently, this segment is open to drastic variations in job orders and hence the results.

Outlook :

With the orders on hand at Rs. 3436 lakhs and the existing product-mix, fiscal 2003-2004 is expected to be better as compared to the year under report.

7. CORPORATE INVESTMENTS

Performance :

Fives Cail KCP Limited :
(formerly FCB-KCP Limited)

Operations during the year ended 31.03.2003 continued to be poor due to hold up of orders from the customer end owing to financial constraints. The Company has posted loss for the year ended 31st March 2003. Prospects for the ensuing year are not encouraging, since revival of these orders alone will decide the performance level of the company.

Sudalagunta Sugars Limited :

Sudalagunta Sugars Limited crushed 458314 tonnes during the season ended 15-5-2003 with a recovery of 9.6%. During this financial year, the Company also sold 2,00,58,368 units of electricity. However, owing to the capital structure and the industry scenario, the Company is unable to declare any dividend. There was no return from this investment in the current accounting year.

K.C.P. Biotech Limited :

(formerly KCP-Vantech Limited)

This subsidiary has concluded a contract with CFTRI, Mysore for obtaining technology for production of natural colourants. Factory land has been acquired in the Andhra Pradesh Bio-tech Park, Hyderabad. The project estimated to cost Rs. 350 lakhs, is expected to start commercial production by June, 2004.

Somayajulu & Co. Limited :

Company's investment in Somayajulu & Co. Ltd. did not return any income during the current year. Operations during the year 31-3-2003, were satisfactory, inspite of poor market conditions. The Company posted marginal profits. Based on the first two months of the current fiscal, prospect for the ensuing year is good.

KCP Vietnam Industries Limited :

KCP Vietnam Industries Limited concluded the first season with a crush of 239374 and a recovery of 9.66%. Sugar prices were reasonable during the first three quarters. For the year ended 31-12-2002, the Company earned a cash profit of Rs. 320 lakhs. However, after absorbing depreciation workings resulted in a loss of Rs. 558 lakhs. The second season commenced on 31-12-2002 and is still in progress.

During the current year, further provisions towards shortfall in value of investments were effected, as warranted.

Overview :

Status and risks :

A substantial part of the Company's assets are deployed in the Company's subsidiary engaged in manufacture and sale of sugar in Vietnam. Prospects of this business will impact the Parent Company. However, return from this project for the equity investment is not expected before 3 or 4 years from now.

The re-located plant during the current ongoing season has achieved a crushing of 351130 tonnes with a recovery of 9.27%. Expected crush for the season is 370000 tonnes which is 100% capacity utilisation. Presently, sugar prices are depressed. It is expected that the subsidiary will achieve cash breakeven during the current year.

Similarly, return from other investment in sugar sector is not likely to yield any returns for few years. The Company has concluded an arrangement with the promoter of Sudalagunta Sugars Limited for buy-back of Company's holding at par value.

Opportunity :

Production of natural colourants, the chosen field for Bio-tech venture has substantial market as per report published by CSIR and hence offers a vast potential. The success lies in arranging for the required agricultural inputs adhering to stringent quality standards. KCP with its experience in sugarcane is hopeful leveraging the strength in this sector.

8. CAUTIONARY STATEMENT

Statements in the "Management Discussion and Analysis" describing the Company's objectives, expectations or predictions are as perceived currently. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include : domestic supply and demand conditions affecting selling prices of finished goods, input prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

9. SAFETY & POLLUTION CONTROL

Cement Unit has valid consent from Pollution Control Board and the emission levels are well within the prescribed limits. Engineering Unit's application for consent is under consideration.



10. CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION, EXPORT AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A statement giving the details of conservation of energy, technology absorption, export and foreign exchange earned and outgo in accordance with the companies (Disclosure of particulars in the report of Board of Directors), Rules, 1988 is enclosed.

11. SUBSIDIARIES

The financial details required under Sec.212 of the Companies Act, 1956 in respect of subsidiaries, M/s. KECEPE Investments Pvt. Ltd., Singapore and M/s. KCP Vietnam Industries Limited, Vietnam and K.C.P. Biotech Limited, India have been attached to the Balance Sheet of the current year.

12. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Clause 2(AA) of Section 217 of the Companies Act, 1956, Board of Directors hereby states -

- 1) that in the presentation of annual accounts, applicable Accounting Standards have been followed and there is no material departure;
- 2) that the directors have selected such Accounting Policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company, as at 31st March, 2003 and profit of the Company for the year ended 31st March, 2003;
- 3) that the directors have taken proper and sufficient care 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.;
- 4) that the directors have prepared the annual accounts on a 'going-concern' basis.

13. DIRECTORS

Messrs.D.S. Reddy, O. Swaminatha Reddy, Kavitha Dutt Chitturi retire by rotation at the forthcoming Annual General Meeting. Being eligible, they offer themselves for re-appointment. Details of the retiring directors are given below :

1. Mr. D.S. Reddy, Industrialist is the Vice-Chairman of Oriental Hotels Limited with industrial experience of over 60 years. In addition to the directorship of the company he holds the following positions :
 1. Oriental Hotels Limited - Director
 2. Oriental Land & Development Co. Limited - Director
 3. OHL (International) Hongkong Limited - Director
 4. Dodla International Limited - Director
 5. Pioneer ITI Mutual Fund - Director

2. Mr. O. Swaminatha Reddy, a Chartered Accountant by profession has a vast banking and industrial experience spanning five decades. He held various high ranking posts which include Chairman, Andhra Bank, Chairman & Managing Director - Andhra Pradesh State Financial Corporation. In addition to the directorship in the company, he holds the following positions :

1. Sagar Cements Limited - Chairman
2. Swan Vacuum Systems Limited - Chairman
3. T.C.I. Finance Limited - Chairman
4. Sujana Resorts Limited - Chairman
5. Sagar Power Limited, Hyderabad - Chairman
6. V.B.C. Industries Limited - Director
7. Transport Corporation of India Limited - Director
8. Sirana Telecom Limited - Director
9. Bhagyanagar Metals Limited - Director
10. Khaitan Tiberwala Electricals Limited - Director
11. H.B.C. Flex Tech. Limited - Director
12. K.M. Power Private Limited - Director (Nominee IREDA)
13. Indian Institute of Economics - Chairman - Governing Body
14. Federation of A.P. Chamber of Commerce & Industry - Member - Management Committee (Ex-Officio)
15. Sagar Cements Limited - Chairman Audit Sub-Committee
16. Transport Corporation of India Ltd. - Chairman Audit Sub-Committee
17. Khaitan Tiberwala Elec. Ltd. - Chairman Audit Sub-Committee
18. Bhagyanagar Metals Ltd. - Chairman Audit Sub-Committee
19. Surana Telecon Ltd. - Chairman Audit Sub-Committee
20. V.B.C. Industries Ltd. - Member - Audit Sub-Committee