

ANNUAL REPORT

2002 - 2003

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Priyadarshini Spinning Mills Limited

208, Nilgiri, Aditya Enclave, Ameerpet.
Hyderabad - 500 038, A.P.

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PRIYADARSHINI SPINNING MILLS LIMITED

Board of Directors

Dr. K. Rajaveeraiah
Mr. K.V. Rao (Alternate Director to Dr. K. Rajaveeraiah)
Mr. Kamlesh Gandhi
Mr. K. Rama Mohana Rao
Mr. A.K. Tyagi, Director (Commercial)
Mr. G. Aravinda Ghosh, Executive Director
Mr. Srinivas Kodali, Executive Director
Mr. Harish Cherukuri, Managing Director

Company Secretary

Mr. M.V.R.L. Subrahmaneswara Rao

Audit Committee

Mr. Kamlesh Gandhi
Mr. K. Rama Mohana Rao
Dr. K. Rajaveeraiah

Shareholders Committee

Dr. K. Rajaveeraiah
Mr. G. Aravinda Ghosh
Mr. Harish Cherukuri

Remuneration Committee

Mr. K. Rama Mohana Rao
Mr. Kamlesh Gandhi
Dr. K. Rajaveeraiah

Statutory Auditors

M/s P. Srinivasan & Co.
Chartered Accountants
2-2-647/77/C-9, SBI Colony,
Bagh Amberpet, Hyderabad-500 013.

Bankers

State Bank of India
Union Bank of India
State Bank of Hyderabad
Bank of India
Bank of Bahrain & Kuwait B.S.C.

Regd. Office

208, Nilgiri,
Aditya Enclave, Ameerpet,
Hyderabad - 500 038.

Mktg. Division

G-9, Nahar & Seth Indl. Estate
Plot No.29, B/D, Chakala Road
Andheri (East), Mumbai - 400 093.

WORKS

Unit-I

Sadashivpet
Medak Dist.
A.P. - 502 291.

Unit-II

Doddavarappadu
Maddipadu (Mandal)
Prakasam Dist., A.P. - 523 211.

Wind Mill

Ramagiri
Anantapur Dist.
A.P. - 515 001.

Gas Power Project

Y. Kothapalli Village, P. Gannavaram Mandal
East Godavari Dist., A.P. - 533 240



PRIYADARSHINI SPINNING MILLS LIMITED

NOTICE

Notice is hereby given that the 22nd Annual General Meeting of Priyadarshini Spinning Mills Limited will be held on Friday, the 26th day of September, 2003 at 10.00 A.M. at Sri Sagi Ramakrishnam Raju Community Hall, 8-3-222/R/1, 'E' Block, Madhuranagar, Hyderabad -500 038, to transact the following Business:

ORDINARY BUSINESS:

1. To Consider and adopt the Audited Balance Sheet as at 31st March, 2003, the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kamlesh Gandhi, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. A.K. Tyagi, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration. M/s P.Srinivasan & Co., Chartered Accountants, the retiring Auditors of the Company are eligible for re-appointment.

SPECIAL BUSINESS:

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

RESOLVED THAT the consent of the Company be and is hereby accorded under section 314 (1) (b) and other applicable provisions, if any, of the Companies Act, 1956, to the appointment of Mr. Srinivas Kodali, a relative of Dr. K. Rajaveeraiah, Director, Mr. C.K. Rao, the then Managing Director and Mr. Harish Cherukuri, Managing Director of the Company, as President of the Company at a monthly salary of Rs.16,000/- (Rupees Sixteen Thousand only) together with the usual allowances and benefits, amenities and facilities including staff superannuation fund, gratuity and provident fund benefits applicable to other employees of the Company.

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to Sections 198, 269, 310 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, and subject to the approval of Financial Institutions, the consent of the Company be and is hereby accorded to the appointment of Mr. Harish Cherukuri, as Managing Director of the Company for a period of 5 years w.e.f 26-07-2003 on the following terms and conditions:

- A. Salary : Rs.35000/- (Rupees Thirty Five Thousand only) per month.
- B. Perquisites : Perquisites in Part-I will be restricted to an amount equivalent to Annual Salary to be reckoned on the basis of actual expenditure or liability incurred by the Company as provided under explanation to Section 198 of the Companies Act, 1956. Expenditure incurred by the Company under Part-II will not be considered for computation of ceiling on perquisites to the extent they are not taxable under the Income Tax Act. Expenditure incurred by the Company under Part-III will not be considered as perquisites. Subject to the above the Managing Director will be allowed the following:

PART - I

- i) Housing including Gas, Electricity, Water and furnishings (Non-interchangeable):
 - a) Expenditure incurred by the Company on hiring accommodation is limited to 60% of his salary over and above 10 % payable by the Managing Director.
 - b) Expenditure incurred by the Company on Gas, Electricity, Water and furnishings will be evaluated as per the Income Tax Rules, 1962 and will be subjected to a ceiling of 10% of the Salary.
 - c) In case, no accommodation is provided, House Rent Allowance at 60% of the salary will be payable. In case the accommodation provided is a Company owned or leased, he shall pay by way of rent an amount equivalent to 10% of his salary.
- ii) Medical benefits for self and family (Non-interchangeable): Reimbursement of expenses actually incurred, the cost of which to the Company shall not exceed one month salary in a year or 3 months salary in a block of 3 years.
- iii) Leave Travel Concession : Leave Travel Concession for self and family once in a year in accordance with the rules of the Company.
- iv) Personal Accident Insurance : Annual Premium not to exceed Rs.4000/- .
- v) Fees of Clubs : Subject to a maximum of 2 Clubs. No life membership or admission fee will be paid by the Company.

PART - II

- vi) Company's Contribution towards Provident Fund : As per the rules of the company; but not to exceed 12% of Salary or such higher rate as are not taxable under the Income Tax Act, 1961.



PRIYADARSHINI SPINNING MILLS LIMITED

- vii) Company's Contribution towards Pension/Superannuation Fund : As per the rules of the Company, but it shall not, together with the Company's contribution to Provident Fund, exceed 30% of the salary as laid down by the Income Tax Act, 1961 or such higher rate as are not taxable under Income Tax Act, 1961.
- viii) Gratuity : (Non-interchangeable) : Not to exceed half month's salary for each completed year of Service.

PART - III

- ix) Car : Use of Car for Company's business. The Managing Director shall pay for use of the Car for personal purpose.
- x) Telephone : Telephone facility will be provided at residence. All long distance personal calls shall be logged and paid by the Managing Director.
- C. Privilege Leave : On full pay and allowances, as per the rules of the Company but not exceeding one month leave for every 11 months of service subject further to the condition that leave accumulated but not availed of will not be allowed to be encashed.
- D. Others : Reimbursement of actual entertainment expenses, actual traveling and hotel expenses for the Company's business and/or allowances as per the Company's rules.
- E. COMMISSION : @5% subject to the limits specified in Schedule XIII to the Companies Act, 1956.
07. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT Mr. Srinivas Kodali, who was appointed as an Additional Director of the Company by the Board of Directors with effect from 26th July, 2003 pursuant to section 260 of the Companies Act, 1956 and Article 36(e) of the Articles of Association of the Company and who holds the office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956, in writing, proposing his candidature for the Office of Director, be and is hereby appointed as a Director of the Company subject to retirement by rotation under Articles of Association of the Company and under the Provisions of the Companies Act, 1956.

08. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to Sections 198, 269, 310 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, and subject to the approval of Financial Institutions, consent of the Company be and is hereby accorded to the appointment of Mr. Srinivas Kodali, as an

Executive Director of the Company for a period of 5 years w.e.f 26.07.2003 on the following terms and conditions:

- A. Salary : Rs.30000/- (Rupees Thirty thousand only) per month.
- B. Perquisites : Perquisites in Part-I will be restricted to an amount equivalent to Annual Salary to be reckoned on the basis of actual expenditure or liability incurred by the Company as provided under explanation to Section 198 of the Companies Act, 1956. Expenditure incurred by the Company under Part-II will not be considered for computation of ceiling on perquisites to the extent they are not taxable under the Income Tax Act. Expenditure incurred by the Company under Part-III will not be considered as perquisites. Subject to the above the Executive Director will be allowed the following:

PART - I

- i) Housing including gas, electricity, water and furnishings (Non-interchangeable):
- a) Expenditure incurred by the Company on hiring accommodation is limited to 50% of his salary over and above 10 % payable by the Executive Director.
- b) Expenditure incurred by the Company on gas, electricity, water and furnishings will be evaluated as per the Income Tax Rules, 1962 and will be subjected to a ceiling of 10% of the Salary.
- c) In case no accommodation is provided, House Rent allowance at 50% of the salary will be payable. In case the accommodation provided is a Company owned or leased house, he shall pay by way of rent an amount equivalent to 10% of his salary.
- ii) Medical benefits for self and family (Non-interchangeable): Reimbursement of expenses actually incurred, the cost of which to the Company shall not exceed one month salary or 3 months' salary in a block of 3 years.
- iii) Leave Travel Concession : Leave Travel concession for self and family once in a year in accordance with the rules of the Company.
- iv) Personal Accident Insurance : Annual Premium not to exceed Rs.4000/- .
- v) Fees of Clubs : Subject to a maximum of 2 Clubs. No life membership or admission fee will be paid by the Company.

PART - II

- vi) Company's Contribution towards Provident Fund : As per the rules of the company, but not to exceed 12% of Salary or such higher rate as are not taxable under the Income Tax Act, 1961.
- vii) Company's Contribution towards Pension / Superannuation Fund: As per the rules of the Company,



PRIYADARSHINI SPINNING MILLS LIMITED

but it shall not together with the Company's contribution to Provident Fund, exceed 30% of the salary as laid down by the Income Tax Act, 1961 or such higher rate as are not taxable under Income Tax Act, 1961.

- viii) Gratuity : (Non-interchangeable) : Not to exceed half month's salary for each completed year of Service.

PART - III

- i) Car: Use of Car for Company's business. The Executive Director shall pay for use of the Car for personal purpose.
- x) Telephone : Telephone facility will be provided at residence. All long distance personal calls shall be logged and paid by the Executive Director.
- C. Privilege Leave : On full pay and allowances as per the rules of the Company but not exceeding one month leave for every 11 months of service subject further to the condition that leave accumulated but not availed of will not be allowed to be encashed.
- D. Others : Reimbursement of actual entertainment expenses, actual traveling and hotel expenses for the Company's business and/or allowances as per the Company's rules.
- E. COMMISSION : @3% subject to the limits specified in Schedule XIII to the Companies Act, 1956.
09. To consider and, if thought fit, to pass, with or without modification(s), the following resolutions as a Special Resolutions:

RESOLVED THAT the consent of Company be and is hereby accorded for voluntary delisting of equity shares of the Company from Hyderabad Stock Exchange Limited (Regional Stock Exchange) with effect from 01.04.2004, subject to the provisions of the Companies Act, 1956, Securities Contracts (Regulation) Act, 1956 and the rules framed thereunder, Listing Agreement(s), Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, or any amendment or modification thereof and subject to such other approvals, permissions and sanctions as may be necessary by any authority or authorities.

RESOLVED FURTHER THAT the authority be and is hereby accorded to the Board of Directors or any person(s) authorised by the Board, to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.

by the Order of the Board
for **PRIYADARSHINI SPINNING
MILLS LIMITED**

HARISH CHERUKURI
Managing Director

Place : Hyderabad
Date : 26/07/2003

NOTES:

01. A member entitled to attend and vote at the meeting is entitled to appoint a proxy instead of himself/herself and such proxy need not be a member of the Company. But a proxy so appointed shall not have right to speak at the meeting. Proxy forms, to be valid, shall be lodged with the Company not less than 48 hours before the meeting.
02. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is attached hereto.
03. The Register of Members and Share Transfer Books of the Company will remain closed from 24.09.2003 to 26.09.2003 (both days inclusive).
04. In accordance with the amendments made to the section 205A of the Companies Act, 1956 and introduction of section 205C by the Companies (Amendment) Act, 1999, the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education & Protection Fund. Thereafter, the shareholders shall not be able to claim any unpaid dividend from the said fund or from the Company. Therefore, the shareholders who have not encashed the dividend warrant(s) so far for the Financial years ending 31st March, 1997 and 31st March, 1998 are requested to make their claim to the Company. Unclaimed dividend for the year 1995-96 will be transferred to the Investor Education & Protection Fund in the month of October, 2003 on expiry of 7 (seven) years from the date of declaration.
05. Members holding shares in physical form are requested to intimate any change in their address quoting their registered folio number to the Company or to the Share Transfer Agents namely M/s Ikon Visions (P) Limited, 33, Sanali Heavens, 8-3-948, Ameerpet, Hyderabad - 500 073. In compliance with the SEBI directions, the Company has appointed M/s Ikon Visions (P) Limited as common agency for share registry work (physical and Electronic).
06. Members holding shares in electronic form are requested to intimate any change in their address to the depository participant (DP) with whom the demat account is maintained.
07. Members are requested to bring admission slip duly filled in alongwith their copies of Annual Report to the Meeting.
08. Members are also requested to send their queries, if any, on the accounts well in advance, so as to enable the Company to place relevant records and information at the time of Annual General Meeting.



PRIYADARSHINI SPINNING MILLS LIMITED

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO.05

Mr. Srinivas Kodali was appointed as President of the Company by the Board of Directors at their meeting held on 27.09.2002 and worked as president upto 25.07.2003. Mr. Srinivas Kodali, is a Graduate in Engineering from University of Michigan and Post Graduate in Management (with specialisation in Finance) from New York University with varied industrial experience in various capacities. Mr. Srinivas Kodali, is a relative of Dr. K. Rajaveeraiah, Director, Mr. C.K. Rao, the then Managing Director and Mr. Harish Cherukuri, Managing Director of the Company.

Since, Mr. Srinivas Kodali is a relative of Directors and his total remuneration exceeds Rs.10,000/- per month, members approval is required for his appointment under section 314(1)(b) of the Companies Act, 1956.

Your Board commend the resolution for your approval.

No other Director is concerned or interested in the resolution except Mr. Srinivas Kodali, Dr. Rajaveeraiah, Mr. C.K. Rao, the then Managing Director and Mr. Harish Cherukuri.

ITEM NO.06

Mr. Harish Cherukuri, working as an Executive Director of the Company was appointed by the Board of Directors of the Company at its meeting held on 26.07.2003, as Managing Director of the Company with effect from 26.07.2003 on the terms and conditions set out in the resolution in item No.06 of the notice to this Annual General Meeting. He was appointed in place of Mr.C.K. Rao. He is the son of Mr. C.K. Rao. He is a graduate in Commerce and Post graduate in Management (with specialisation in Marketing) from Illinois Institute of Technology, Chicago, USA.

Your Board commend the resolution for your approval.

No other Director is concerned or interested in the resolution except Mr. Harish Cherukuri and Mr. Srinivas Kodali.

ITEM NO.07 AND 08

The Board of Directors at its meeting held on 26.07.2003 has appointed, Mr. Srinivas Kodali as an additional Director of the Company pursuant to section 260 of the Companies Act, 1956 and Article 36(e) of the Articles of Association of the Company with effect from 26.07.2003 and holds office upto this Annual General Meeting. The Board also appointed him as an Executive Director of the Company with effect from 26.07.2003 on the terms and conditions as set out in the resolution in item No.08 of the notice to this Annual General Meeting.

Mr. Srinivas Kodali, is the son of Dr. K. Rajaveeraiah and brother-in-law of Mr. Harish Cherukuri, Directors and worked as President of the Company from 27.09.2002 to 25.07.2003. He is a Graduate in Engineering from University of Michigan and Post Graduate in Management (with specialisation in Finance) from New York University with varied industrial experience in various capacities and his service will be helpful in dealing with day to day affairs of the Company as an Executive Director.

Your Board commend the resolution for your approval.

No other Director is concerned or interested in the resolution except Mr. Srinivas Kodali, Dr. Rajaveeraiah and Mr. Harish Cherukuri.

ITEM NO.09

Since the Company shares are not traded on the Hyderabad Stock Exchange Limited for the last so many years, the Company believes that no particular benefit is available to the shareholders of the Company by continuing the listing of the equity shares on the above Stock Exchange. The Company is therefore contemplating the delisting of its equity shares from the Hyderabad Stock Exchange Limited as per guidelines issued by the Securities and Exchange Board of India (SEBI).

As per the provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, an exit opportunity need not be provided to the shareholders of the Company on delisting of its equity shares from the Stock Exchanges, provided the equity shares of the Company continue to be listed at 'The Stock Exchange, Mumbai or at National Stock Exchange of India Limited.

The Company's equity shares listing will continue on 'The Stock Exchange, Mumbai', having nation wide trading terminals.

Pursuant to the guidelines issued by SEBI on voluntary delisting by Companies of their securities from the Stock Exchanges, it is now proposed to seek the shareholders' approval by way of a Special Resolution as set out in the Resolution at item No.9 for voluntary delisting of Company's equity shares from 'The Hyderabad Stock Exchange Limited'.

Your Directors commend the resolution for your approval.

No Director is concerned or interested in the resolution.

by the Order of the Board
for **PRIYADARSHINI SPINNING
MILLS LIMITED**

HARISH CHERUKURI
Managing Director

Place : Hyderabad
Date : 26/07/2003



PRIYADARSHINI SPINNING MILLS LIMITED

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 22nd Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2003.

FINANCIAL RESULTS

(Rs. in lakhs)

	Current year ended 31.03.2003	Previous year ended 31.03.2002
1. Sales and other Income	14728.73	13127.57
2. Profit before interest and depreciation	1250.45	1009.94
3. Interest	586.40	572.84
4. Depreciation	529.83	395.42
5. Profit after interest and Depreciation	134.22	41.68
6. Provision for Taxation		
a) Current Tax	10.57	3.19
b) Deferred Tax	55.53	11.69
7. Profit brought forward from previous year	1158.29	2513.89
Less: Deferred Tax Liability	—	1217.40
8. Profit and Loss A/c Balance	1226.41	1323.29

APPROPRIATIONS

1. Debentures Redemption Reserve	170.00	165.00
2. Surplus carried forward to Balance Sheet	1056.41	1158.29

REVIEW OF OPERATIONS:

Signs of gradual recovery from recessionary trend in Textile Industry is being observed. In line with industry revival, your Company has also improved its performance during the year under review.

During the year under review the production has increased to 11626 Tons from 10480 Tons, thus registering a growth of nearly 11%. Income from operations has increased to 147.18 Crores from 130.88 Crores in the previous year registering a growth of about 12%.

MODERNISATION UNDER TUF :

Your Company has taken up modernisation of plant and machinery under Technology Upgradation Fund (TUF) Scheme at Unit-II, Doddavarappadu, Maddipadu Mandal, Prakasam District, Andhra Pradesh. After completion of modernisation, your Company is expected to improve its performance further in the coming year.

EXPORTS:

Your Company's exports turnover increased from Rs.1650 lakhs to Rs.2497 lakhs registering growth of 51% over the previous year.

WIND MILL:

During the year under review, the 1.8 MW Wind Power Project at Ramagiri, Anantapur District, Andhra Pradesh has generated 27,59,704 units valued at Rs.98,24,546 as against 26,86,057 units and Rs.1,14,05,593 respectively of the previous year.

GAS POWER PROJECT:

During the year under review, 3MW Gas based Power Project for captive consumption at Y. Kothapalli Village, P. Gannavaram Mandal, East Godavari District, Andhra Pradesh was commissioned and the unit is working satisfactorily. The Unit has generated 1,45,18,423 units during the year under review.

DIVIDEND:

Due to requirement of funds for modernisation of Plant and Machinery and inadequate profits during the year under review, your Directors are unable to recommend any dividend on the share capital.

FIXED DEPOSITS:

The Fixed Deposits outstanding as on 31.3.2003 amounted to Rs.2,45,65,000 and there were no overdue deposits.

INSURANCE:

The properties of the Company including its buildings, plant and machinery and stocks wherever necessary and to the extent required have been adequately insured.

CORPORATE GOVERNANCE :

The Company is in conformity with the code of Corporate Governance enunciated in clause 49 of the listing agreement with Stock Exchanges. A separate report on Corporate Governance is annexed hereto and form part of Directors' Report together with certificate from the Auditors of the Company confirming compliance of the conditions of Corporate Governance.



PRIYADARSHINI SPINNING MILLS LIMITED

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to section 217(2AA) of the Companies Act, 1956, your Directors report as under:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) that the Directors have 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 state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors have prepared the annual accounts on a going concern basis.

DIRECTORS:

During the year under review, the term of Mr. C.K. Rao, as Managing Director of the Company has expired on 25.06.2003 and he resigned from the Board of Directors of the Company with effect from 26.07.2003.

The Board has placed on record its sincere appreciation of the valuable services rendered by Mr. C.K. Rao during his tenure as Managing Director of the Company.

In accordance with the Provisions of the Companies Act, 1956 and Articles of Association of the Company, your Directors Sri Kamlesh Gandhi and Sri A.K. Tyagi retire by rotation and being eligible offer themselves for re-appointment.

The Board of Directors of the Company at its meeting held on 26.07.2003, has appointed Mr. Harish Cherukuri, as Managing Director of the Company for a period of 5 years w.e.f. 26.07.2003, subject to approval of Financial Institutions and members in the General Meeting.

The Board of Directors of the Company at its meeting held on 26.07.2003, has appointed Mr. Srinivas Kodali as an Additional Director and Executive Director of the

Company for a period of 5 years w.e.f. 26.07.2003, subject to approval of Financial Institutions and members in the General Meeting.

STATUTORY AUDITORS:

M/s P.Srinivasan & company, Chartered Accountants, the Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

CONSERVATION OF ENERGY:

Conservation of energy, Technology Absorption & Foreign exchange earnings and information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are annexed hereto and form part of this report.

PARTICULARS OF EMPLOYEES:

In terms of sub-section (2A) of section 217 of the Companies Act, 1956, the Company has no employee drawing salary exceeding Rs.24.00 Lakhs per annum or Rs.2.00 Lakhs per month during the year under review.

HUMAN RELATIONS:

Your Company continues its tradition of harmonious, cordial industrial relations at all of its units. Your Directors place on record their appreciation of cooperation extended by the workers, staff and executives at all levels.

ACKNOWLEDGMENT:

Your Directors place on record their appreciation for continued assistance and cooperation extended to the Company by the Financial Institutions and Banks, Central and State Government Departments and other statutory authorities.

Your Directors also wish to thank the shareholders for the continued support and sincere cooperation extended by them to the Company.

for and on behalf of the Board of Directors

Place : Hyderabad
Date : 26/07/2003

HARISH CHERUKURI
Managing Director

G. ARAVINDA GHOSH
Executive Director