

18th ANNUAL REPORT

2000 - 2001

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**BOARD OF DIRECTORS**

Sri P. Veerananarayana	Vice Chairman and Managing Director
Sri P. Harischandra Raju	Nominee Director (APIDC)
Sri A.Chennakrishnaiah	Executive Director
Sri P. Madhu Prathap	Technical Director

REGISTERED OFFICE

D4 & D5, Industrial Estate,
Renigunta Road,
Tirupati - 517 506.

FACTORY

D-4 & D-5, D-11 & No.3.
Industrial Estate, Renigunta Road
Tirupati - 517 506.

AUDITORS

Pinnamaneni & Co.,
Chartered Accountants,
3,4th Ground Ram's VSR Aparts,
Opp. VPS Siddhartha Public School,
Vijayawada - 520 010.

FINANCIAL INSTITUTIONS/BANKS

Industrial Development Bank of India, Chennai
Central Bank of India, G.S.Mada Street, 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 Street,
Governorpet,
Vijayawada - 520002 (A.P)

18th ANNUAL GENERAL MEETING

Date : Saturday, September 29, 2001
Time : 3.00 p.m.
Venue : Registered Office
D4 & D5, Industrial Estate
Renigunta Road
Tirupati-517 506

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NOTICE TO SHAREHOLDERS:

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Company will be held at its Registered office: D4 & D5, Industrial Estate, Renigunta Road, Tirupati - 517506.(A.P.) on Saturday 29th September 2001 at 3 P.M. to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2001 and the Profit & 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 Sri.

Madhu Pratap 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

(P.VEERANARAYANA)
 Vice Chairman and
 Managing Director

Place : Tirupati

Date : 31.07.2001

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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 28th September 2001 to 29th September 2001 (both days inclusive).
- 3) The Instrument appointing a proxy should however be deposited at the Registered Office of the Company not less than fortyeight hours before the commencement of the Meeting.
- 4) Shareholders are requested to notify change in address if any, immediately to the Company's Regd. Office.
- 5) Shareholders are requested to bring their copies of Annual Report to the Meeting. Copies of the Annual Report will not be available for distribution to Share Holders 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 atleast 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, R.G.C.Street, Governorpet, Vijayawada - 520002.


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DIRECTORS' REPORT :

Your Directors have the pleasure to present the 18th Annual Report together with the Auditors' Report thereon for the year ended 31st March, 2001.

1. FINANCIAL RESULTS:

The brief financial results of the Company for the year ended 31st March'2001 are given hereunder:

	(Rs.in Lakhs.)	
	2000-2001	1999-00
Total Sales	895.82	1300.69
Profit after depreciation & interest	(485.83)	(7.15)
Other Income	16.15	16.41
Provision for tax		0.50
Profit after tax	(469.68)	9.26
Prior period adjustment	1.82	0.32
Balance Carried forward to Balance Sheet	(471.51)	9.58

2. OPERATIONS :

Your Directors are regret to inform that the general recession in the automobile industry during the year under review resulted in a decline in turnover. Sales during the year under review is Rs.895.82 lacs as against previous turnover of Rs.1300.69 lacs. As a result of reduced turnover operations resulted in a net loss of Rs. 471.51 after providing depreciation and interest.

To improve the sales, the Company is concentrating on export sales where margins are more. In addition to this, to sustain and

improve the growth of the company several short term and long term measures were taken up. Determined efforts were made to contain and reduce overheads though they are harsh.

Hope that the Board of Directors are confident that the company will come out from the present crisis in the coming years.

3.DIVIDENDS :

The Board has not recommended Dividend for the year 2000-2001 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.P.Madhu Prathap Director retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

Sr. A.R. Choudary, Chairman of the company resigned from Company's Board effective from 9.6.2001. The Board has placed on record its deep appreciation of the valuable services rendered by Sri . A.R. Choudary during his tenure as Director of the company.

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 31.3.2001 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 :

The Corporate Governance issued by SEBI are applicable to the Company from the financial year 2001-2002. Many of the features in the guidelines are already in practice in your Company. A report on the compliance of Corporate Governance will be furnished from the next year onwards and would form part of Annual Report.

The company has arrangements with National Securities Depository Ltd. (NSDL) as well as the Central Depository Services India Ltd. (CDSL) for demat facility.

8. AUDITORS:

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

9. 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 : 31-07-2001

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. RESEARCH AND DEVELOPMENT :

1. **Specific area in which R&D carried-out by the Company :** The R&D efforts are directed towards improvement / upgradation of existing plating technology leading to high efficiency, quality upgradation, cost reduction and pollution free.
2. **Benefits derived as a result of the above R&D :** Further considerable savings in inputs consumption by improving process technique, better capacity utilization, more yield and product efficiency at low cost.

C. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

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

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in lakhs)

	2000-01	1999-00
A) Value of Exports (F.O.B.Value)	26.41	39.12
B) Value of Imports (C.I.F.Value)	—	38.27
C) Directors Foreign Travel	0.87	1.28

E. 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 2001.

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.

F. 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 Exchang Ltd	28000
Mumbai Stock Exchange Ltd	15000
Ahmadabad Stock Exchange Ltd	20000
Madras Stock Exchange Ltd	21000
Cochin Stock Exchange Ltd	31500

FOR AND ON BEHALF OF THE BOARD

P.VEERANARAYANA P. MADHU PRATHAP
DIRECTORS

Place : Tirupati

Date : 31-07-2001