



ABREPOSE

**FINANCIAL AND TECHNICAL
SERVICES LIMITED**

**ANDHRA BANK RETIRED EMPLOYEES'
PROJECTS OF SELF ENGAGEMENT**

**ELEVENTH ANNUAL REPORT
2002 - 2003**

BOARD OF DIRECTORS

R.V.V. SATYANARAYANA MURTHY

Chairman

Reid. Asst. General Manager, Andhra Bank

J.S. SASTRY

Managing Director

Reid. Asst. General Manager, Andhra Bank

K.S. GURURAJA RAO

Reid. Asst. General Manager, Andhra Bank

M. NARASIMHA RAO

Reid. Chief Officer, Andhra Bank

CH. NARAYANA RAO

Reid. Asst. General Manager, Andhra Bank

B. SESHAGIRI RAO

Reid. Asst. General Manager, Andhra Bank

B. NAGESHWARA RAO

Reid. M.M. II Officer, Andhra Bank

G. SOMA SUNDARAM

Reid. M.M. II Officer, Andhra Bank

V. VENKAT RATNAM

Reid. M.M. III Officer, Andhra Bank

REGISTERED AND

ADMINISTRATIVE OFFICE

Plot No. 4, 1st Floor,
Andhra Bank Colony,
Hyderabad - 500 036.
Telephone : 24069318

BANKERS :

Andhra Bank

AUDITORS :

K.S. Ramesh & Co.
Chartered Accountants
Hyderabad.

NOTICE TO THE SHARE HOLDERS

Notice is hereby given that the Eleventh Annual General Meeting of share holders of ABREPOSE FINANCIAL & TECHNICAL SERVICES LIMITED will be held on Saturday, 27th September, 2003 at 10.00 A.M. at the Registered Office of the Company, Plot No.4, 1st Floor, Andhra Bank Colony, Hyderabad-500036 to transact the following business.

A) ORDINARY BUSINESS:

1. To receive, consider and adopt the audited accounts, Balance Sheet and Profit and Loss Account of the Company for the financial year ended 31st March, 2003 together with the report of the Directors and Statutory Auditors thereon.
2. To declare a dividend @ 10% for the year 2002-2003.
3. To appoint a Director in place of Mr. V.Venkat Ratnam who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. R.V.V.Satyanarayana Murthy who retires by rotation and being eligible offers himself for re-appointment.
5. To consider and, if thought fit, to pass with or without modification the following resolution:

"RESOLVED that Pursuant to Section 224 and other applicable provisions of the Companies Act, 1956 M/S K.S.Ramesh & Company, Chartered Accountants, Hyderabad be and are hereby re-appointed as Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at such remuneration as may be determined by the Board of Directors of the Company."

B) SPECIAL BUSINESS:

To consider and, if thought fit, to pass with or without modification, the following resolutions as Ordinary Resolutions:

6. Resolved that Mr. J.S.Sastry who was appointed as additional Director of the Company by the Board of Directors and who ceases to hold Office under section 260 of the Companies Act, 1956 be and is hereby appointed as Director of the Company.

7. Resolved that pursuant to the provisions of Section 198, 269, 309, 310, Schedule XIII, and other applicable provisions of the Companies Act, 1956 and as approved by the remuneration Committee the members hereby consent for the re-appointment of Mr. J. S. Sastry as Managing Director of the Company for a period of 3 years from the conclusion of this Annual General Meeting at a remuneration of Rs. 5,500/- per month plus conveyance allowance of Rs. 1,000/- per month with an increase of Rs. 500/- annually in remuneration and also to approve his appointment as Managing Director made by the Board of Directors on 6-6-2003 on a remuneration of Rs. 5,000/- per month plus conveyance allowance of Rs. 1,000/- per month until the ensuing Annual General Meeting in the vacancy caused by the resignation of Mr. R. V. V. Satyanarayana Murthy, Chairman and Managing Director.

Further resolved that in pursuance of section 198 and other applicable provisions if any, of the Companies Act, 1956 Mr. J. S. Sastry be paid aforesaid remuneration as minimum remuneration even in the inadequacy of profits in any financial year during his term as Managing Director of the Company.

8. Resolved that pursuant to the provisions of Section 198, 269, 309, 310, Schedule XIII and other applicable provisions of the Companies Act, 1956 as approved by the remuneration Committee the members hereby consent for the re-appointment of Mr. G. Somasundaram as Working Director of the Company for a period of 3 years from the conclusion of this Annual General Meeting at a remuneration of Rs. 4,000/- per month, with an increase of Rs. 500/- annually.

Further resolved that in pursuance of section 198 and other applicable provisions if any, of the Companies Act, 1956 Mr. G. Somasundaram be paid aforesaid remuneration as minimum remuneration even in the inadequacy of profits in any financial year during his term as Working Director of the Company.

9. Resolved that the proposed dividend for the year 2002-2003 pertaining to the members with calls in arrears be set off towards the call money due to the Company under Sub - Section (3) of Section 205 of the Companies Act, 1956 read with Article No. 187 of the Articles of Association of the Company.

10. Resolved that pursuant to section 97 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Capital of the Company be and is hereby increased from 2,50,000 Equity shares of Rs. 10/- each to 5,00,000 Equity shares of Rs. 10/- each by addition of 2,50,000 shares of Rs. 10/- each aggregating to Rs. 50 Lacs.

Further Resolved that Mr. J. S. Sastry, Managing Director of the Company be and is hereby authorised to file Form No. 5 with Registrar of Companies, Andhra Pradesh and further authorised to effect necessary changes in the Memorandum and Articles of Association of the Company.

11. Resolved that Pursuant to section 16 and all other applicable provisions, if any, of the Companies Act, 1956, the existing Clause V of the Memorandum of Association of the Company be and is hereby substituted by the following new clause.

V. The Authorised Share Capital of the Company is Rs. 50,00,000/- (Rupees Fifty Lacs only) divided into 5,00,000 (Five lacs) Equity Shares of Rs. 10/- (Rupees ten only) each right to divide the share capital for the time being into several classes and to attach thereto by special resolution any Preferential, special rights so that when shares are issued with any preferential rights attached thereto such rights shall not (except where the terms of issue otherwise provide) be alterable otherwise than pursuant to the provisions of the accompanying Regulation. The Company shall have power to increase or decrease the capital as may be determined from time to time in accordance with the law.

To consider and, if thought fit, to pass with or without modification, the following resolutions as special resolutions.

12. Resolved that pursuant to section 31 and other applicable provisions of the Companies Act, 1956, Article No. 5 of Articles of Association of the Company be and is hereby replaced by the following.

The Authorised Share Capital of the Company is Rs. 50,00,000/- (Rupees Fifty Lacs only) divided into 5,00,000 (Five lacs) Equity Shares of Rs. 10/- each (Rupees ten only)

13. Resolved that as per section 81 (1A) and other applicable provisions of the Companies Act, 1956, consent be and is hereby accorded to the Board of Directors of the Company to issue 2,50,000 equity shares of Rs. 10/- each at par to the existing shareholders and/or to any person and the said fresh equity shares shall rank pari passu with existing equity shares of the Company in all respects except that these fresh shares would qualify for dividend if any to be declared for the financial year in which the allotment is made proportionately for the period commencing from the date on which such allotment is made.

PLACE: HYDERABAD For and on behalf of the Board of Directors
DATE : 14-08-2003

J. S. SASTRY
Managing Director

NOTES:

(i) Any 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. The proxies should, however, be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.

(ii) Members are requested to notify any change in their address immediately.

(iii) Explanatory statement pursuant to Section 173 (2) of Companies Act, 1956 relating to item No.6,7,8,9 and 10 to 13 is annexed.

(iv) Dividend that may be declared at this meeting will be payable on or before 26-10-2003 to those members whose names appear in the Register of Members of the Company as on the date of Annual General Meeting.

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

REGARDING ITEM NO.6 & 7:

Sri J.S.Sastry was appointed as additional Director of the Company who retires at this Annual General Meeting under Article No. 131 of the Articles of Association read with Section 260 of the Companies Act, 1956. His induction into the Board would immensely benefit the Company in overall perception and strategic growth.

Since Mr. R.V.V.Saayanarayana Murthy has resigned as Managing Director, the Board thought it fit and appointed Mr.J.S.Sastry as Managing Director of the Company with effect from 8-6-2003 until the ensuing Annual General Meeting. It is proposed to re-appoint him as Managing Director of the Company for a period of 3 years from the conclusion of this Annual General Meeting. The terms and conditions of appointment are as set out in the resolution and as approved by the Remuneration Committee in their meeting. The appointment made by the Board of Directors and the proposed re-appointment requires the approval of the members as per Article No. 133 of the Articles of Association of the Company and as per the provisions of the Companies Act, 1956.

The Board recommends the resolution for your approval.

None of the Directors is interested in the above resolution except Mr.J.S.Sastry.

REGARDING ITEM NO.8:

Mr.G.Somasundaram was re-appointed as Working Director of the Company on a remuneration of Rs.3,500/-per month till the conclusion of this Annual General Meeting. It is proposed to re-appoint him as Working Director of the Company for a further period of 3 years from the conclusion of this Annual General Meeting. The terms and conditions of appointment are as set out in the resolution and as approved by the Remuneration Committee in their meeting. This requires the approval of the members as per Article No. 133 of the Articles of Association of the Company and as per the provisions of the Companies Act, 1956.

The Board recommends the resolution for your approval.

None of the Directors is interested in the above resolution except Mr.G.Somasundaram.

REGARDING ITEM NO.9:

The Company made the first and final call of Rs.5/- payable on each equity share in the month of March, 1996 fixing the last date of payment as 31st May, 1996. It has been extended from time to time, the latest being upto 31-12-2003. The calls in arrears as on 31-3-2003 is Rs.2.17 lakhs. Considering the time given to the share holders and the calls still being in arrears, it has been decided by the Board of Directors to set off the proposed dividend for the year 2002-2003 towards the call money due from the members, subject to the approval of share holders.

None of the Directors is interested in the resolution.

REGARDING ITEM NO. 10 TO 13

To augment the resources of the Company for expanded activities, it is proposed to increase the Authorised Capital from Rs.25 lacs to Rs. 50 Lacs. The increase in authorised capital requires consequential amendment to the Capital Clause in the Memorandum and Articles of Association of the Company. Hence the resolutions are put forth for your approval.

The Board recommends the resolution for your approval.

None of the Directors is interested in the above resolutions.

By order of the Board

PLACE:HYDERABAD

J. S. SASTRY

Managing Director

DATE :14-08-2003

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Eleventh Annual Report together with audited accounts of the Company for the financial year ended 31st March,2003.

1. FINANCIAL RESULTS:

(Amount in Rs.)

	2002-2003	2001-2002
Gross Income	10,57,029	7,69,115
Profit before Tax	8,12,291	2,55,034
Provision for Tax	2,57,100	94,500
Profit after Tax	3,55,191	1,60,534
APPROPRIATIONS:		
Proposed Dividend	2,38,530	1,27,230
Provision for Tax on Proposed Dividend	29,587	—
Transfer to General Reserve	89,000	33,000
Profit carried to Balance Sheet	94	304

The profit before tax for the year is Rs.6.12 lakhs. 25% of the profit after providing for Tax was transferred to Reserves this year as against 20% last year. With this, the General Reserve Account comes to Rs.6,28,000 as on 31-3-2003. The working results of the Company during the year were satisfactory and the Company made substantial recoveries in Non-performing Assets.

Your Company continues to function as N B F C.

2. DIVIDEND:

Your Directors are pleased to recommend the payment of dividend at the rate of 10% on equity shares of Rs.10/- paid up each for the year ended 31st March,2003 subject to the sanction of the members in the ensuing Annual General Meeting and also to pay proportionate dividend even on the dividend amounts adjusted from time to time towards call money due from the members with effect from the year 2001-2002.

3. AGENCY SERVICES:

The Company continues to assist Andhra Bank in the recovery of overdues for its Credit Card Division, Sale of Srivari Laddu Prasadam tickets at Tirumala and other Services.

4. CALLS IN ARREARS:

The Company made the first and final call of Rs. 5/- payable on each equity share in the month of March, 1996 fixing the last date of payment as 31st May, 1996. It is extended from time to time, the latest being upto 31-12-2003, to facilitate payment without interest by the remaining members and avoid forfeiture of their partly paid shares due to non-payment. The Board has recommended for the adjustment of proposed dividend for the year 2002-2003, pertaining to the members with calls in arrears against the call money due to the Company. There are no calls in arrears from the Directors.

5. DIRECTORS:

Sri V. Venkat Ratnam and Sri R. V. V. Satyanarayana Murthy, Directors of the Company who retire by rotation at this Annual General Meeting and being eligible offer themselves for re-appointment.

Sri K. V. Subba Rao resigned as a Director of the Company and his resignation was accepted by the Board of Directors on 26-5-2003.

Sri R. V. V. Satyanarayana Murthy, Chairman & Managing Director, resigned and his resignation was accepted by the Board of Directors on 6-6-2003. He continues as Director retiring by rotation.

Sri M. Narasimha Rao whose period of office as Working Director of the Company ceases at the conclusion of the ensuing Annual General Meeting, has not opted for re-appointment and he continues as Director retiring by rotation.

The Board placed on record their appreciation for the valuable services rendered to the Company by 1) Sri K. V. Subba Rao as founder Director and 2) Sri R. V. V. Satyanarayana Murthy as Chairman and Managing Director and 3) Sri M. Narasimha Rao as Working Director during their tenure.

Sri J. S. Sastri has been appointed as a Director by the Board of Directors on 26-5-2003 under Article No 131 of the Articles of Association read with section 260 of the Companies Act, 1956 and being eligible offer himself for re-appointment.

The Board of Directors at their meeting held on 6-6-2003 have decided to divide the post of Chairman and Managing Director as 1) Chairman and 2) Managing Director separately under Article No. 170 of Memorandum and Articles of Association of the Company.

The Board of Directors have elected Sri R. V. V. Satyanarayana Murthy as Chairman of the Company.

The Board of Directors have appointed Sri J. S. Sastri as Managing Director of the Company with effect from 6-6-2003 until the ensuing Annual General Meeting.

Sri G. Somasundaram, Working Director, who retire at this Annual General Meeting being eligible offer himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, your Directors wish to confirm that:

- i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any.
- ii) Such accounting policies have been selected and applied consistently and judgments and estimates are made 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 financial year and of the profit and loss of the Company for that period.
- iii) Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting any fraud or other irregularities has been taken.
- iv) Accounts for the financial year ended on 31st March, 2003 are prepared on a going-concern basis.

6. AUDITORS:

M/s. K. S. RAMESH & COMPANY, Chartered Accountants, Auditors of the Company who retire at this Annual General Meeting and eligible for re-appointment. They have signified their willingness for re-appointment and have confirmed their eligibility under Section 224 (1B) of the Companies Act, 1956.

REPLIES TO AUDITORS' REPORT

The observations made in the Audit Report are self explanatory and need no further clarifications.

7. DISCLOSURES:

i) PUBLIC DEPOSITS:

The Company has neither accepted nor holds any Public Deposits during the year under review. In pursuance to clause 5 (part III) of the Non - Banking Finance Companies (Reserve Bank) Directions, 1998, Your Directors wish to state that as on 31st March, 2003 there are no depositors who have not claimed or to whom the amount was not paid by the Company after the date on which the deposits became due for repayment and as on that date there are no deposits that are matured and remained unclaimed or deposits that are claimed and remained unpaid.

ii) ADDITIONAL INFORMATION:

Your Company not being a Manufacturing Company is advised that Forms A & B of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 requiring the disclosure of particulars regarding Conservation of Energy and Technology Absorption, are not applicable. There has been no Foreign Exchange inflow or outgo in the current year.

iii) None of the employees of the Company was drawing a remuneration exceeding the limits specified under Section 217 (2A) of the Companies Act, 1956.

iv) REMUNERATION COMMITTEE.

As required under Schedule XIII to the Companies Act, 1956, a Remuneration Committee of the Company has been formed with the following 4 Independent Directors of the Company to consider the remuneration package of the Whole time Directors of the Company.

1. R.V.V. Satyanarayana Murthy
2. Ch. Narayana Rao
3. B. Seshagiri Rao
4. B. Nageshwara Rao

v) NOMINATION FACILITY

As per provisions of the Companies Act, 1956 facility for making nominations is now available to individuals, holding shares in the Company. The nomination Form -2B prescribed by the Government can be obtained for the purpose from the Company.

vi) UNCLAIMED DIVIDEND

Under the provisions of Section 205 A of the Companies Act, 1956, the Company has already deposited unclaimed dividend declared for the financial year ended 31st March, 1996.

Pursuant to the provisions of Section 205 A read together with 205 C of the Act, as amended, dividends and interests etc. for the financial year ended 31st March, 1997 and thereafter, which remain unpaid, or unclaimed for a period of 7 years will be transferred to the "Investor Education and Protection Fund" constituted by the Central Government. Members, who have not encashed the dividend warrant(s) issued after 20-6-1997 and/or the dividend warrant(s) for the financial year ended 31st March, 1997 or any subsequent financial years so far are requested to make their claim to the Company.

8. COMPLIANCE CERTIFICATE UNDER SECTION 383 A OF THE COMPANIES ACT, 1956.

As required under Section 383 A of the Companies Act, 1956, Compliance Certificate issued by Mr. A. G. Ravindranath Reddy, Practising Company Secretary is annexed herewith.

9. ACKNOWLEDGEMENTS:

Your Directors are pleased to take this opportunity to express their deep sense of gratitude to Andhra Bank for the courtesy and consideration extended to the Company.

The Board places on record its appreciation for the members of staff of the Company, Bankers and all other field agents working for the Company for their contribution and thank the share holders for the confidence they have reposed in the Company.

Place: Hyderabad

Date: 14-08-2003

By order of the Board

J.S. SASTRY

Managing Director

Annexure to the Directors' Report:

COMPLIANCE CERTIFICATE

Authorised Capital : 25 Lakhs

Company Number: 01-13572

To

The Members

ABREPOSE FINANCIAL AND TECHNICAL SERVICES LTD

Hyderabad.

I have examined the registers, records, books and papers of Abrepose Financial and Technical Services Limited as required to be maintained under the Companies Act, 1956, and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2003. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

01. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
02. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, within the time prescribed under the Act and the rules made thereunder.
03. The Company is not a private limited company. Total members of the Company are 3572 and the Company has not accepted any public deposits from the public during the year under review.
04. The Board of Directors duly met 12 times on 04/04/2002, 13/06/2002, 16/07/2002, 17/08/2002, 05/09/2002, 21/09/2002, 24/10/2002, 11/11/2002, 21/12/2002, 09/01/2003, 26/02/2003 and 30/03/2003 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

05. The Company did not close its Register of Members.
06. The annual general meeting for the financial year ended on 31-03-2002 was held on 21/09/2002 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
07. No Extra ordinary General meeting were held during the year under review.
08. The Company has not advanced any loan to its directors and/or persons or firms or companies referred in the section 295 of the Act after complying with the provisions of the Act.
09. The Company has no interested contracts so as to attract the provisions of section 297 of the Act.
10. There were no entries which had to be made in the register maintained under section 301 of the Act.
11. There were no appointments in the Company so as to attract the provisions of Section 314 of the Companies Act, 1956.
12. There was no issue of duplicate share certificates.
13. The Company has:
 - a. delivered all the certificates on allotment of securities and on lodgement thereof for transfer / transmission or any other purpose in accordance with the provisions of the Act;
 - b. Tax free Dividend @ 6% was declared at the Annual General Meeting held on 21st September, 2002. The amount of dividend declared was deposited in Andhra Bank, Malakpet Branch within five days from the date of declaration of such dividend;
 - c. Dividend warrants were posted to all the members on time.
 - d. No amount was transferred to unpaid dividend account.
 - e. Duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted with 9 Directors, all of them liable to retire by rotation.
15. The Company has a Managing Director.
16. No sole selling agents were appointed during the year.
17. No approvals from Central Government, Company Law Board, Regional Director, Registrar and such other authorities were necessary for the Company during the year.

18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any equity shares during the year under scrutiny.
20. The Company has not bought back any shares during the financial year.
21. The Company has not redeemed any preference shares/debentures during the year.
22. Applications for transfer of shares were received during the year and the company has duly transferred the shares within the prescribed time limit."
23. The Company has not accepted any deposits so as to attract the provisions of sections 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 / the applicable directions issued by the Reserve Bank of India / any other authority in respect of deposits accepted including unsecured loans.
24. The Company has not borrowed any amount from directors, members, public, financial institutions, banks and others during the financial year under review so as to attract the provisions of Section 293(1)(d) of the Companies Act, 1956.
25. The Company has not made any loans and investments, or given guarantees or provided securities to other bodies corporate which attract the provisions of Section 372A of the Companies Act, 1956.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association of the Company during the year under scrutiny.

31. No prosecution was initiated against or show cause notices received by the Company for alleged offences under the Act and no fines and penalties or any other punishment was imposed on the Company.
32. The Company did not receive any amount as security from its employees during the year under certification so as to attract the provisions of Section 417(1) of the Act.
33. The Company did not constitute any Provident Fund pursuant to section 418 of the Act.
- Place: Hyderabad
Date : 14.08.2003

sd/-

Name of Company Secretary:
C.P.No: 1932

A.G.Ravindranath Reddy
M.Com.B.L.F.C.S.
PRACTISING COMPANY SECRETARY
Flat No. 400

Rekha Deluxe Enclave
Sangeeth Nagar, Erramanzil
HYDERABAD - 500 082.
FCS No.1997. CP No.1932

Annexure A:

- Register of Members
- Register of Directors
- Register of Directors' Shareholdings

Annexure B:

- Annual Return U/s 159 as on 21st September, 2002 was filed on 18/10/2002.
- Annual Reports as on 31st March, 2002 were filed on 27/09/2002

AUDITORS' REPORT

To
The Members of
ABREPOSE FINANCIAL AND TECHNICAL SERVICES LIMITED
HYDERABAD

We have audited the attached Balance Sheet of M/S. Abrepose Financial and Technical Services Limited as at 31st March, 2003 and the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for opinion.

- As required by the Manufacturing and Other Companies (Auditors Report) Order 1988 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraph 4 and 5 of the said order.
- Further to our comments in the Annexure referred to in para 1 above, we report that
 - We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - In our opinion, proper books of accounts as required by law have been maintained by the Company so far as it appears from our examination of those books.
 - The Balance Sheet and Profit and Loss Accounts referred in this report are in agreement with the books of account.
 - In our opinion, The Balance Sheet and Profit and Loss Accounts dealt with by this report comply with the Accounting standards referred to in Section 211 (3c) of the Companies Act, 1956, to the extent applicable.
 - On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified from being appointed as a Director as on 31-3-2003 in terms of clause (g) Sub Section (1) of Section 274 of the Companies Act, 1956.
 - In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Profit and Loss Accounts read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - in the case of the Balance Sheet, of the state of affairs of the Company, as at 31st March, 2003
 - and
 - in the case of the Profit and Loss Account, of the Profit of the Company for the financial year ended on that date.

PLACE:HYDERABAD
DATE :14-08-2003

for K.S.RAMESH & COMPANY
Chartered Accountants
K.S.RAMESH
Partner

ANNEXURE TO THE AUDITORS' REPORT :

(Referred to in Paragraph 1 of our report of even date)

1. (i) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets and the same have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- (ii) None of the fixed assets have been revalued during the year.
- (iii) The Company has not taken any loans, secured or unsecured, from Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and there are no Companies under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956.
- (iv) The Company has not granted any loans, secured or unsecured, to parties listed in the register maintained under Section 301 of the Companies Act, 1956 and there are no Companies under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956.
- (v) In respect of few loans given to various parties in the ordinary course of business, where principal and / or interest are overdue, reasonable steps are being taken by the Company for recovery of the same and necessary provisions have been made for the same.
- (vi) There is an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of plant and machinery, equipment or other assets.
- (vii) No transactions of purchase of goods and materials and sale of goods, materials and services have been made by the Company in pursuance of contracts or arrangements that are to be entered in the register maintained under section 301 of the Companies Act, 1956 (1 of 1956) and aggregating to Rs.50,000/- or more in respect of each party during the year.
- (viii) The Company has not accepted any deposits from the public.
- (ix) According to the explanations given to us, the provisions of the Provident Fund Act and Employees State Insurance Act are not yet applicable to the Company.
- (x) According to the information and explanations given to us and from the examination of records and in our opinion, there are no undisputed amounts payable in respect of Income-tax, Wealth Tax, Sales tax, Customs Duty and Excise Duty which have remained outstanding as at 31st March, 2003 for a period of more than 6 months from the date they became payable.

- (xi) According to the information and explanations given to us and from the examination of records, in our opinion, no personal expenses have been charged to revenue account other than those payable under contractual obligations, or in accordance with the generally accepted business practice.
- (xii) As per the information and explanations given to us and in our opinion the Company is not a sick Industrial Company within the meaning of clause (o) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
- (xiii) The provisions of paragraphs 4 (A) (iii), (iv), (v), (vi), (xii), (xiv), (xv), (xvi), 4B (ii) to (iv) and 4 (c)(ii) of the order are not applicable to the Company.
2. (i) The Company has maintained adequate documents and records in respect of loans and advances granted on the basis of security.
- (ii) The provisions of paragraphs 4(D) (iii) and (iv) of the order are not applicable to the Company.

Place: Hyderabad
Date : 14-08-2003

for K.S.RAMESH & COMPANY
Chartered Accountants

K.S.RAMESH
Partner

ABREPOSE FINANCIAL AND TECHNICAL SERVICES LIMITED
BALANCE SHEET AS AT 31st MARCH, 2003

	Schedule No.	As on 31.3.2003 Rs.	As on 31.3.2002 Rs.
I. SOURCES OF FUNDS:			
1. Share holders Funds	1	22,82,530	22,58,410
a) Share Capital		6,35,590	5,46,496
b) Reserves & Surplus	2	—	—
2. LOAN FUNDS:		—	—
a) Secured Loans		—	—
b) Unsecured Loans		—	—
Total		29,18,120	28,04,906
II APPLICATION OF FUNDS:			
1. Fixed Assets:	3	1,57,326	1,46,851
Gross Block		1,32,001	1,27,474
Less: Depreciation		25,325	19,377
Net Block		—	—
2. Current Assets, Loans & Advances:			
Cash & Bank Balances	4	30,91,191	24,06,036
Other Current Assets	5	3,85,641	2,40,015
Loans and Advances	6	1,37,171	4,67,680
Less: Current liabilities & Provisions	7	36,14,003	31,13,731
Net Current Assets		7,21,208	3,28,202
3. Miscellaneous Expenditure (to the extent not written off/adjusted)		28,92,795	27,85,529
Preliminary Expenses		—	—
Total		29,18,120	28,04,906

As per our Report of Even date
For K.S.RAMESH & COMPANY
Chartered Accountants

For and on behalf of the Board of Directors
J.S. SASTRY
MANAGING DIRECTOR.
K.S.RAMESH
Partner
M.NARASIMHA RAO
DIRECTOR.
Place:Hyderabad
Date :14-08-2003

ABREPOSE FINANCIAL AND TECHNICAL SERVICES LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-03-2003

	Schedule No.	For the year ended 31-03-2003 Rs.	For the year ended 31-03-2002 Rs.
INCOME:			
Interest on loans & FDRs		3,19,551	1,74,790
Other Income	8	7,37,478	5,94,325
TOTAL		10,57,029	7,69,115
EXPENDITURE:			
Establishments & Administrative Expenses	9	4,40,211	4,06,745
Depreciation		4,527	5,287
Preliminary Expenses Written off		—	2,330
Provision for non-performing Assets		—	99,719
TOTAL		4,44,738	5,14,081
Profit before Tax		6,12,291	2,55,034
Less: Provision for Tax		2,57,100	94,500
Proposed Dividend		3,55,191	1,60,534
Provision for tax on Proposed Dividend		2,36,530	1,27,230
Transfer to General Reserve		29,567	—
Balance of profit carried to Balance Sheet		89,000	33,000
Notes on Accounts And Accounting Policies	10	94	304

As per our Report of Even date
For K.S.RAMESH & COMPANY
Chartered Accountants

For and on behalf of the Board of Directors
J.S. SASTRY
MANAGING DIRECTOR.
K.S.RAMESH
Partner
M.NARASIMHA RAO
DIRECTOR.
Place:Hyderabad
Date :14-08-2003

ABREPOSE FINANCIAL AND TECHNICAL SERVICES LIMITED
SCHEDULES TO BALANCE SHEET

As at 31-3-2003
Rs.

As at 31-3-2002
Rs.

SCHEDULE - 1

SHARE CAPITAL
Authorised Capital
2,50,000 Equity Shares of Rs. 10/-each

25,00,000

25,00,000

ISSUED AND SUBSCRIBED CAPITAL
2,50,000 Equity shares of Rs. 10/-each

25,00,000

25,00,000

CALLED & PAID UP CAPITAL:

2,50,000 Equity shares of Rs. 10/-each

Less: Calls in arrears 25,00,000

(Previous year Rs. 2,41,590) 2,17,470

(No calls in arrears from Directors)

22,82,530

22,58,410

SCHEDULE - 2

RESERVES AND SURPLUS:

General Reserve:

Balance as per last Balance Sheet 5,39,000

Add: Transferred during the year 89,000

6,28,000

5,39,000

Profit & Loss Account:

Balance as per last Balance Sheet 7,496

Add: Transferred during the year 94

7,590

7,496

SCHEDULE - 4
CASH & BANK BALANCES:

Cash on hand 25,000

Balances with Andhra Bank Branches 3,14,092

Fixed deposits with 2,20,825

A.B.E.Co-Op. Bank Ltd. 7,84,645

Andhra Bank 13,67,454

G.P.O. Hyderabad 6,00,000

27,52,099

21,60,211

30,91,191

24,06,036

SCHEDULE - 5
OTHER CURRENT ASSETS:
Advance Tax & Tax Deducted at source
Others

2,10,869
1,74,772
3,85,641

1,44,934
95,081
2,40,015

SCHEDULE - 6

LOANS AND ADVANCES:
Secured - Considered good
Less: Provision for NPAs

2,13,354
88,191

Unsecured - Considered good
Less: Provision for NPAs

20,921
8,913

1,25,163

3,94,428

SCHEDULE - 7
CURRENT LIABILITIES & PROVISIONS

Current Liabilities:

Unclaimed Dividend

Audit fee payable

Others

Proposed Dividend
Provision for Tax on Proposed Dividend
Provision for Income Tax

94,150
12,500
91,361
2,36,530
29,567
2,66,097
7,21,206
3,28,202

SCHEDULE - 8
OTHER INCOME
Commission on Credit Card Collections
Corporate Service charges on Sale of
Srihari Laddu tickets at Tirumala
Credit Card Record Maintenance charges
Pilot Service charges
Other income

1,32,227
3,05,236
1,32,018
1,31,716
36,281
7,37,478
1,15,706
2,36,826
92,100
1,03,803
45,890
5,94,325

SCHEDULE - 9
ESTABLISHMENTS & ADMINISTRATIVE EXPENSES

Establishments
Directors sitting fees
Rents
Printing & Stationery
Postage & Telephones
Travelling & Conveyance
Filing fees
Secretarial Compliance certificate fees
Payment to Auditors - Audit fees
Taxation Matters
Bank charges
Legal Expenses
Miscellaneous Expenses

2,24,824
18,600
38,500
42,000
19,935
34,403
30,118
4,000
3,500
12,500
4,775
7,475
14,774
22,127
4,40,211
2,02,021
14,600
38,500
18,396
38,462
30,118
14,000
3,500
12,500
3,525
9,960
21,163
4,06,745

ABREPOSE FINANCIAL AND TECHNICAL SERVICES LIMITED

FIXED ASSETS SCHEDULE

Description	Gross Block			Depreciation			Net Block	
	As on 1-4-2002 Rs.	Additions Rs.	As on 31-3-2003 Rs.	Upto 1-4-2002 Rs.	For the Year Rs.	Upto 31-3-2003 Rs.	As on 31-3-2003 Rs.	As on 31-3-2002 Rs.
Furniture	59,361		59,361	43,469	2,875	46,344	13,017	15,892
Computer	85,000	10,250	95,250	82,630	1,476	84,106	11,144	2,370
Library	2,490	225	2,715	1,375	176	1,551	1,164	1,115
Total	1,46,851	10,475	1,57,326	1,27,474	4,527	1,32,001	25,325	19,377
Previous Year	1,46,476	375	1,46,851	1,22,187	5,287	1,27,474	19,377	24,289

SCHEDULE - 19
NOTES ON ACCOUNTS AND ACCOUNTING POLICIES:
A. NOTES ON ACCOUNTS:

1. Contingent liabilities not provided for - Nil (Previous year - Nil)
2. Estimated amount of contracts remaining to be executed on Capital account and not provided for - Nil (Previous year - Nil)
3. Depreciation has been provided under written down value method at the rates prescribed in Schedule XIV of the Companies Act, 1956
4. No. of employees who were in receipt of remuneration aggregating to Rs. 24,00,000/- or more per annum or Rs. 2,00,000/- per month, if employed for a part of the year - Nil (Previous year - Nil)
5. Particulars of Remuneration paid to Managing/Working Directors.

2002-2003 2001-2002

Managing Director Rs. 48,000 Rs. 48,000
Working Directors 1,26,000 1,16,516

6. Other Income includes net surplus from Sale of Seva tickets at Sri Kalahasti temple, Data Entry work etc.
7. Information pursuant to paragraphs 4C and 4D of part II of Schedule VI to the Companies Act, 1956 - Not Applicable.
8. The previous year's figures have been regrouped/re-cast/re-arranged wherever considered necessary.
9. There are no dues to SSI units of Rs. 1.00 lakh or more due for a period of more than 30 days.
10. Proposed dividend for the year ended 31-3-2003

Arrears for 2001-2002 Rs. 8,277
For the current year 2002-2003 Rs. 2,28,253

Total Rs. 2,36,530

B. SIGNIFICANT ACCOUNTING POLICIES:

1. GENERAL:
The accompanying financial statements have been prepared under the historical cost basis and in accordance with the normally accepted accounting standards.
2. FIXED ASSETS:
a) Fixed Assets are valued at cost inclusive of freight, duties, taxes etc.
b) Depreciation is provided for on written down value method at the rates prescribed in Schedule XIV of the Companies Act, 1956.
3. DIVIDEND
Dividend declared on partly paid shares were withheld, in lieu of calls in arrears on such shares and shown under share application money and no dividend was declared on such amounts, in earlier years. This policy has been changed from this year and it is proposed to declare dividend even on the dividend amounts withheld, in lieu of calls in arrears with effect from 1-4-2002.
4. PRUDENTIAL NORMS
Prudential norms of income recognition, asset classification and provisioning issued by Reserve Bank of India as applicable to NBFCs have been applied for and implemented.

Signatories of Schedules 1 to 10

As per our Report of Even date
For K.S. RAMESH & COMPANY
Chartered Accountants

For and on behalf of the Board of Directors

K.S. RAMESH
Partner

J.S. SASTRY
MANAGING DIRECTOR

Place: Hyderabad
Date: 14-08-2003

M. NARASIMHA RAO
DIRECTOR

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No. 13572 State Code 01

Balance Sheet Date 31-03-2003

II. Capital Raised During the year (Amount in Rs. Thousands)

Public issue	NIL	Rights issue	NIL
Bonus issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of funds

(Amount in Rs. Thousands)	
Total Liabilities	2918
Sources of Funds	Total Assets 2918
Paid-up Capital	2283
Secured Loans	—
Application of Funds	Reserves & Surplus 636
Net Fixed Assets	25
Net Current Assets	2893
Accumulated Losses	—
	Investments —
	Misc. Expenditure —

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	1057	Total Expenditure	445
Profit before tax	612	Profit after tax	355
Earning per share in Rs.	1.0	Dividend rate %	10

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	NOT APPLICABLE
Product Description	NOT APPLICABLE
Item Code No. (ITC Code)	NOT APPLICABLE
Product Description	NOT APPLICABLE
Item Code No. (ITC Code)	NOT APPLICABLE
Production Description	NOT APPLICABLE

For & on behalf of Board of Directors

J. S. SASTRY
Managing Director

M. NARASIMHA RAO
Director

PROXY

I/We.....being member(s) of.....

of **ABREPOSE FINANCIAL & TECHNICAL SERVICES LIMITED**

hereby appoint.....

of.....

as my/our proxy to vote for me/us and on my/our behalf at the Eleventh Annual

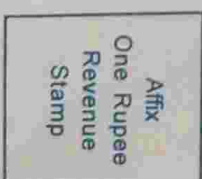
General Meeting of the Company to be held on Saturday, 27th September

2003 at 10-00 a.m. and at any adjournment thereof.

As witness my/our hand (s) this.....

day of.....2003.

Signed by the said.....



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ABREPOSE

Financial And Technical Services Limited

Registered and Administrative Office

Plot No. 4, 1st Floor, Andhra Bank Colony,

Hyderabad - 500 036.