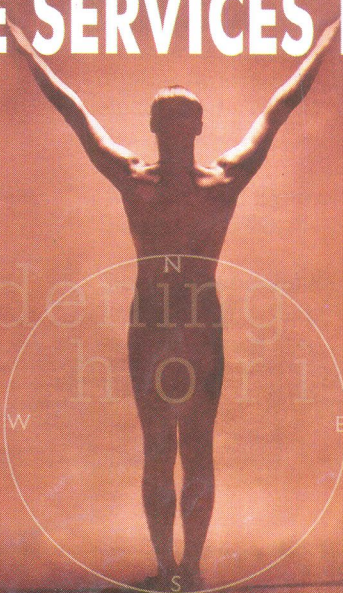


shrinking  
distances

# 4th Annual Report 2001-2002

We  
get  
you  
there.  
Faster.

## SOUTHERN ONLINE SERVICES LIMITED



widening  
horizons

Your Friendly Neighbourhood Internet Services Provider





**Board of Directors**

	<i>Chairman</i>	<b>C.M.Ramesh</b>
	<i>Managing Director</i>	<b>N.Satish Kumar</b>
	<i>Director - Finance</i>	<b>K.Radha Krishna</b>
	<i>Director – Admn.</i>	<b>B. Sreedhara Reddy</b>
	<i>Executive Director</i>	<b>B.H.R.Balaji</b>
	<i>Director</i>	<b>Anand Swaroop</b>
	<i>Director</i>	<b>P. Niranjan Rao</b>
	<i>Director</i>	<b>V. Durga Prasad</b>
	<i>Director</i>	<b>K.Tejesh Kumar</b>
	<i>Director</i>	<b>B. Suresh</b>
<b>Audit Committee</b>	<i>Chair Person</i>	<b>Anand Swaroop</b> <b>P. Niranjan Rao</b> <b>V. Durga Prasad</b>
<b>Compensation Committee</b>	<i>Chair Person</i>	<b>Anand Swaroop</b> <b>K.Tejesh Kumar</b> <b>V. Durga Prasad</b>
<b>Shareholders' / Investors' Grievance Committee</b>	<i>Chair Person</i>	<b>V. Durga Prasad</b> <b>Anand Swaroop</b> <b>B.Suresh</b>
	<i>Auditors</i>	<b>Ummareddy &amp; Associates</b> <b>Chartered Accountants</b> <b>Jabbar Apartments, Begumpet,</b> <b>Hyderabad - 16</b>
	<i>Regd. Office</i>	<b>3A, 3<sup>rd</sup> Floor, Samrat Complex,</b> <b>Saifabad, Hyderabad-04.</b>
	<i>Registrars</i>	<b>Sindhu Corporate Services Pvt Ltd</b> <b>18A, (New No. 492),East Marredpally</b> <b>Secunderabad - 26.</b>

## NOTICE

Notice is hereby given that the Fourth Annual General Meeting of the Members of the Company will be held on Monday, the 30<sup>th</sup> September 2002 at 12.00 P.M. at Golden Triangle, Nanakram Guda, Lingampalli, Hyderabad to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as on 31<sup>st</sup> March 2002 and Audited Profit & Loss Account for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of **Mr.N. Satish Kumar**, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of **Mr.K. Radha Krishna**, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Ummareddy & Associates, Chartered Accountants, Hyderabad as Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting at remuneration as may be fixed by the Board of Directors of the Company.

### **SPECIAL BUSINESS:**

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT **Mr. Anand Swarrop** be and is hereby appointed as Director of the Company, liable to retire by rotation."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT **Mr. P. Niranjan Rao** be and is hereby appointed as Director of the Company, liable to retire by rotation."
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT **Mr. V. Durga Prasad** be and is hereby appointed as Director of the Company, liable to retire by rotation."
8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT **Mr. K. Tejesh Kumar** be and is hereby appointed as Director of the Company, liable to retire by rotation."
9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT **Mr. B.Suresh** be and is hereby appointed as Director of the Company, liable to retire by rotation."

# SOUTHERN ONLINE SERVICES LIMITED

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On behalf of the Board

Place : Hyderabad  
Date : 29.08.2002.

**CM. Ramesh**  
Chairman

## NOTES:

1. 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. Proxy forms to be valid shall be lodged with the company not less than 48 hours before the meeting.
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 27.09.2002 to 30.09.2002 (both days inclusive).
4. The Members are requested to intimate any change in their address quoting their Registered Folio.
5. The Members are requested to bring Annual Report to the Meeting and are also requested to send their queries, if any, on the adoption of accounts well in advance, so as to enable to place relevant records and information at the time of Annual General Meeting.
6. At the ensuing Annual General Meeting, Mr. N. Satish Kumar retires by rotation and being eligible, offers himself for reappointment. Pursuant to Clause 49 of the Listing Agreement, the particulars Mr.N.Satish Kumar are given below:

Mr. N.Satish Kumar has completed his MBA (Marketing) from the Institute of Management Education, Pune in 1996 and his PGDCA from Institute of Computer Sciences, Hyderabad in 1994 after graduation in English Literature from S.V.University in 1992.

Mr. Satish Kumar has about 8 years of experience in the Information Technology Industry. During 1996-97 Mr. Satish Kumar has undertaken the Computer Center maintenance of Roads & Buildings Department, Hyderabad. Subsequently, he was with Multi Channel Electronic Services, Pune as incharge (Hardware & Software Operations) for the Andhra Pradesh State, where his job responsibilities included hardware and software business development and installation including computer networks.

Mr. Satish Kumar is also a Director of M/s. Southern Biofe Biofuels Pvt. Ltd.

7. At the ensuing Annual General Meeting, Mr. K.Radha Krishna retires by rotation and being eligible, offers himself for reappointment. Pursuant to Clause 49 of the Listing Agreement, the particulars Mr. K.Radha Krishna are given below:

Mr. K. Radha Krishna graduated in Civil Engineering in the year 1990, from Nagarjuna University, Guntur. He has a total experience of 10 years out of which 4 years have been in the IT field. He started his career in the construction industry during which period he has been associated with several construction projects including for Hindustan Cables Ltd., Larsen & Toubro and Telecom department.



## **SOUTHERN ONLINE SERVICES LIMITED**

Prior to promoting SOL, Mr. Radha Krishna was engaged in the business of Software & Hardware Consultancy in association with Mr. Sreedhara Reddy in his individual name.

Presently Mr. Radha Krishna rendering his services to the Company in the capacity of Director Finance.

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

#### **Item No.5:**

The Board of Directors of the Company ("the Board") at their meeting held on 14<sup>th</sup> August, 2002, appointed Mr. Anand Swaroop as an Additional Director. Pursuant to Section 260 of the Companies Act, 1956, he holds office only upto the date of the 4<sup>th</sup> Annual General Meeting. Due notice under Section 257 of the Act has been received from member proposing the appointment of Mr. Anand Swaroop as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation.

The particulars of Mr. Anand Swaroop as required under Clause 49 of the Listing Agreement are given below.

Mr. Anand Swaroop, Aged 36 Years, is a Graduate in Mechanical Engineering from Osmania University, MBA & M.Phil in Econometrics from London School of Economics.

Mr. Anand Swaroop has over 16 years of IT sector experience and has proven his abilities in various capacities. He has in depth knowledge of IT market, its potential and he is an excellent business strategist. He also has experience in Mergers and Acquisitions of Organisations

None of the other Directors, except Mr. Anand Swaroop, is concerned or interested in the resolution.

#### **Item No.6:**

The Board at their meeting held on 14<sup>th</sup> August, 2002, appointed Mr.P.Niranjan Rao as an Additional Director. Pursuant to Section 260 of the Companies Act, 1956, Mr.P.Niranjan Rao holds office only upto the date of the 4<sup>th</sup> Annual General Meeting. Due notice under Section 257 of the Act has been received from member proposing the appointment of Mr.Niranjan Rao as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation.

The particulars of Mr.Niranjan Rao as required under Clause 49 of the Listing Agreement are given below.

Mr.Niranjan Rao holds a Bachelor's degree in Engineering. He hails basically from a business family. He executed several projects in his career. The Board is of the opinion that his appointment as director would be in the best interest of the Company.

Mr.Niranjan Rao does not hold any other directorship. The Board has no hesitation in commending his appointment.

None of the other Directors, except Mr.Niranjan Rao, is concerned or interested in the resolution.

#### **Item No.7:**

The Board at their meeting held on 14<sup>th</sup> August, 2002, appointed Mr.V.Durga Prasad as an Additional Director. Pursuant to Section 260 of the Companies Act, 1956, Mr. Durga Prasad holds office only upto the date of the 4<sup>th</sup> Annual General Meeting. Due notice under Section 257 of the Act has been received from member proposing the appointment of Mr.Durga Prasad as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation.

The particulars of Mr.Durga Prasad as required under Clause 49 of the Listing Agreement are given below.



## **SOUTHERN ONLINE SERVICES LIMITED**

Mr.Durga Prasad, aged 31 yrs, has completed his MBA, Marketing in Australia. He has vast knowledge of IT Sector. He has wide and varied experience in finance and business development operations. With his vast experience in Marketing field, he can contribute to develop the business of the Company.

Mr.Durga Prasad is also a director of M/s. Southern Biofe Biofuels Pvt. Ltd. Your Directors commend the resolution for your approval.

None of the other directors, except Mr.Durga Prasad, is concerned or interested in the resolution.

### **Item No.8:**

The Board at their meeting held on 14th August, 2002, appointed Mr.K.Telesh Kumar as an Additional Director. Pursuant to Section 260 of the Companies Act, 1956, Mr.Telesh holds office only upto the date of the 4th Annual General Meeting. Due notice under Section 257 of the Act has been received from member proposing the appointment of Mr.Telesh as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation.

The particulars of Mr.Telesh as required under Clause 49 of the Listing Agreement are given below.

Mr.Telesh has completed his MBA from Andhra University. He executed several consulting and software development projects. Presently also executing some major projects of Government of Andhra Pradesh.

Mr.Telesh is also director of Global IT Inc., Chicago, which achieved a 3 million turnover.

The Board is of the view that his appointment as Director will be in the best interest of the Company. The Board has no hesitation in commending his appointment.

None of the other Directors, except Mr. Telesh, is concerned or interested in the resolution.

### **Item No.9:**

The Board at their meeting held on 14th August, 2002, appointed Mr.B.Suresh as an Additional Director. Pursuant to Section 260 of the Companies Act, 1956, Mr.Suresh holds office only upto the date of the 4th Annual General Meeting. Due notice under Section 257 of the Act has been received from member proposing the appointment of Mr.Suresh as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation.

The particulars of Mr.Suresh as required under Clause 49 of the Listing Agreement are given below.

Mr.Suresh is a graduate. He also completed PG Diploma in Computer Applications and has sound knowledge of IT sector. He is basically a business entrepreneur and being a partner of several other firms has strong command over administration and other related aspects.

Your Directors commend the resolution for your approval. None of the other Directors, except Mr. Suresh, is concerned or interested in the resolution.

On behalf of the Board

Place : Hyderabad  
Date : 29.08.2002

**C.M.Ramesh**  
Chairman.



# SOUTHERN ONLINE SERVICES LIMITED

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Fourth Annual Report together with the Audited Accounts of the company for the year ended 31<sup>st</sup> March 2002.

### Financial Results

The highlights of the financial performance are summarized below:

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2002	Year Ended March 31, 2001
Total Income	309.04	332.12
Operating Profit	92.43	139.09
Less: Depreciation	75.45	58.94
Less: Misc. Expenditure written off.	9.73	9.40
Net Profit carried forward to Balance Sheet	5.97	64.25

### Review and Prospects

Your Company has sustained profitable growth, year-on-year by leveraging its core competencies and anticipating market needs to harness the various emerging technological developments to their full potential.

The financial performance during 2001-02 has been impressive despite a tough economic and business environment. Your Company registered gross revenue of Rs. 309.04 Lakhs with a net profit of Rs. 5.97 Lakhs.

Your Company has been providing the following services:

- ❖ Dial up and Lease Line Services
- ❖ Colocation Server
- ❖ Dedicated Server
- ❖ Corporate e' Mail
- ❖ Web hosting /Designing
- ❖ FTP Services

### Software Development

Your Company has successfully completed a project for Idea Cellular. The project is for maintenance and enhancements. Maintenance includes maintaining integrity of the system and, taking the daily backups etc. Enhancements include incorporation of reports for subscription details (Individual, Business) and also adding the additional features like Service and Change requests. Apart from this your Company also developed Customer Support Module, DNS Management project and some web sites for the customers.

The Company developed a project for Auto Registration by which our dialup customers can now register their accounts online. This project includes a control panel and a dialer, which can be down loaded from our website or from CD's. With this control panel the client can create a new account, renew his existing account, change his password and/or check the status of his account.



# **SOUTHERN ONLINE SERVICES LIMITED**

## **Company's Tie-ups**

Your Company continues to maintain its technical-edge over competition with strategic tie-ups with IT leaders like Intel, CMC Ltd and many others. Your Company continues to secure new and repeat orders from Multinationals, Government Departments, and other organisations for internet services thus reflecting the trust and faith reposed by customers in your Company.

Your Company has been serving the corporate customers through Wireless Technology and also providing Internet Service through Cable Technology for both individual and corporate segments.

## **International Gateway**

Your Company presently provides Internet services as a licensed ISP via our own Internet Satellite Earth Station and also has a redundancy through Videsh Sanchar Nigam Ltd (VSNL).

## **Organisational Changes**

Pursuant to Article 48 of the Articles of Association of the Company, Mr. N. Satish Kumar, Director and Mr. K. Radha Krishna, Director are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offered themselves for re-appointment.

Your Directors appointed Mr. Anand Swaroop, Mr. P. Niranjan Rao, Mr. V. Durga Prasad Mr. K. Tejesh Kumar and Mr. B. Suresh as Additional Directors effective 14<sup>th</sup> August, 2002. These appointments require the approval of the members at the ensuing Annual General Meeting.

## **Directors' Responsibility Statement**

As required under Section 217 (2AA), which was introduced by the Companies (Amendment) Act, 2000 your Directors confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) 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 as on 31<sup>st</sup> March 2002 and of the profit or loss of the company for the year ended 31<sup>st</sup> March 2002.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors have prepared the annual accounts on a going concern basis.

## **Auditors**

M/s Ummareddy & Associates, Chartered Accountants, the Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible, offered themselves for reappointment.



# SOUTHERN ONLINE SERVICES LIMITED

## Corporate Governance

Your Company complied with the provisions of Corporate Governance during this financial year, 2002-03. A separate report on Corporate Governance on its compliance is attached as Annexure to this Report.

## Fixed Deposits

The Company has not invited/accepted any fixed deposits from the public in terms of Section 58A of the Companies Act, 1956.

## Personnel

None of the employees is covered under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

## Information as per Section 217 (1) (e) of the Companies Act, 1956

Your Company has no activity relating to conservation of energy or technology absorption. During the year 2001 - 02, there are no foreign exchange earnings. However there was foreign exchange outflow of Rs. 46.16 Lakhs towards bandwidth and technical know-how charges.

## Acknowledgement

The Directors thank the Company's customers, bankers, Central & State Governments and shareholders for consistent support to the Company. The Directors also sincerely acknowledge the significant contributions made by all the employees for their dedicated services to the Company.

On behalf of the Board

Place : Hyderabad

Date : 29.08.2002.

**C.M. Ramesh**  
Chairman

# SOUTHERN ONLINE SERVICES LIMITED

## REPORT ON CORPORATE GOVERNANCE



### Company's Philosophy

Southern Online Services Ltd believe that good Corporate Governance is essential to achieve long term corporate goals and to enhance stakeholders' value. In this pursuit, your Company's philosophy on Corporate Governance is guided by a strong emphasis on transparency, accountability and integrity.

### 2. Board Composition

The Board has a fair representation of the executive & non-executive directors. Of the ten directors on the Board, five are Promoter Directors and the others are Independent Directors.

Name	Designation	No. of Meetings Held	No. of Meetings Attended	Attendance at the last AGM	No. of other Directorships / Committees
C.M. Ramesh	Chairman	9	6	Yes	3
N. Satish Kumar	Managing Director	9	8	Yes	1
K. Radha Krishna	Director Finance	9	7	Yes	Nil
B. Sreedhar Reddy	Admn. Director	9	5	Yes	Nil
B.H.R. Balaji	Executive Director	9	6	Yes	Nil
Anand Swaroop	Director	-	-	No	Nil
P. Niranjana Rao	Director	-	-	No	Nil
V. Durga Prasad	Director	-	-	No	1
K. Tejesh Kumar	Director	-	-	No	1
B. Suresh	Director	-	-	No	Nil

Dates on which the Board Meetings held: May 24, 2001, May 28, 2001, June 27, 2001, July 06, 2001, July 30, 2001, September 28, 2001, October 29, 2001, January 25, 2002 and March 2, 2002.

### 3. Audit Committee

To adhere to the good Corporate Governance, an Audit Committee has been constituted with consisting of only Independent Directors. The composition of the Audit Committee is as under:

Mr. Anand Swaroop, Chairperson

Mr. P. Niranjana Rao, Director

Mr. V. Durga Prasad, Director



# SOUTHERN ONLINE SERVICES LIMITED

The functions of Audit Committee include:

- ❖ To review financial statements and pre-publication of announcements before submission to the Board.
- ❖ To review the Company's financial and risk management policies.
- ❖ To review internal control system and internal audit function.
- ❖ To hold periodical discussions with statutory auditors on the scope and content of the audit

## 4. Compensation Committee

The Committee has been constituted to evaluate compensation and benefits for Executive Directors. The composition of the Committee is as under:

**Mr. Anand Swaroop, Chairperson**

**Mr. K. Tejesh Kumar, Director**

**Mr. V. Durga Prasad, Director**

### Details of Remuneration to Directors

Particulars	Rs.
Basic Salary	4,50,000
PF Contribution	54,000
Others	16,96,320
<b>Total</b>	<b><u>22,00,320</u></b>

## 5. Investor Grievance Committee

The Board constituted an Investors' Grievance Committee. The Committee consists of Three Independent Directors. The Committee meets at frequent intervals to consider Share Transfers, Dematerialization of Shares, Shareholders' Complaints etc.

Mr. Harsha Vardhan Reddy, R, Asst. Company Secretary is the Compliance Officer. There are no pending Share Transfers/Complaints as on date of this report.

## 6. Details of the last three Annual General Meetings:

Particulars	Date	Venue
1st AGM	30-09-1999	3A, 3rd Floor, Samrat Complex, Office Block, Saifabad, Hyderabad - 500 004.
2nd AGM	29-11-2000	Chirmaan Fort, 1-8-333 & 334, A- Wane, Begumpet, Opp. Police Lines, Secunderabad - 500 003.
3rd AGM	27.09.2001	Golden Triangle, Nanakaram Guda, Lingampally, Hyderabad.

## SOUTHERN ONLINE SERVICES LIMITED

### 7. Disclosures

There are no materially significant related party transactions, material in nature, with its Promoters, the Directors or the Management, their subsidiaries or relatives etc. having potential conflict with the interests of the Company at large.

No penalties have been imposed on the Company by the Stock Exchanges where the Company's shares are listed or SEBI or any statutory authority, on any matter.

### 8. Means of Communication

The quarterly, half yearly un-audited / audited financial results of the Company are normally published in Business Standards (English) and Andhra Bhoomi (Vernacular News paper). These financial statements, press releases are also posted on the Company's website, at [www.sol.net.in](http://www.sol.net.in)

### 9. General Shareholder Information:

1. Date, Time and Venue of the 4th Annual : 30.09.2002, 12.00 pm  
General Meeting Golden Triangle, Nanakram Guda,  
Lingampally, Hyderabad.
2. Financial Calender : 1<sup>st</sup> April to 31<sup>st</sup> March
3. Book Closure Date : 27.09.2002 to 30.09.2002  
(both days inclusive)
4. Listing on Stock Exchanges : The Hyderabad Stock Exchnage Ltd  
The Bangalore Stock Exchnage Ltd
5. Registered office : Flat No. A3, 3<sup>rd</sup> Floor, Office  
Block, Samrat Complex  
Saifabad, Hyderabad-500 004.
6. Registrar and Share Transfer Agent : Sindhu Corporate Services Pvt. Ltd,  
18A, (new no.492), East Marredpally,  
Secunderabad – 500 026

### 7. Pattern of Shareholding as on 31.03.2002

Description	No. of Shares held	% to Total Paid-up Capital
Directors & Relatives	17,77,390	33.16
Resident Indians	28,98,459	54.07
NRIs	3,83,400	7.15
FII/OCB	10,000	0.19
Financial Institutions and Banks	---	---
Domestic Companies	2,91,051	5.43
<b>Total</b>	<b>53,60,300</b>	<b>100.00</b>





# SOUTHERN ONLINE SERVICES LIMITED

## AUDITORS' REPORT

The Members of  
Southern Online Services Limited

We have audited the attached Balance Sheet of **M/s SOUTHERN ONLINE SERVICES LTD, HYDERABAD**, as at 31<sup>st</sup> March, 2002 and the Profit & Loss Account annexed thereof for the year ended on the date and report that:

1. 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;
2. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of such books;
3. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account submitted to us;
4. In our opinion, the Profit & Loss Account and the Balance Sheet comply with the accounting standards referred to in Sub-section (3c) of Section 211 of the Companies Act, 1956;
5. On the basis of written representations received from all the Directors as on 31.3.2002, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31.3.2002 for being appointed as Director in terms of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;
6. In our opinion and to the best of our information and according to the explanation given to us, the accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view;
  - a) In the case of the Balance Sheet, of the state of affairs of the Company as on 31<sup>st</sup> March, 2002;

AND

- b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date.
7. As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks of books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of audit, we further state on the matters specified in paragraphs 4 and 5 of the said order that:
  - 7.1 The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The management at reasonable intervals has physically verified the fixed assets of the Company and no material discrepancies have been noticed on such verification.
  - 7.2 None of the fixed assets has been revalued during the year.
  - 7.3 The management at reasonable intervals in respect of the stock has conducted the physical verification. The procedure of physical verification of stock followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
  - 7.4 No material discrepancies have been noticed on physical verification between physical stocks as compared to book records.
  - 7.5 On the basis of our examination of stock records we are of the opinion that the valuation of stocks is fair and proper in accordance with normally accepted accounting principles and is on the same basis as in the proceeding year.



## **SOUTHERN ONLINE SERVICES LIMITED**

- 7.6 The Company has not taken any loans or advances from the Companies, firms or any parties listed in the Register maintained under Section 301 of the Companies Act, 1956, (1 of 1956) and / or from the Companies under the same management within the meaning of Section 370 (1-B) of the Companies Act, 1956.
- 7.7 The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956, or to companies under the same management within the meaning of the Section 370 (1-B) of the Companies Act, 1956.
- 7.8 In our opinion there are adequate internal control procedures commensurate with the size of the Company and the nature of the business with regard to the purchase of plant and machinery, equipment and other assets and with regard to the services rendered.
- 7.9 The Company has not accepted any deposits from the public and consequently the provisions of Section 58-A of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable.
- 7.10 The Company has Internal Audit system commensurate with its size and nature of its business.
- 7.11 According to the information and explanations given to us, maintenance of cost records has not been prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956, for any of the activities of the Company.
- 7.12 According to the information and explanations given to us the Company is in general regular in remitting the Provident Fund and Employees State Insurance amounts with appropriate authorities.
- 7.13 In our opinion and according to the information and explanations given to us, the transactions of purchases made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956, and aggregating during the year to Rs. 50,000/- or more in respect of each party have been made at prices and terms which are reasonable, having regard to the prevailing market prices or the prices at which transactions for similar goods or materials have been made with other parties.
- 7.14 According to the information and explanations given to us and as per the records of the company examined by us, 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 31<sup>st</sup> March, 2002 for a period of more than six months from the date they became payable.
- 7.15 According to the information and explanations given to us and as per the records of the Company examined by us, personal expenses of employees or Directors have not been charged to revenue account, other than those payable under contractual obligations in accordance with generally accepted business practice.
- 7.16 The Company is not a Sick Industrial Company within the meaning of the clause (O) of the Sub Section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
- 7.17 The Company has a reasonable system of allocating man-hours utilized to the relative jobs, commensurate with its size and nature of its business.
- 7.18 There is a reasonable system of authorization at proper levels, and an adequate system of internal control commensurate with the size of the Company and the nature of its business.

for **UMMAREDDY & ASSOCIATES**  
Chartered Accountants

Place : Hyderabad.  
Date : 29.06.2002.

A.KOTESWARA RAO  
Partner

# SOUTHERN ONLINE SERVICES LIMITED

Balance Sheet as at 31st March, 2002

Description	Schedule No.	As at 31.03.2002 (Rs.)	As at 31.03.2001 (Rs.)
<b>I. SOURCES OF FUNDS :</b>			
<b>1. Shareholders' Funds :</b>			
a. Share Capital	1	53,603,000	53,603,000
b. Reserves and Surplus	2	11,093,248	10,496,284
<b>2. Loan Funds :</b>			
a. Secured Loans	3	10,258,038	7,966,208
b. Unsecured Loans	4	840,000	1,205,295
<b>TOTAL :</b>		<b>75,794,285</b>	<b>73,270,787</b>
<b>II. APPLICATION OF FUNDS :</b>			
<b>1. Fixed Assets :</b>			
a. Gross Block	5	47,916,125	48,169,873
b. Less : Depreciation		15,349,701	7,940,264
c. Net Block		32,566,424	40,229,609
<b>2. Investments</b>			
		-	-
<b>3. Current Assets, Loans and Advances :</b>			
Less : Current Liabilities & Provisions :	7	2,405,908	2,781,975
Net Current Assets		38,407,272	27,688,833
<b>4. Miscellaneous Expenditure (to the extent not written off or adjusted)</b>			
	8	4,820,590	5,352,345
<b>TOTAL :</b>		<b>75,794,285</b>	<b>73,270,787</b>
Notes forming part of Accounts	13		

AS PER OUR REPORT OF EVEN DATE  
for UMMAREDDY & ASSOCIATES.  
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

**A. KOTESWARA RAO**  
Partner

**C.M.RAMESH**  
Chairman

**N.SATISH KUMAR**  
Managing Director.

**K.RADHA KRISHNA.**  
Finance Director.

Place : Hyderabad.  
Date : 29.06.2002.



# SOUTHERN ONLINE SERVICES LIMITED

## Profit and Loss Account for the year ended 31st March, 2002.

Description	Schedule No.	Year ended 31.03.2002 (Rs.)	Year ended 31.03.2001 (Rs.)
<b>I. INCOME</b>			
Internet and related Services		29,361,542	29,533,695
Sale of Computer Hardware		1,285,390	2,839,980
Other Income		257,369	838,607
<b>TOTAL :</b>		<b>30,904,301</b>	<b>33,212,282</b>
<b>II. EXPENDITURE</b>			
Purchases		824,006	2,035,816
Personnel Cost	9	4,876,652	4,807,793
Operating & Administrative Expenses	10	9,773,922	7,324,533
Financial Expenses	11	1,559,834	1,371,831
Marketing Expenses	12	4,627,343	3,763,338
Sub Total		21,661,757	19,303,310
<b>Operating Profit</b>		<b>9,242,544</b>	<b>13,908,972</b>
Depreciation		7,545,355	5,893,873
Miscellaneous expenditure written off		973,256	940,144
Prior Period Expenses		66,969	-
<b>Profit Before Tax</b>		<b>656,964</b>	<b>7,074,955</b>
Provision for Tax		60,000	650,000
<b>Profit After tax</b>		<b>596,964</b>	<b>6,424,955</b>
Add : Profit Brought forwarded		496,284	4,071,330
Profit available for Appropriation		1,093,248	10,496,284
Less : Transferred to General Reserve		-	10,000,000
<b>Profit Transferred to Balance Sheet</b>		<b>1,093,248</b>	<b>496,284</b>

AS PER OUR REPORT OF EVEN DATE  
for **UMMAREDDY & ASSOCIATES**  
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

**A. KOTESWARA RAO**  
Partner

**C.M.RAMESH**  
Chairman

**N.SATISH KUMAR**  
Managing Director.

**K.RADHA KRISHNA.**  
Finance Director.

Place : Hyderabad.  
Date : 29.06.2002.

**SOUTHERN ONLINE SERVICES LIMITED**

## Schedules forming part of the Balance Sheet

**Share Capital :**

Description	As at 31.03.2002 (Rs.)	As at 31.03.2001 (Rs.)
<b>Authorised :</b>		
60,00,000 Equity Shares of Rs.10/- each.	<u>60,000,000</u>	<u>60,000,000</u>
<b>Issued, Subscribed &amp; Paid-up :</b>		
53,60,300 Equity Shares of Rs.10/- each fully paid up	<u>53,603,000</u>	<u>53,603,000</u>
<b>TOTAL :</b>	<u>53,603,000</u>	<u>53,603,000</u>
<b>2. Reserves &amp; Surplus :</b>		
Profit & Loss A/c	1,093,248	496,284
General Reserve	<u>10,000,000</u>	<u>10,000,000</u>
<b>TOTAL :</b>	<u>11,093,248</u>	<u>10,496,284</u>
<b>3. Secured Loans :</b>		
Term Loan from Central Bank Of India ,Koti, Hyderabad ( Secured by hypothication of EDP Equipment and equitable mortagage of Land & Building of Directors)	7,034,138	7,144,446
Bank Overdraft from Central Bank of India, Koti, Hyderabad against Debtors	3,223,900	821,762
<b>TOTAL :</b>	<u>10,258,038</u>	<u>7,966,208</u>
<b>4. Un Secured Loans :</b>		
a) Loans from Directors	-	-
b) Loans from Others	-	-
Central Bank of India, Koti, Hyderabad Refundable Deposits from Dealers	<u>840,000</u>	<u>695,295</u> <u>510,000</u>
<b>TOTAL :</b>	<u>840,000</u>	<u>1,205,295</u>



# SOUTHERN ONLINE SERVICES LIMITED

5. Fixed Assets :

Sl. No.	ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As at 01-04-2001	Additions during the Year	Deductions during the Year	As at 31-03-2002 Year	Upto 31-03-2001	For the Year	Deductions during the Year	Upto 31-03-2002	As at 31-03-2002	As at 31-03-2001
1.	EDP Equipment	45,099,186	1,488,068	1,012,901	45,574,353	7,740,326	7,369,260	89,167	15,020,419	30,553,934	37,358,859
2.	Office Equipment	1,166,406	3,780	-	1,170,186	83,767	55,554	-	139,321	1,030,865	1,082,639
3.	Furniture & Fixtures	1,904,281	-	732,695	1,171,586	116,171	120,541	46,751	189,961	981,625	1,788,110
<b>TOTAL :</b>		<b>48,169,873</b>	<b>1,491,848</b>	<b>1,745,596</b>	<b>47,916,125</b>	<b>7,940,264</b>	<b>7,545,355</b>	<b>135,918</b>	<b>15,349,701</b>	<b>32,566,424</b>	<b>40,229,608</b>
Previous Year		29,723,393	18,446,480	-	48,169,873	2,046,391	5,893,873	-	7,940,264	40,229,609	27,677,092

# SOUTHERN ONLINE SERVICES LIMITED

## 6. Current Assets, Loans & Advances :

### Current Assets:

#### a) Sundry Debtors

( Unsecured considered Good )

#### Debts outstanding for a period

exceeding six months	26,515,525		14,775,804	
Other Debts	<u>7,798,713</u>	<b>34,314,238</b>	<u>4,683,516</u>	19,459,320
b) Pre-paid Expenses		<b>959,068</b>		1,194,664
c) Tax Deducted at Source		<b>58,771</b>		170,498
d) Cash and Bank Balances				
Cash on Hand	608,092		344,500	
Balances with Scheduled Banks				
- on Current Accounts	179,939		265,010	
- Short Term Deposits	<u>826,935</u>	<b>1,614,966</b>	<u>4,512,646</u>	5,122,156
e) Deposits				
Telephone Deposits	1,485,220		1,658,884	
Other Deposits	<u>497,654</u>	<b>1,982,874</b>	<u>559,660</u>	2,218,544
f) Stock of CD's		<b>251,503</b>		300,000
<b>B. Loans and Advances:</b>				
a) Advances for Capital Goods		<b>914,322</b>		1,410,987
b) Advances to Staff		<b>717,437</b>		594,639
<b>TOTAL :</b>		<b><u>40,813,179</u></b>		<b><u>30,470,808</u></b>



# SOUTHERN ONLINE SERVICES LIMITED

## 7. Current Liabilities & Provisions :

Description	Year ended 31.03.2002 (Rs.)	Year ended 31.03.2001 (Rs.)
Sundry Creditors for Capital Goods	361,792	1,358,807
Sundry Creditors for Expenses	1,095,688	1,394,058
Outstanding Liabilities	9,48,428	29,110
<b>TOTAL :</b>	<b><u>2,405,908</u></b>	<b><u>2,781,975</u></b>

## 8. Miscellaneous Expenditure : ( to the extent not written off or adjusted )

a) Preliminary Expenses	136,414		181,886	
Less: Written Off During the year	45,472	90,942	45,472	136,414
b) Deferred Revenue Expenses.	5,215,931		6,110,603	
Add: Additions During the year	441,501			
Less: Written Off During the year	927,784	4,729,648	894,672	5,215,931
<b>TOTAL :</b>		<b><u>4,820,590</u></b>		<b><u>5,352,345</u></b>

# SOUTHERN ONLINE SERVICES LIMITED

## Schedules forming part of the Profit and Loss Account

### 9. Personnel Cost :

Description	Year ended 31.03.2002 (Rs.)	Year ended 31.03.2001 (Rs.)
Salaries	4,750,556	4,642,957
Staff Welfare	126,095	164,836
<b>TOTAL :</b>	<b>4,876,652</b>	<b>4,807,793</b>

### 10. Operating & Administrative Expenses :

AGM & Board Meeting Expenses	59,471	162,489
Audit Fee	72,000	42,000
Electricity Charges	861,800	611,441
Floppys and CDs	55,250	341,222
General Expenses	141,630	52,586
Insurance	223,655	201,521
Lease Line Rentals	5,688,587	2,430,837
Membership, Books & Periodicals	136,649	114,344
Office Maintenance	199,822	443,753
Consultancy Charges	240,000	168,250
Printing & Stationery	92,881	136,146
Postage & Telegrams	7,483	49,435
Rent , Rates & Taxes	430,500	579,311
Secretarial Expenses	120,616	121,984
Security Service	101,177	75,626
Staff Recruitment Expenses	-	27,951
Telephone, Mobile & Pager Expenses	1,171,978	1,183,567
Travelling & Conveyance Expenses	170,424	582,070
<b>TOTAL :</b>	<b>9,773,922</b>	<b>7,324,533</b>

### 11. Financial Expenses :

Interest on Term Loan	1,139,692	973,446
Interest on Over Draft	318,357	313,487
Bank Charges	101,785	84,898
<b>TOTAL :</b>	<b>1,559,834</b>	<b>1,371,831</b>

### 12. Marketing Expenses :

Advertisement	157,910	828,010
Comissions & Discounts	4,414,456	2,760,363
Business Promotion	54,977	174,965
<b>TOTAL :</b>	<b>4,627,343</b>	<b>3,763,338</b>



# SOUTHERN ONLINE SERVICES LIMITED

## 13. SIGNIFICANT ACCOUNTING POLICIES:

### 1. Basis of Preparation of Financial Statements:

- A. Financial Statements have been prepared under the historical cost convention and in accordance with generally accepted Accounting Principles and Provisions of the Companies Act, 1956 as applicable to the Company.
- B. Accounting Policies not specially referred to otherwise are consistent and in consonance with generally accepted Accounting Principles followed by the Company.

### 2. Revenue Reorganization:

- a) Dial Up Services: Internet Access are provided to the customers for a specified Number of Hours either based up on the advances received or billed to the customers, which is to be utilized within a specified period. The Company recognizes revenue based on the bills raised on customer at the time of facilitating the Internet access.
- b) Leased Line Services: Leased Line Services are provided to the customers for a specified period of time. The Company recognizes revenue in year of raising the Invoices on the customers.
- c) Web hosting and Co-location Services: These services are provided to the customers for a specified period of time. The company recognizes revenue in the year of raising invoices on the customers.
- d) FTP Services: These services are provided to the customers for a specified period of time. The Company recognizes revenue in the year of raising invoices on the customers.

### 3. Fixed Assets:

Fixed assets are stated at the cost of acquisition less accumulated depreciation, direct costs are capitalized until the assets are ready to put to use. These costs include installation cost, duties, taxes and other allocated expenses including finance cost relating to specified borrowing incurred during the construction period.

### 4. Depreciation:

Depreciation on Fixed Assets has been provided on Straight Line Method as per the rates mentioned in Schedule XIV of the Companies Act, 1956.

### 5. Miscellaneous Expenditure:

- a) Preliminary Expenses: Expenditure (to the extent not written off or adjusted) incurred in connection with formation of the Company has been amortized over a period of 5 years.
- b) Public Issue Expenses: Expenditure incurred in connection with the Public Issue of Rs.1.34 Lakhs has been amortized over a period of 5 years.
- c) Deferred Revenue Expenses: Processing Fee incurred in connection with obtaining Gateway facilities has been amortized over a period of 10 years.
- d) Technical - Know – How: Expenditure incurred in connection with Technical know-how has been amortized over a period of 10 years.
- e) Software Expenditure: Expenditure incurred in connection with RBS billing software and data entry software has been amortized over a period of 10 years.

# SOUTHERN ONLINE SERVICES LIMITED

## 6. Contingent Liabilities:

liability was provided for in respect of Contingent liability but only mentioned by way of notes on accounts.

## II. NOTES ON ACCOUNTS:

### 1. Managerial Remuneration:

#### A. Managerial Remuneration paid to the Chairman and Managing Director and whole time Directors.

	2001-2002 Rupees.	2000-2001 Rupees.
Salaries & Allowances	22,00,320	20,02,600

B. No computation of Profit U/s 350 of the Companies Act, 1956 has been given since no commission was paid to Directors.

### 2. Auditors Remuneration :

	2001-2002 Rupees	2000-2001 Rupees
For Statutory Audit	20,000	20,000
For Tax Audit	16,000	16,000
For Other Services	4,000	4,000
	<u>40,000</u>	<u>40,000</u>

### 3. Contingent Liabilities not provided for:

	2001-2002 Rupees	2000-2001 Rupees
Counter Guarantee given to Bankers in respect of guarantees issued by the Bankers in favour of the President of India, acting through the Telegraph Authority.	20,00,000	20,00,000
	<u>20,00,000</u>	<u>20,00,000</u>

### 4. Current Liabilities and Provisions:

Current Liabilities include Rs.1,65,848/- due to Chairman (Previous year NIL ) and Rs.33,073/- to the other Directors (Previous year Rs.1, 08,160/-)

5. Preliminary Expenses includes Registration Charges for increasing the Authorised Share Capital.

6. Deferred Revenue Expenses includes Public Issue Expenses, Technical know how and Billing Software Expenditure.



# SOUTHERN ONLINE SERVICES LIMITED

7. In the opinion of Board of Directors the Sundry Debtors are expected to realize at 100%.
8. Balances appearing under different accounts of Debtors, Creditors, Loans and Advances are subject to confirmation from the parties.
9. Previous year figures have been regrouped / reclassified / rearranged wherever necessary for better comparison with current year figures.
10. Cash and Bank Balances include Rs. 8,26,935/- representing fixed deposits lodged with Banker for margin money against guarantees issued by them ( Previous year Rs. 45,12,646/- )
11. The Company is engaged in the Business of providing Internet service and other related Services. The rendering of such services is not capable of being expressed in any generic unit and hence it is not possible to give the quantitative details of sales and information as required under paragraphs 3, 4 and 4 D of Part II of Schedule - VI to the Companies Act, 1956. In respect of Trading Division Quantitative details are as follows:

S.NO	DESCRIPTION	PURCHASE		SALE		CLOSING STOCK	
		Qty	Value Rs.	Qty	Value Rs.	Qty	Value Rs.
1.	Lease Line Modems	31	16,51,816	31	18,91,980	NIL	NIL
2.	HTU-E1/N/AC	2	1,92,000	2	2,59,200	NIL	NIL
3.	HTU-E1/N/AC/V35	2	2,04,000	2	2,88,100	NIL	NIL
4.	PRESTIGE 153 X ROUTER	1	34,000	1	4,00,700	NIL	NIL

AS PER OUR REPORT OF EVEN DATE  
for UMMAREDDY & ASSOCIATES.  
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

**A. KOTESWARA RAO**  
Partner

**C.M.RAMESH**  
Chairman

**N.SATISH KUMAR**  
Managing Director.

**K.RADHA KRISHNAN**  
Finance Director.

Place : Hyderabad.  
Date : 29.06.2002.

# SOUTHERN ONLINE SERVICES LIMITED

## CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2002

Year Ended  
31.03.2002

CASH FLOW FROM OPERATIONS	
Profit as per Profit & Loss Account	596,964
ADD : Adjustments for	
A. Depreciation	7,545,355
B. Preliminary Expenses Written off	973,256
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>9,115,575</b>
ADD / LESS : Adjustments for Working Capital	
A. Increase in Current Assets	(14,570,751)
B. Decrease in Loan & Advances	721,190
C. Decrease in Current Liabilities	(376,068)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(13,849,561)</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(5,110,054)</b>
<b>II CASH FLOW FROM INVESTING ACTIVITIES</b>	
A. Purchase of Fixed Assets	(1,491,848)
B. Sale of Fixed Assets	1,609,678
C. Preliminary Expenses Spent	(441,501)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(323,671)</b>
<b>III CASH FLOW FROM FINANCING ACTIVITIES</b>	
A. Proceeds of Shares Issue	-
B. Secured Loans taken.	2,291,830
C. Un Secured Loans repaid.	(365,295)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>1,926,535</b>
Net Increase in Cash or Cash Equivalents	(3,507,190)
Opening Cash & Bank Balances	5,122,156
ADD:Net increase in Cash & Cash Equivalents	(3,507,190)
Closing Cash & Bank Balances as on 31.03.2002.	1,614,966

For and on behalf of the Board of Directors

Place : Hyderabad  
Date : 29.06.2002

C.M.RAMESH  
Chairman

N.SATISH KUMAR  
Managing Director

K.RADHA KRISHNA  
Director Finance

### Auditor's Certificate

We have verified the above Cash Flow Statement of SOUTHERN ONLINE SERVICES LIMITED derived from Audited Financial Statements for the year ended 31st March 2002, and found the same in accordance therewith, and also with the requirement of clause 32 of the Listing Agreement.

for Ummareddy & Associates  
Chartered Accountants

Place : Hyderabad.  
Date : 29.06.2002

A.KOTESWARA RAO  
Partner.



# SOUTHERN ONLINE SERVICES LIMITED

## Balance Sheet Abstract and Company's General Business Profile

### I. Registration Details

Registration Number	30463
State Code Number	01
Balance Sheet Date	31 <sup>st</sup> March 2002

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

Public Issue	NIL
Right Issue	NIL
Bonus issue	NIL
Private Placement	NIL

### III. Position of Mobilization and Deployment of Funds (Amount in Rs Thousands)

Total Liabilities	75794
Total Assets	75794
<b>Sources of Funds</b>	
Paid-up Capital	53603
Reserves & Surplus	11093
Secured Loans	10258
Unsecured Loans	840
<b>Application of Funds</b>	
Net Fixed Assets	32566
Investments	NIL
Net Current Assets	38407
Miscellaneous Expenditure	4821
Accumulated Losses	NIL

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

Turnover	30904
Total Expenditure	30247
Profit /Loss Before Tax +(-)	657
Profit /Loss After Tax +(-)	597
Earnings per Share in Rs	0.11
Dividend Rate %	NIL

### V. Generic Names of Three principal products/ services of Company (as per monetary terms)

Item Code No. (ITC Code)	NIL
Product Description	Internet Service Providers

For and on behalf of the Board of Directors

**C.M.RAMESH**

Chairman

**N.SATISH KUMAR**

Managing Director

**K.RADHA KRISHNA**

Finance Director

Place :Hyderabad

Date : 29.08.2002

# SOUTHERN ONLINE SERVICES LIMITED

## SOUTHERN ONLINE SERVICES LIMITED

3A, 3rd Floor, Samrat Complex,  
Office Block, Saifabad, HYDERABAD - 500 004.

### PROXY FORM

Folio No.: .....

I/We .....of.....in the district  
of.....being a member/members of the above named company, hereby  
appoint Mr./Ms./Kum.....in the district of.....as  
my/our proxy to attend and vote for me/us on my/our behalf at the Fourth Annual General Meeting of the  
Company to be held on Monday the 30th September, 2002 at 12.00 pm at Golden Triangle, Nanakramguda,  
Lingampally, Hyderabad. and at any adjournment thereof.

Signed this..... day of ..... 2002

Address .....

Affix Rs. 1/-  
Revenue  
Stamp

Signed .....

Note : The proxy form duly completed must be deposited at Regd. Office not less than 48 hours before the  
time for holding the meeting. A proxy need not be a member.

## SOUTHERN ONLINE SERVICES LIMITED

3A, 3rd Floor, Samrat Complex,  
Office Block, Saifabad, HYDERABAD - 500 004.

### ATTENDANCE SLIP

I hereby record my presence at the Fourth Annual General Meeting of the Company on Monday, the 30th  
September, 2002 at 12.00 pm at Golden Triangle, Nanakramguda, Lingampally, Hyderabad.

.....  
Full name of the Shareholder (in block letters)

.....  
Signature

Folio No.....

No. of Shares held .....

.....  
Full name of the proxy (in block letters)  
(To be filled if the Proxy attends instead  
of the member)

.....  
Signature

Note : Shareholders attending the meeting in person or by proxy are requested to complete the attendance  
slip and hand it over at the entrance of the meeting hall.

