

**SEVENTEENTH
ANNUAL REPORT
1998 - 99**



SUJATA *Infotech Limited*

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BOARD OF DIRECTORS

P.D. GUPTA
CHAIRMAN

DIRECTORS

VIJAY GUPTA

C.K. SHARMA

G.S PUJARY

U.CHANDRA MOULI

AUDITORS

Swamy & Sheshadri
Chartered Accountants
1-3-1036/3/12-13
Kavadiguda Road,
Secunderabad - 500380.

BANKERS

Oriental Bank of Commerce
Dalamal Towers
Nariman Point
Mumbai - 400021

REGISTERED OFFICE

606, 607, Swapnalok Complex
93, S.D. Road
Secunderabad - 500 003.

PLANT

WORKS I
Plot No. 18 &19
AnrichIndustrial Estate Bolaram, Taluq
Narsapur, Dist Medak,
Andhra Pradesh.

WORKS II
UNIT NO. 156, S D F V
SEEPZ, Andheri (E)
Mumbai - 400 096.

NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of the Company will be held on Friday, 24th September, 1999 at Registered Office 606, 607, Swapnalok Complex, 93, S.D. Road, Secunderabad - 500 003 at 3.00 P.M. to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 31st March, 1999 and Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Vijay Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT Shri C.K. Sharma be and is hereby appointed as a Director of the Company, whose office shall be liable to retire by rotation".

5. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT Shri G.S. Pujary be and is hereby appointed as a Director of the Company, whose office shall be liable to retire by rotation".

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

"RESOLVED THAT Shri U. Chandra Mouli be and is hereby appointed as a Director of the Company, whose office shall be liable to retire by rotation".

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY FORM SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR THE TIME FOR COMMENCEMENT OF THE MEETING.
2. Members/proxies should bring the attendance slip duly filled in and signed for attending the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd September, 1999 to 24th September, 1999 (both days inclusive).
4. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of item # 4, 5 & 6 is annexed herewith.
5. If the members have any queries on the Audited Accounts of Directors' Report the same should be forwarded to the Company in writing at its registered office at least 10 days before the meeting so that the same can be replied at the time of Annual General Meeting to the members' satisfaction.

By order of the Board of Directors
For **SUJATA INFOTECH LIMITED**

PURUSHOTTAM DAS GUPTA
Chairman

Place : Secunderabad
Date : 24th August, 1999

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EXPLANTORY STATEMENT

(Pursuant to Section 173 (2) of the Companies Act, 1956)

Item #. 4 Shri C.K. Sharma was appointed as an Additional Director of the Company in the Board Meeting held on 24th August, 1999.

The Board is of the opinion that the Company will greatly benefit by his experience.

The Company has received notice under Section 257 of the Companies Act, 1956 alongwith deposit from a member proposing the candidature of Sri C.K. Sharma for the Office of the Director of the Company.

None of the Directors are interested in the resolution except Shri C.K. Sharma.

The Board recommends the resolution for your approval.

Item # 5 Shri G.S. Pujary was appointed as an Additional Director of the Company in the Board Meeting held on 24th August, 1999.

The Company has received notice under Section 257 of the Companies Act, 1956 alongwith deposit from a member proposing the candidature of Sri G.S. Pujary for the Office of the Director of the Company.

None of the Directors are interested in the resolution except Shri G.S. Pujary.

The Board recommends the resolution for your approval.

Item # 6 Shri U. Chandra Mouli was appointed as an Additional Director of the Company in the Board Meeting held on 24th August, 1999.

The Company has received notice under Section 257 of the Companies Act, 1956 alongwith deposit from a member proposing the candidature of Sri U. Chandra Mouli for the Office of the Director of the Company.

None of the Directors are interested in the resolution except Shri.U. Chandra Mouli.

The Board recommends the resolution for your approval.

Place : Secunderabad
Date : 24th August, 1999

By order of the Board of Directors
For **SUJATA INFOTECH LIMITED**

PURUSHOTTAM DAS GUPTA
Chairman



DIRECTORS' REPORT

To
The Shareholders

Your Company have pleasure in presenting the Seventeenth Annual Report and Audited Accounts for the financial year ended 31st March, 1999.

FINANCIAL RESULTS

(Rs. In lacs)

Particulars	Year Ended 31.03.99	Year Ended 31.03.98
Sales	4985.41	2380.58
Other Income	80.64	80.90
Total Income	5066.05	2461.48
Profit/(Loss) before Taxation	(68.33)	(75.27)
Tax	—	—
Net Profit after Tax	(68.33)	(75.27)

OPERATIONS

During the year under review, your Company's turnover had more than doubled on account of the increased trading activity. The Export turnover increased from Rs. 100.80 lacs to Rs. 195.95. In spite of the increased turnover there was no considerable improvement in the Company's performance as the expenses also increased at the same rate and margins reduced. The other reasons were the large fluctuation in the exchange rate and the mushroom growth of Local operators. The entry of the large number of local operators resulted in more competitive market thereby reducing the margins.

DIVIDEND

Your Company's Operations during the year have resulted in a loss, and so the Directors do not recommend payment of dividend for the year.

YEAR 2000

The Company has addressed the Y2k compliance for its operations. All the hardware and software in use have been determined to be Y2k complaint. The Company has also addressed the issue of systems breakdown/failure due to Y2k problem with adequate contingency plans.

DIRECTORS

In accordance with provisions of the Companies Act, 1956 and the Articles of Association, Shri Vijay Gupta retires by rotation at the ensuing Annual General Meeting.

Smt Priti Gupta and Smt Anjali Berlia have resigned from the directorship of the Company on account of personal reasons. The Board wishes to place on record their appreciation for valuable contribution in the Company's progress rendered by Smt Priti Gupta and Smt Anjali Berlia during their tenure on the Board.

Shri C.K Sharma, Shri G.S Pujary and Shri U. Chandra Mouli were appointed as Additional Directors in the Board Meeting held on 24th August, 1999 to hold office until the conclusion of the ensuing Annual General Meeting.

Notice has been received from members under Section 257 of the Companies Act, 1956 proposing the candidature of Shri C.K Sharma, Shri G.S Pujary and Shri U. Chandra Mouli for the Office of the Director of the Company.

LISTING

Your Company's Shares are listed on the Mumbai, Hyderabad, Ahmedabad and Bangalore Stock Exchanges and the Company has paid the listing fees for 1999-2000 for all the Stock Exchanges.

FIXED DEPOSITS

Your Company has not accepted any deposits from the public during the year.

AUDITORS

M/s. Swamy and Seshadri, Chartered Accountants, who are now Auditors of the Company, retired at the ensuing Annual General Meeting and are eligible for re-appointment.

INDUSTRIAL RELATIONS

Relations with employees at all levels were cordial.

STATUTORY DISCLOSURE

The provisions of Section 217 (1) (e) of the Companies Act, 1956, in regard to reporting or Energy Conservation and Technology Absorption are not applicable to the Company. The Company has earned foreign exchange equivalent to Rs. 195.95 for the year and the outgo on foreign exchange for purchase of Raw Material, Finished Goods was Rs 2370.00 lacs.

PARTICULARS OF EMPLOYEES

During the year, the Company had no employees who were in receipt of salary in excess of the limits specified under Section 217(2A) of the Companies Act, 1956.

ACKNOWLEDGEMENTS

The Board wishes to express its deep appreciation to all staff members for their co-operation and to the Company's Bankers, Financial Institutions, Shareholders, Customers and Suppliers for their sustained support.

On behalf of the Board of Directors
For **SUJATA INFOTECH LIMITED**

Place : Secunderabad **PURUSHOTTAM DAS GUPTA**
Date : 24.08.99 Chairman

SEVENTEENTH ANNUAL REPORT 1998 - 1999**AUDITORS' REPORT**

To
The Members of
SUJATA INFOTECH LIMITED

We have audited the attached Balance Sheet of Sujata Infotech Limited As at 31st March 1999 and the profit & loss account for the year ended on that date annexed thereto and report that:

1. As required by the Manufacturing and other Companies (Auditors Reports) order, 1988, issued by the Company Law Board in terms of Section 227(4-A) of the Companies Act, specified in paragraph 4 & 5 of the said order.
2. Further to our comments in the Annexure referred to in Paragraph 1 above:
 - a. 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.
 - b. Proper Books of Accounts as required by law have been kept by the Company so far as appears from our examination of the books.
 - c. The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the Books of Account.
 - d. In our opinion the Balance Sheet & Profit & Loss A/c complies with the mandatory accounting standards referred in Section 211(3C) of the companies Act 1956.
 - e. subject to the foregoing in our opinion and to the best of our information and according to the explanation given to us, the said 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 Balance Sheet of the state of affairs of the company as at 31st March, 1999 and
 - b) In the case of Profit & Loss account of the loss of the company for the ended on that date.

For **SWAMY & SESHADRI,**
CHARTERED ACCOUNTANTS,

RAMKUMAR SESHADRI, B.COM F.C.A
Partner

Place : Secunderabad
Date : 24.08.99

ANNEXURE TO THE AUDITORS' REPORTS

(Refer to in Paragraph 1 of our Report of even date of the accounts for the year ended 31st March, 1999 of Sujata Infotech Limited)

In terms of the information and explanations given to us and on the basis of such checks as we considered appropriate, we further state that:

1. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets which have been physically verified by the Management during the year and no discrepancy was noticed on such verification.
2. None of the Fixed Assets of the Company have been revalued during the period.
3. The stocks of the finished goods, raw-materials, stores and components have been physically verified by the Management at reasonable intervals during the period.
4. According to the information and explanations given to us, in our opinion, the procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. The discrepancies noticed on verification between physical stock and book records which were not material, have been properly dealt within the Books of Account.
6. In our opinion, on the basis of our examination of the stocks records, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceeding year.
7. The Company has taken interest free unsecured loans from the Companies in which the directors are interested. The terms on which these loans have been taken are not prima facie prejudicial to the interest of the Company. There are no loans taken from the Companies under the same Management as defined under Section (1-B) of Section 370 of the Companies Act, 1956.
8. The Company has not granted any loan, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 or to the Companies under

Sujata Infotech Limited

- the same Management as defined under sub-Section (1-B) of Section 370 of the Companies Act, 1956.
9. The Company has not given any loan or advance to any person except advances in the nature of loans to its employees and the repayment of the principal amounts and of interest, wherever applicable is as stipulated.
 10. In our opinion and according to information and explanations given to us, having regard to the explanations, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of stores, raw materials, including components, plant & machinery, equipment and other assets, and for the sale of goods.
 11. As far as we have been able to collect information, the transactions of purchase of goods and materials, and sale of goods, materials and services made pursuant to contracts of arrangements entered in the register maintained u/s. 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50000 or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services or the prices at which transactions for similar goods or services have been made with other parties.
 12. As explained to us, unserviceable or damaged stores, raw materials and finished goods are determined by the management and adequate provisions has been made in accounts for losses so determined.
 13. The Company has not accepted any deposit from the public during the year.
 14. We are informed by the Company that no scrap or by-product are generated in the production process. Therefore, the question of maintenance of records for scrap or by- product does not arise.
 15. In our opinion, the company has an adequate internal audit systems commensurate with the size and nature of its business.
 16. To the best of our knowledge and according to information given to us, the Central Government have not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for any product of the Company.
 17. The Company has generally been regular in depositing, Employees State Insurance and Employees Provident Fund dues with proper authorities.
 18. According to information and explanations given to us, there were no amount outstanding on 31st March, 1999 in respect of Income Tax, Sales Tax, Excise Duty and Customs Duty, which were due from more than 6 months from the date they become payable.
 19. According to information and explanations given to us and records of the Company examined by us, no personal expenses have been charged to Revenue Account, other than those payable under contractual obligations in accordance with general business practices.
 20. The company is not a Sick Industrial Company within the meaning of clause (o) of sub-Section (1) of the Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
 21. In respect of Company's services activity, we report that;
 - a. The Company has reasonable system of recording receipts, issues and consumption of materials and stores and allocating materials consumed to the relative job.
 - b. The Company has a reasonable system of authorisation at proper levels and an adequate system of internal control on issue of stores and allocation of stores and labour to jobs, commensurate with the size of the Company of its business.
 22. As explained to us, no damaged goods were determined in the class of goods traded in by the Company

For **SWAMY & SESHADRI,**
CHARTERED ACCOUNTANTS,

RAMKUMAR SESHADRI, B.COM F.C.A
Partner

Place : Secunderabad
Date : 24.08.99