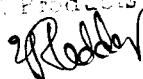


13TH

ANNUAL REPORT
FOR THE FINANCIAL YEAR ENDED
31ST MARCH, 2002
"CERTIFIED TRUE COPY"

For Sujana Metal Products Limited



Company Secretary

Report  junction.com



Sujana Metal Products Limited

SUJANA METAL PRODUCTS LIMITED**BOARD OF DIRECTORS**

**CHAIRMAN AND
MANAGING DIRECTOR** : SHRI Y.S. CHOWDARY

DIRECTORS :

- ✓ SHRI.G.SRINIVASA RAJU *
- ✓ SHRI SUNIL KAPOOR (IFCI Nominee)
- ✓ SHRI M.M. YESAW (IDBI Nominee)
- ✓ SHRI S.HANUMANTHA RAO*
- ✓ SHRI R.K.BIRLA
- ✓ SHRI J. RAMAKRISHNAN*
- ✓ SHRI V.B.CHADHA*
- ✓ Dr. K.SRINIVASA RAO (IREDA Nominee)
- ✓ Dr. V.MALAKONDA REDDY*

* Independent, Non-Executive Directors

MANAGEMENT COMMITTEE :

- SHRI Y.S.CHOWDARY
- SHRI G.SRINIVASA RAJU
- SHRI R.K.BIRLA
- SHRI S.HANUMANTHA RAO
- SHRI M.M.YESAW (IDBI NOMINEE)
- SHRI SUNIL KAPOOR (IFCI NOMINEE)

AUDIT COMMITTEE :

- SHRI S.HANUMANTHA RAO
- DR.K.SRINIVASA RAO
- SHRI SUNIL KAPOOR (IFCI NOMINEE)
- SHRI M.M.YESAW (IDBI NOMINEE)
- DR.V.MALAKONDA REDDY
- SHRI V.B.CHADHA

SHARE TRANSFER COMMITTEE :

- SHRI Y.S.CHOWDARY
- SHRI G.SRINIVASA RAJU
- SHRI R.K.BIRLA

**SHAREHOLDERS GRIEVANCES
COMMITTEE** :

- SHRI S.HANUMANTHA RAO
- SHRI Y.S.CHOWDARY
- SHRI G.SRINIVASA RAJU

REMUNERATION COMMITTEE :

- DR.K.SRINIVASA RAO
- SHRI S.HANUMANTHA RAO
- SHRI J.RAMAKRISHNAN

DY.COMPANY SECRETARY : SHRI Y.RAVI PRASADA REDDY

SUJANA METAL PRODUCTS LIMITED

AUDITOR	: SHRI G.V.SURYANARAYANA MURTHI CHARTERED ACCOUNTANT.
BANKERS	: BANK OF BARODA BANK OF RAJASTHAN LTD INDUSIND BANK LIMITED THE SOUTH INDIAN BANK LIMITED
FINANCIAL INSTITUTIONS	: IFCI LIMITED, INDUSTRIAL DEVELOPMENT BANK OF INDIA.
REGISTERED OFFICE	: SURVEY Nos.296/7/9, IDA BOLLARAM, JINNARAM MANDAL, MEDAK DIST, A.P.
WORKS	: (i) SURVEY Nos.296/7/9, (ii) PLOT NO.159B & C (iii) PLOT NO.128/A, I.D.A.BOLLARAM JINNARAM MANDAL, MEDAK DIST, A.P.
LISTING	: HYDERABAD STOCK EXCHANGE LTD D.NO.3-6-275, HIMAYAT NAGAR, HYDERABAD - 500 029. THE STOCK EXCHANGE, MUMBAI PHIROZE JEEJEEBHAY TOWERS, DALAL STREET, MUMBAI - 400 001 THE MADRAS STOCK EXCHANGE LTD EXCHANGE BUILDING, P.BOX 183 11, 2 ND LINE BEACH, CHENNAI – 600 001.



SUJANA METAL PRODUCTS LIMITED

NOTICE

NOTICE is hereby given that the Thirteenth Annual General Meeting of the Company will be held on Friday, 27th December, 2002 at Plot Nos.10,11 & 12, Survey No.172, Bollaram Village, Jinnaram Mandal, Medak District, Andhra Pradesh at 11.30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited balance sheet of the Company as at 31st March, 2002 and the profit and loss account for the period ended 31st March, 2002 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Dr. V. Malakonda Reddy, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri V.B. Chadha, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditor of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix his remuneration. The retiring Auditor Shri G.V.Suryanarayana Murthi, Hyderabad is eligible for re-appointment.

SPECIAL BUSINESS

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

“RESOLVED that in addition to the earlier resolutions passed in the Eleventh Annual General Meeting of the members of the Company held on 29th June, 2000 and in addition to the earlier resolution passed in the Twelfth Annual General Meeting of the

members of the Company held on 28th September, 2001, pursuant to the provisions of Section 372A and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to the approval of the Public Financial Institutions, Securities and Exchange Board of India (SEBI) and all other concerned authorities, if any, and to the extent necessary and such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as the “Board”) and/or duly authorised Committee thereof for the time being exercising the powers conferred by the Board, consent of the Company be and is hereby accorded to the Board of Directors and/or duly authorised Committee of the Board, to make any loan to and/or to give any guarantee to and/or to provide security, in connection with a loan made by any other person to, or other person by and/or to acquire, by way of subscription, purchase, or otherwise the securities of, Padmini Corporation Limited, Chennai, upto an amount of Rs.120 Crores (inclusive of guarantees already given for Rs.69 Crores and investments made for Rs. 21.45 Crores), which may exceed sixty percent of the aggregate of the paid-up capital of the Company and its free reserves or hundred percent of the free reserves, whichever is more, but the loans to be made and/or the guarantees to be given or security to be provided and/or the investment to be made together with the existing loans made and/or the guarantees given or security provided and/or the investment already made, shall not exceed the amount as specified above at any point of time.”



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“RESOLVED FURTHER that for the above purpose the Board or the committee of the Board be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper, desirable or expedient .”

6. To consider and if thought fit, to pass with or without modifications, the following resolution as Special Resolution:

“RESOLVED that in partial modification to the earlier resolution passed by the members of the Company at the extraordinary general meeting held on 30.09.2002 and pursuant to Sections 81 and 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and enabling provisions in the Memorandum and Articles of Association of the Company, Foreign Exchange Management Act, 2000, the Listing Agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed and the prevailing statutory guidelines and subject to the approval of the Financial Institutions (FIs), Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and all other concerned authorities, if any and to the extent necessary and such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as “Board”) and/or a duly authorised Committee thereof for the time being exercising the powers conferred by the Board, the consent of the Company be and is hereby accorded to the Board to create, issue, offer or allot either at par or at premium (issue price being not less

than the price as arrived at), in accordance with the terms of Chapter XIII of SEBI (Disclosure and Investor Protection) Guidelines, 2000, either in for cash or for consideration other than cash or in satisfaction of a genuine debt, as may be deemed most appropriate by the Board, equity shares and/or convertible debentures (fully or partly) and/or, all or any of the aforesaid with or without detachable or non-detachable warrants and/or warrants of any nature compulsorily convertible into equity shares at a later date or any other financial instruments compulsorily convertible into equity at a later date (hereinafter for brevity's sake referred to as “Securities”) to be subscribed either in rupees/foreign currency(ies) as the Board at its sole discretion may at any time or times hereinafter decide, which Securities when issued or allotted or converted in case of compulsorily convertible warrants would ultimately result in an increase in the paid-up equity share capital of the Company upto an amount not exceeding the authorised share capital of Rs.40 Crores (Rupees forty crores only) (inclusive of the present paid up share capital of Rs.13.03 Crores), to the existing members of the company and/or promoter group members (which term shall include directors, promoter directors, their families, relatives, friends and associates) and/or non promoters and/or strategic investors and/or Financial Institutions /Banks either directly or through conversion of existing loans and/or interest on such loans whether resident in India (individuals as well as bodies corporate) or Non resident Indians, Overseas Corporate Bodies, Mutual funds, Debentureholders, Employees, Foreign Institutional Investors (FIIs), Companies, other entities/authorities and to such other persons, whether through rights issue, private placement, preferential allotment, exchange of Securities, conversion of loans or otherwise and/or in one or more combination(s) thereof, for general corporate



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purposes including capital expenditures, working capital requirements, strategic investments, any mergers, amalgamations, acquisitions, reconstructions or arrangements or any other re-organisations as the Board may deem fit and/or by any one or more or a combination of the above modes/methods or otherwise and in one or more tranches, with or without voting rights in General Meetings/ Class Meetings of the Company as may be permitted under the prevailing laws in such manner as the Board or Committee thereof may on its absolute discretion think fit in consultation with the Lead Managers, Underwriters, Advisors and such other persons and on such terms and conditions including the number of Securities to be issued, face value, premium, rate of interest, redemption period, manner of redemption, amount of premium on redemption, the number of equity shares to be allotted on conversion/ redemption/ extinguishment of debts, exercise of rights attached with warrants, the ratio of exchange of shares and/ or warrants and/ or any other financial instrument, period of conversion, fixing the record date or Book closure and related or incidental matters.”

“RESOLVED FURTHER that in the event of issue of equity shares and/ or any securities through preferential allotment, the relevant date for this purpose will be 27/11/2002 as per the provisions of SEBI (Disclosure and Investor Protection) Guidelines, 2000.”

“RESOLVED FURTHER that such of these Securities to be issued as are not subscribed may be disposed off by the Board/ Committee thereof, to such persons and in such manner and on such terms as the Board or the Committee may in its all absolute discretion think most beneficial to the Company including offering or placing them with Banks/Financial Institutions/Investment

Institutions/ Mutual Funds/ Foreign Institutional Investors or such other persons or otherwise as the Board or Committee thereof may in its absolute discretion decide.”

“RESOLVED FURTHER that the consent of the Company be and is hereby given to the Board of Directors in terms of Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956 to mortgage and/ or charge, in addition to the mortgages/charges created / to be created by the Company in such form and manner and with such ranking and at such time and on such terms as the Board may determine, all or any of the movable or immovable properties of the Company, both present and future and/ or the whole or any part of the undertaking(s) of the Company together with the power to takeover the management of the business and concern of the Company in certain events of default in favour of the Agents and Trustees/Lenders for securing the Securities (if they comprise fully/partly secured Convertible Debentures with or without detachable or Non-Detachable warrants or secured premium notes, floating rate notes/bonds or other secured debt instruments) together with interest and further interest thereon, compound interest in case of default, accumulated interest, remuneration of the Trustees, premium (if any) on redemption, all other costs, charges and expenses payable by the Company in terms of the Trust Deed/other documents to be finalised and executed between the Company and the Agents and Trustees/ Lenders and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Agents and Trustees/Lenders.”

“RESOLVED FURTHER that for the



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above purpose, the Board/Committee be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion thinks necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer/issue, allotment and utilisation of the proceeds of issue of the securities and further to do all such acts, deeds, matters and things in respect of appointment of Lead Managers, Registrars, Bankers, Trustees, Agents, Lenders, Brokers and Underwriters and to finalise and execute all such deeds, documents and writings as may be necessary, desirable or expedient as it may deem fit.”

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

“RESOLVED that in accordance with the provisions of Sections 80 and 81 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and enabling provisions in the Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to the approval of the Financial Institutions (FIs), Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and all other concerned authorities, if any, and to the extent necessary and such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as the “Board”) and/or a duly authorised Committee thereof, for the time being exercising the powers

conferred by the Board, the consent of the Company be and is hereby accorded to the Board to issue/offer Preference Shares of the face value of Rs.100 (Rupees one hundred only) each for an aggregate amount not exceeding Rs.5 Crores (Rupees Five crores only), the Preference Share Capital component of the Authorised Share Capital of the Company with or without detachable or non-detachable warrants or any other financial instruments (hereinafter for brevity’s sake referred to as “Securities”) as the Board at its sole discretion may at any time or times hereinafter decide, to the Members, Debentureholders, Employees, Non-Resident Indians, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs), Companies, other entities/authorities and to such other persons, whether through public issue, rights issue, private placement, exchange of Securities, conversion of loans or otherwise and for general corporate purposes including capital expenditure, working capital requirements, strategic investments, any mergers, amalgamations, acquisitions, reconstructions or arrangements or any other re-organisation as the Board may deem fit and/or by any one or more or a combination of the above modes/methods or otherwise and in one or more tranches, at such price or prices, as the Board or Committee thereof may in its absolute discretion think fit, in consultation with the Lead Managers, Underwriters, Advisors and such other persons, and on such terms and conditions including the number of Shares to be issued, rate of dividend, redemption period, manner of redemption, the ratio of exchange of shares and/or warrants and fixing of record date or book closure and related or incidental matters.”

“RESOLVED FURTHER that such of these Securities to be issued, as are not



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subscribed may be disposed of by the Board/Committee thereof, to such persons and in such manner and on such terms as the Board or Committee in its absolute discretion think most beneficial to the Company including offering or placing them with Banks/Financial Institutions / Investment Institutions / Mutual Funds/ Foreign Institutional Investors or such other persons or otherwise as the Board or Committee thereof may in its absolute discretion decide."

"RESOLVED FURTHER that for the above purpose, the Board/Committee be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer/issue, allotment and utilisation of the proceeds of issue of the Securities and further to do all such acts, deeds, matters and things and to finalise and execute all documents and writings as may be necessary, desirable or expedient as it may deem fit."

8. To consider and if thought fit, to pass with or without modification(s), the following resolutions as Special Resolutions:

- a) **"RESOLVED THAT** pursuant to Section 17 and other applicable provisions, if any, of the Companies Act, 1956, Clause III(A), the Main Objects Clause of the Memorandum of Association of the Company, be altered by incorporating the following new sub-clause 11 after sub-clause 10 of Clause III(A):
11. To carry on in India or elsewhere the business to manufacture, produce, design, develop, modify, build, encourage, refine, repair, process, prepare, fabricate, alter, dismantle, provide, exchange, remove, set, convert, finish, polish, cut, fit, trim, contract, sub-contract, supply, turn to account, let on hire, buy, sell, import, export, wholesale,

retail and to act as agent, broker, adatia, jobworker, consignor, contractor, vendor, collaborator, stockist, distributor or otherwise to deal in all shapes, sizes, varieties, designs, applications, combinations & uses of apparel, ornaments, gems, jewelleryes, goods, watches, cutleries, fabrics, utensils, antiques, articles & things, their parts, accessories, fittings, components, ingredients and materials thereof made partly or wholly of gold, silver, platinum or other precious metals and alloys thereof together with precious, semi-precious, imitation, synthetic, natural or other varieties of stones and materials whatsoever and to buy and sell the primary gold, silver, platinum and other precious metals, diamonds and such precious stones and to do all incidental acts and things necessary for the attainment of above objects."

- b) **"RESOLVED THAT** pursuant to Section 17 and other applicable provisions, if any, of the Companies Act, 1956, Clause III (C), the other Objects Clause of the Memorandum of Association of the Company, be altered by incorporating the following new sub-clauses 11 and 12 after sub-clause 10 of Clause III (C):

11. To carry on the business of the agriculturists, planters, cultivators, farmers and to plant, cultivate and purchase all kinds of food grains and food stuffs, oil seeds, vegetables, fruits, grass, timber, bamboo, straw, cotton, jute, rubber, sugercane, tea, flowers, coffee, coconuts, cashew nuts, tobacco and other articles, that are the produce of land or soil and also products resulting out of processing of the above produce of land or soil and to sell, purchase, in India and/or abroad and deal in the same as principals or agents and to carry on business as dealers in and



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producers of Dairy farms and garden produce of all kinds, and in particular, milk, cream, butter, ghee, cheese, poultry and eggs, fruits and vegetables and also to carry on the business of sericulturists, horticulturists and aquaculturists.

12. To carry on in India or elsewhere the business of manufacturing, producing, assembling, repairing, altering, fabricating, converting, improving, handling, insulating, reconditioning, punching, welding, fixing, concreting, erecting, dismantling, buying, selling, importing, exporting, and to act as agent, broker, stockist, distributor, consultant, jobworker, contractor or otherwise to deal in all types of engineering goods and to do all acts and things incidental for the attainment of the above object.

“RESOLVED FURTHER that the consent of the Company be and is hereby accorded to the Board of Directors to commence the business contained in the sub clauses 11 and 12 of Clause III (C), pursuant to the provisions of Sub Section (2A) of Section 149 of Companies Act, 1956.”

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

“RESOLVED THAT in partial modification to the resolution passed by the members in the Tenth Annual General Meeting of the Company held on 30th December, 1998 and pursuant to the provisions of the Section 163 and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to keep the Register of Members, Index of Members and the copies of the Annual Returns of the Company at Flat No.204, 3rd Floor, Tejaswi Apartments, Dwarakapuri Colony, Panjagutta, Hyderabad,

instead of at Registered Office of the Company.”

“RESOLVED FURTHER that for the above purpose the Board be and is hereby authorised to do all such acts and things, as it may in its absolute discretion think necessary, proper, desirable or expedient.”

BY ORDER OF THE BOARD

PLACE : HYDERABAD Y.S. CHOWDARY
DATE : 31/10/2002 CHAIRMAN

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 such proxy need not be a member of the Company. Proxies duly stamped and signed must be deposited at the Company's registered office not less than 48 hours before the time for holding the meeting.
2. Members/proxies are requested to bring along-with them Annual Reports being sent to them.
3. The Share transfer books and Register of Members of the Company will remain closed during the period from 26th December, 2002 to 27th December, 2002 (both days inclusive).
4. The Register of Directors' Shareholding maintained under Section 307 of the Companies Act, 1956, will be available for inspection at the venue of the Annual General Meeting of the Company during the Annual General Meeting. The Register of Directors' Shareholding is also available for inspection of the Members at the Registered office of the Company, fourteen days before and three days after, the date of the Annual General Meeting of the Company.



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5. The registration of share transfers and other related correspondence will be dealt with by the Company at Flat No.204, 3rd Floor, Tejaswi Apartments, Dwarakapuri Colony, Panjagutta, Hyderabad-500 082. Members are requested to update this information and make all future correspondence, if any, at the above address.
6. Explanatory statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956, is enclosed.
7. **The resolutions in item No.5 and 8 are proposed to be passed by the Shareholders by way of exercising voting by them by postal ballot, for which postal ballot form along with instructions and the calendar of events can be found on Page Nos. 41 and 42.**

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

5. Your Company has been closely connected with its Group Company i.e., Padmini Corporation Limited, Chennai, which was originally subsidiary of your Company, by virtue of making investment in the equity of Padmini Corporation Limited and your Company has been providing corporate guarantees to various Financial Institutions for the loans availed by Padmini Corporation Limited, since Financial Institutions while providing financial assistance to the Companies, insist on providing Corporate guarantee from other Corporate bodies.

Section 372A of Companies Act, 1956 prescribes that the Company can give loan or any guarantee or provide security or acquire or purchase the securities of any other body corporate, upto sixty percent of its paid-up share capital and free reserves, or hundred percent of its free reserves, whichever is more.

Your Company proposes to make loan and/or to give guarantee to, or provide security to, in connection with a loan made by any other person to, or other person by and/or to acquire by way of subscription, purchase, or otherwise the securities of Padmini Corporation Limited, to an amount of Rs.120 Crores (inclusive of guarantees already given for Rs.69 Crores and investments made for Rs. 21.45 Crores).

Your Company proposes to exceed the limits, as prescribed by Section 372A, subject to the approval of the Shareholders.

Therefore, your Directors recommend the resolution for your approval.

All the Directors, holding shares in the Company may be deemed to be concerned

Report



Junction