

SANJEEVNI INDUSTRIES LIMITED

ANNUAL REPORT
2002-2003



For SANJEEVNI INDUSTRIES LTD.
N. Atabeyuta Bama Raju
Director

Regd. Off;

201, Sri Sai Darsan Residency,
7-1-408 to 413, Balkampet Road,
Ameerpet, Hyderabad – 500 016

NOTICE

Notice is hereby given that the **Eighteenth** Annual General Meeting of the Members of **SANJEEVNI INDUSTRIES LIMITED** will be held on Tuesday, the 30th day of **September, 2003** at **11.00 A.M.** at the Registered Office of the Company at 201, Sri Sai Darsan Residency, 7-1-408 to 413, Balkampet Road, Ameerpet, Hyderabad – 500 016 to transact the following items of business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2003 and the Profit and Loss account for the year ended on that date and the Report of Directors' and the Auditors' thereon.
2. To appoint a Director in place of Sri Vellanki Bhanu, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sri B. Rama Mohana Rao, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Statutory Auditors and fix their remuneration.

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 Sri V A Rama Raju, who was appointed as an Additional Director of the Company pursuant to the provisions of section 260 of the Companies Act, 1956, by the Board of Directors w.e.f 7.12.2002 and who holds the office upto the date of the ensuing Annual General Meeting and in respect of whom, the Company has received a notice in writing under Section 257 read with Section 190 of the said Act, along with a deposit of Rs.500/- proposing him as candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company whose period of office is liable to be determined by retirement of Directors 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 Sri V Rajam Raju, who was appointed as an Additional Director of the Company pursuant to the provisions of section 260 of the Companies Act, 1956, by

the Board of Directors w.e.f 23.06.2003 and who holds the office upto the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 read with Section 190 of the said Act, along with a deposit of Rs.500/- proposing him as candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company whose period of office is liable to be determined by retirement of Directors by rotation."

BY ORDER OF THE BOARD
For SANJEEVNI INDUSTRIES LIMITED

Sd/-
B. Rama Mohana Rao
Director

Place: Hyderabad
Date : 22.08.2003

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The Proxy form duly filled in should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. All alterations made in the form of Proxy should be initialed.
2. The Explanatory statement pursuant to Section 173(2) of the Companies Act 1956 in respect of the items of Special business under item nos. 5 and 6 is annexed hereto.
3. Members are requested to bring their copies of Annual Report to the Meeting.
4. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
5. Register of Members and Share Transfer Books shall remain closed from 26th September 2003 to 30th September 2003 (both days inclusive) in connection with the Annual General Meeting.

BY ORDER OF THE BOARD
For SANJEEVNI INDUSTRIES LIMITED

Sd/-
B. Rama Mohana Rao
Director

Place: Hyderabad
Date : 22.08.2003

EXPLANATORY STATEMENT

(Pursuant to section 173(2) of the Companies Act 1956)

Item No. 5:

The members may note that Sri V A Rama Raju was inducted into the Board as Additional Director of the Company with effect from 7th December, 2002 pursuant to the provisions of Section 260 of the Companies Act, 1956 and holds the Office as such up to the date of ensuing Annual General Meeting. The Company has received notice in writing from a Member along with a deposit of Rs. 500/- under Section 190 read with Section 257 of the Companies Act, 1956 proposing the candidature of Sri V A Rama Raju for the Office of Director whose period of office is determinable by retirement of Directors by rotation.

Hence, the Board recommends the resolutions for your approval.

None of the Directors except Sri V A Rama Raju and Sri V Rajam Raju, is concerned or interested in the above said resolution.

Item No. 6:

The members may note that Sri V Rajam Raju was inducted into the Board as Additional Director of the Company with effect from 23rd June, 2003, pursuant to the provisions of Section 260 of the Companies Act, 1956 and holds the Office as such up to the date of ensuing Annual General Meeting. The Company has received notice in writing from a Member along with a deposit of Rs.500/- under Section 190 read with Section 257 of the Companies Act, 1956 proposing the candidature of Sri V Rajam Raju for the Office of Director whose period of office is determinable by retirement of Directors by rotation.

Hence, the Board recommends the resolutions for your approval.

None of the Directors except Sri V A Rama Raju and Sri V Rajam Raju, is concerned or interested in the above said resolution.

BY ORDER OF THE BOARD
For SANJEEVNI INDUSTRIES LIMITED

Sd/-
B. Rama Mohana Rao
Director

Place: Hyderabad
Date : 22.08.2003

DIRECTORS' REPORT

Dear members,

Your Directors have pleasure in presenting the Eighteenth Annual Report along with the Audited Accounts of the company for the year ended 31st March, 2003.

FINANCIAL HIGHLIGHTS:

(Amt in Rs.)

<i>Particulars</i>	<i>Current year 2002-2003</i>	<i>Previous Year 2001-2002</i>
Sales & Other Income	5,15,679	4,78,650
Profit before Interest Depreciation and Taxes	63,838	76,688
Interest	Nil	Nil
Depreciation	53,878	61,090
Profit before Taxes	9,960	15,598
Provision for Income Tax	3,728	3,400
Profit after tax	6,232	12,198
Less/(Add): Deferred Tax Liability(Asset)	(592)	1,16,848
Balance carried to Balance Sheet	6,284	(-)1,04,650

REVIEW OF PERFORMANCE:

During the year under review your company could not do any significant business due to adverse market conditions. The Company, during the year under review achieved a Total Income of Rs.5,15,679/- and a Profit after Tax of Rs.6,232/- during the financial year 2002-03 against a Total Income of Rs.4,78,650/- and a Profit after Tax of Rs.12,198/- during the previous financial year 2001-02. However, your Directors have already initiated long term plans aimed at overall restructuring the shape of the Company. In this regard, the process of amalgamation of Vama Infotech Private Limited, with your Company is underway. Your Directors hope that the Company will register a significant growth both in terms of sales as well as profitability.

DIVIDEND:

In view of the long term expansion plans and owing to low profitability your Directors express their inability to recommend any Dividend for the financial year 2002-03.

SHIFTING OF REGISTERED OFFICE:

The members may note that in pursuance of the resolution passed by them and subsequent to the confirmation by the Company Law Board, Western Region Bench, Mumbai, Maharashtra, vide its Order, Dt.30.05.2003, the Registered Office of the Company has been shifted from the state of Maharashtra to the state of Andhra Pradesh. A copy of the said Order has been filed with the Registrar of Companies, Andhra Pradesh and Certificate No. 01-41126 Dated 06.06.2003 has been obtained there from. The Registered Office of the Company is at present situated at 201, Sri Sai Darsan Residency, 7-1-408 to 413, Balkampet Road, Ameerpet, Hyderabad – 500 016.

AMALGAMATION:

The members may note that the Board of Directors of your Company and that of Vama Infotech Private Limited have approved the Scheme of Amalgamation of Vama Infotech Private Limited with that of your Company. Subsequently, in this regard, as per the Order of Hon'ble High Court of A.P. Dt.22.07.2003 an Extraordinary General Meeting of the members of the company is proposed to be held on 20.09.2003 at 3.00 P.M. at the Registered Office of the Company for the purpose of considering and approving the arrangement embodied in the Scheme of Amalgamation of Vama Infotech Private Limited with Sanjeevni Industries Limited. The copies of Notice, along with requisite enclosures will be dispatched to you in the due course of time.

DIRECTORS:

Sri Vellanki Bhanu and Sri B. Rama Mohana Rao, the Directors of your company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Sri Venkateswara Rao Veerapaneni, a Director of your Company has resigned from the Board with effect from 23.06.2003.

The members may note that Sri V A Rama Raju and Sri V Rajam Raju were appointed as Additional Directors of the Company. As per the provisions of section 260 of the Act, these Directors are liable to vacate their office as such at the ensuing Annual General Meeting. However, the Company has received individual notices in writing from respective members along with the requisite deposit amount of Rs. 500/- along with each notice under Section 190 read with Section 257 of the Companies Act, 1956 proposing their respective candidature for the office of Director whose period of office is liable to the determined by retirement of Directors by rotation.

The relevant resolutions are proposed for your approval.

AUDITORS :

The members may note that M/s.H.S. Hathi & Co., Chartered Accountants, Mumbai, the erstwhile Statutory Auditors of the Company have resigned in the previous Annual General Meeting and Sri Grandhi Vittal B.Com., FCA, Chartered Accountant, Hyderabad – 500 047, has been appointed as Statutory Auditor of the Company to hold office till the conclusion of the ensuing Annual General Meeting.

Sri Grandhi Vittal B.Com., FCA, Chartered Accountant, has furnished a certificate stating that his re-appointment, if made for another term, will be within the limits laid down under Section 224(1B) of the Companies Act, 1956.

The Board recommends his re-appointment.

AUDITORS OBSERVATIONS / REMARKS:

With reference to the observations / remarks made by the Auditors in Annexure – II to their Report, your Directors would like clarify as follows:

- As regards not making any provision for unsecured, doubtful debtors to the extent of 50% as on 31st March, 2003, the members may note that, all efforts are being made to realize outstanding amounts from the debtors.
- As regards non provision for unquoted investments, the Board is of the opinion that, keeping in view the current economic scenario such provision is not required at this stage.
- As regards not making any provision regarding unrealizable, doubtful loans and advances, as already stated, efforts are being made to recover the same.

FIXED DEPOSITS:

During the year under review, your Company has neither accepted nor renewed any deposits from the public falling under the provisions of section 58A of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES:

There are no employees whose particulars are required to be furnished under Section 217(2A) of the Companies Act, 1956 read with Companies Act (Particulars of employees) Rules, 1975, as remuneration of none of the employees is in excess of Rs.2,00,000/- per month or Rs.24,00,000/- per annum during the financial year.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors of your Company hereby report:

- (i) that in the preparation of Annual Accounts for the year ended 31st March, 2003, the applicable Accounting Standards have been followed along with the proper explanation relating to material departures;

- (ii) that 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 at the end of the financial year ended 31st March, 2003 and of the profit and loss of the company for that period;
- (iii) that 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 and
- (iv) that the directors have prepared the annual accounts on a going concern basis for the financial year 2002-2003.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information as required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, forms part of this Report and is annexed herewith.

LISTING:

As you are aware, the equity shares of the Company are listed on The Stock Exchange, Mumbai. The Company has paid the Listing Fees for the financial year 2003-04 and you may further note that listing / trading were not suspended during the financial year 2002-03.

COMPLIANCE CERTIFICATE:

Pursuant to the provisions of Section 383A and all other applicable provisions, if any, of the Companies Act, 1956, M/s P.S. Rao & Associates, Company Secretaries, Hyderabad were appointed by the Board of Directors to issue the Compliance Certificate for the financial year 2002-2003. A copy of the same is annexed with this report.

ACKNOWLEDGEMENTS :

Your Directors express their profound gratitude for the support and confidence reposed by the investors & Customers. Further, your Directors also wish to place on record their sincere appreciation to the employees at all levels for the continued contributions made by them towards the growth of the company.

FOR AND ON BEHALF OF THE BOARD

Sd/-

Sd/-

B. Rama Mohana Rao S L V V Bhaskara Rao
Director Director

Place: Hyderabad
Date : 22.08.2003

ANNEXURE TO THE DIRECTORS REPORT

Information under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, and forming part of the Directors Report:

CONSERVATION OF ENERGY

Energy conservation measures taken: Nil

Additional Investments and proposals, if any, being implemented for reduction of consumption of energy: Nil

Impact of the clause (1) and (2) above for reduction of energy consumption and consequent impact on the production of goods: N.A

FORM B:

(Disclosure of particulars with respect to technology absorption to the extent applicable)

RESEARCH AND DEVELOPMENT (R&D)

Specific areas in which R& D carried out by the Company : Nil

Benefits derived as a result of the above R& D : Nil

Future plan of action : Nil

Expenditure on R & D

Capital	Nil
Recurring	Nil
Total	Nil
Total Expenditure on R & D as a percentage of total turnover.	Nil

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

Efforts, in brief, made towards technology absorption, adoption and innovation: Nil

Benefits derived as a result of the above efforts, Ex; product improvement, cost reduction, product development, import substitution etc. : Nil

Import of technology: Nil

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Earnings: Nil
Outgo : Nil

FOR AND ON BEHALF OF THE BOARD

Sd/-	Sd/-
B. Rama Mohana Rao	S L V V Bhaskara Rao
Director	Director

Place: Hyderabad
Date : 22.08.2003