

SANJEEVNI INDUSTRIES LIMITED

19TH ANNUAL REPORT
2003-04



Regd. Off:

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

" certified True Copy."

For Sanjeevni Industries Ltd.

V. Atchuta Rama Reddy
Director

Board of Directors

Sri B. Rama Mohana Rao
Sri S.L.V.V. Bhaskara Rao
Sri Vellanki Bhanu
Sri V. A. Rama Raju
Sri V. Rajam Raju
Sri R. Venkateswara Rao - w.e.f. 07.05.2004
Sri K. Vara Prasada Raju - w.e.f. 07.05.2004
Sri V. Rama Krishna Rao - w.e.f. 07.05.2004
Sri Ch. V. Pandu Ranga Rao - Director (Technical) - w.e.f 10.05.2004

Auditors

Sri Grandhi Vittal, B.Com., FCA,
Chartered Accountant
#28, Near St. Martin High School,
New Madhusudhan Nagar, Malkajgiri,
Hyderabad - 47

Regd. Off:

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

Share Transfer and Demat Agents:

M/s Bigshare Services Private Limited,
G-10, Left Wing, Amrutha Ville,
Opp. Yashoda Hospital,
Somajiguda, Rajbhavan Road,
Hyderabad – 500 082

NOTICE

Notice is hereby given that the **Nineteenth** Annual General Meeting of the Members of **SANJEEVNI INDUSTRIES LIMITED** will be held on Thursday, the 30th day of **September, 2004** 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, 2004 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 S L V V Bhaskara Rao, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sri V.A.Rama Raju, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Statutory Auditors to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and authorise the Board of Directors to 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 R. Venkateswara Rao, 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 07.05.2004 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 K. Vara Prasada 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 07.05.2004 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."
7. To consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT Sri V. Rama Krishna Rao, 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 07.05.2004 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."

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

"RESOLVED THAT Sri Ch.V. Pandu Ranga Rao, 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 10.05.2004 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 office is not liable to be determined by retirement of Directors by rotation."

**BY ORDER OF THE BOARD
For SANJEEVNI INDUSTRIES LIMITED**

**Sd/-
V.A. Rama Raju
Director**

Place: Hyderabad
Date : 21.08.2004

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. 5,6,7 and 8 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 25th September 2004 to 30th September 2004 (both days inclusive) in connection with the Annual General Meeting.
6. M/s Bigshare Services Private Limited, at G-10, Left Wing, Amrutha Ville, Opp. Yashoda Hospital, Somajiguda, Rajbhavan Road, Hyderabad – 500 082, has been appointed as Common Share Transfer Agency of the Company. Members are requested to note the same for the purpose of share transfers and other related queries.

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

Item No. 5:

The members may note that Sri R. Venkateswara Rao was inducted into the Board as Additional Director of the Company with effect from 7th May, 2004 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 of the Company along with a deposit of Rs. 500/- under Section 257 read with Section 190 of the Companies Act, 1956 proposing the candidature of Sri R. Venkateswara Rao for the Office of Director whose period of office is determinable by retirement of Directors by rotation.

As per the provisions of Section 257 of the Act, any such proposal ought to be approved by the members in their General Meeting.

Hence, the Board recommends the resolution for your approval.

None of the Directors except Sri R. Venkateswara Rao is interested in the above said resolution.

Item No. 6 :

The members may note that Sri K. Vara Prasada Raju was inducted into the Board as Additional Director of the Company with effect from 7th May, 2004 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 of the Company along with a deposit of Rs. 500/-, under Section 257 read with Section 190 of the Companies Act, 1956 proposing the candidature of Sri K. Vara Prasada Raju for the Office of Director whose period of office is determinable by retirement of Directors by rotation.

As per the provisions of Section 257 of the Act, any such proposal ought to be approved by the members in their General Meeting.

Hence, the Board recommends the resolution for your approval.

None of the Directors except Sri K. Vara Prasada Raju is interested in the above said resolution.

Item No. 7 :

The members may note that Sri V. Rama Krishna Rao was inducted into the Board as Additional Director of the Company with effect from 7th May, 2004 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 of the Company along with a deposit of Rs. 500/-, under Section 257 read with Section 190 of the Companies Act, 1956 proposing the candidature of Sri V. Rama Krishna Rao for the Office of Director whose period of office is determinable by retirement of Directors by rotation.

As per the provisions of Section 257 of the Act, any such proposal ought to be approved by the members in their General Meeting.

Hence, the Board recommends the resolution for your approval.

None of the Directors except Sri V. Rama Krishna Rao is interested in the above said resolution.

Item No. 8:

The members may note that Sri Ch.V. Pandu Ranga Rao, was inducted into the Board as Additional Director of the Company with effect from 10th May, 2004 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 257 read with Section 190 of the Companies Act, 1956 proposing the candidature of Sri Ch.V. Pandu Ranga Rao, for the Office of Director whose office is not determinable by retirement of Directors by rotation.

Hence, the Board recommends the resolution for your approval.

None of the Directors except Sri Ch.V. Pandu Ranga Rao is interested in the above said resolution.

**BY ORDER OF THE BOARD
for SANJEEVNI INDUSTRIES LIMITED**

**Sd/-
V.A. Rama Raju
Director**

Place: Hyderabad
Date : 21.08.2004

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DIRECTORS' REPORT

Dear members,

Your Directors have pleasure in presenting the Nineteenth Annual Report along with the Audited Accounts of the company for the financial year ended 31st March, 2004.

FINANCIAL HIGHLIGHTS:

	(Amt in Rs.)	
	Current year 2003-2004	Previous Year 2002-2003
Sales & Other Income	4,92,135	5,15,679
Profit before Interest	57,505	63,838
Depreciation and Taxes		
Interest	Nil	Nil
Depreciation	47,875	53,878
Profit before Taxes	9,627	9,960
Provision for Income Tax	5,135	3,728
Profit after tax	4,491	6,232
Less/(Add): Deferred Tax Liability(Asset)	(1,598)	(592)
Balance carried to Balance Sheet	6089	6,824

REVIEW OF PERFORMANCE:

Towards an attempt to further strengthen into new business ventures of software technology, engineering and other related activities, pursuant to amended Main objects, your Directors have started building the business operations in a major way. Employment of key personnel at different levels and laying of necessary infrastructure is already underway. During the year under review, the company has totally abandoned the earlier activities and has been concentrating purely on the said new activities.

The management is concentrating on long-term plans of overhauling the company. As you are aware the amalgamation of Vama Infotech Private Limited with that of your company is underway.

During the financial year under review, your company could earn a nominal income an account of Sales/Operations aggregating to Rs. 4.92 lacs as against Rs.5.16 lacs during the financial year 2002-03. It earned a Net Profit of Rs.4, 491 only during the financial year 2003-04 as against Rs.6, 232 during the financial year 2002-03. However your Directors are of the firm opinion that the company will report good results in the year to come.

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 2003-04.

AMALGAMATION:

As the members are aware, the Scheme of Amalgamation of Vama Infotech Private limited with that of your company has been approved in Extraordinary General Meeting of your company held on 20-09-2003. In pursuance of the said resolution, requisite petition has been filed with the Hon'ble High Court of A.P. to seek its approval. The matter is in the final stages of hearing.

DIRECTORS:

Sri S L V V Bhaskara Rao and Sri V.A.Rama Raju, 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.

The members may note that, Sri R. Venkateswara Rao, K. Vara Prasada Raju and V. Rama Krishna Rao were appointed as Additional Directors by the Board with effect from 07.05.2004.

Respective resolutions for the appointment of said persons as Directors of the Company are proposed for your approval.

Further Sri Ch. V. Pandu Ranga Rao was appointed as Additional Director by the Board with effect from 10.05.2004. As per the provisions of section 260 of the Act, he is liable to vacate his office as such at the ensuing Annual General Meeting.

However, relevant resolution for appointing Sri Ch. V. Pandu Ranga Rao as Director of the Company is proposed for your approval.

As you are aware Sri Ch. V. Pandu Ranga Rao has been appointed as Director (Technical) of the Company for a period of 3 years in the Extra Ordinary General Meeting held on 12-06-2004.

AUDITORS:

Sri Grandhi Vittal B.Com., FCA, Chartered Accountant, Hyderabad, the Statutory Auditor of your Company, retires at the conclusion of the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

He has furnished a certificate stating that his appointment, if made for another term, will be in accordance with the limits specified in Section 224 (1B) of the Companies Act, 1956.

The Board recommends his re-appointment.

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, 2004, 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, 2004 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 2003-2004.

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 read with Companies (Acceptance of the Deposits) Rules, 1975.

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 2004-05 and you may further note that the listing / trading were not suspended during the financial year 2003-04.

PARTICULARS OF EMPLOYEES:

There are no employees whose particulars are required to be furnished U/s 217 (2A) of the Companies Act, 1956 read with Companies Act (Particulars of employees) Rules 1975, as the remuneration of none of the employees has crossed the limits specified therein.

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, is annexed as Annexure A and forms part of this Report.

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 2003-2004. A copy of the same is annexed with this report.

CORPORATE GOVERNANCE:

Members may note that as the conditions for the compulsory implementation of Code of Corporate Governance as prescribed pursuant to the Listing Agreement does not apply to the Company, the disclosures / information pursuant to clause 49 of the Listing Agreement do not form part of 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/-
V.A.Rama Raju
Director

Sd/-
Ch. V. Pandu Ranga Rao
Director (Technical)

Place: Hyderabad
Date : 21.08.2004