


ZENOTECH LABORATORIES LIMITED

(Formerly Sunline Technologies Limited)


**15TH ANNUAL REPORT
2003 – 2004**

**8-3-677/15, SKD Nagar
Srinagar Colony,
Hyderabad – 500 073**

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ZENOTECH LABORATORIES LIMITED

BOARD OF DIRECTORS

Mr. K Satyanarayana	Director
Mr. P Venkata Srinivas	Director
Dr. Jayaram Chigurupati	Managing Director
Mr. K Ramakrishna Prasad	Director
Mr. Kosaraju Venkatadri	Director
Dr. A Ranganadha Rao	Director
Prof. Vithala R Rao	Director
Dr. Denis Broun	Director

BANKERS

State Bank of India Industrial Finance Branch, Hyderabad – 500 039.	IDBI Bank Limited Plot No. 9, J.R.House, Road No. 2, Banjara Hills, Hyderabad – 500 034.	UTI Bank 6-3-879/B, Greenlands, Begumpet Road, Hyderabad – 500 016
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AUDITORS

M/s Rajavenkat & Associates
Chartered Accountants
1C, Parameswara Apartments,
6-2-626, Anand Nagar Colony,
Hyderabad.

COMPANY SECRETARY

Ms Pameela Paruchuri

REGISTERED OFFICE

8-3-677/15, SKD Nagar,
Srinagar Colony,
Hyderabad – 73.
Phone : (040) 2375 4463 / 7507
Fax : (040) 2375 6322
E-mail : pameela@zenotechlabs.com

REGISTRARS

Ikon Vision Pvt Ltd.
33, Sanali Heavens,
8-3-948, Ameerpet,
Hyderabad – 73.
Phone : (040) 2374 4138 / 4356
Fax : (040) 5582 9559

ZENOTECH LABORATORIES LIMITED

NOTICE TO THE MEMBERS

Notice is hereby given that the **Fifteenth Annual General Meeting of M/s. ZENOTECH LABORATORIES LIMITED** (formerly Sunline Technologies Limited) will be held on Thursday, the 30th day of September, 2004 at 4.00 p.m. at K.L.N. Prasad Auditorium FAPCCI Premises, Federation House, 11-6-841 Red Hills, P.B.: 14, Hyderabad – 500 004 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at, and the Profit and Loss Account for the financial year ended March 31, 2004 together with the Director's Report and the Auditors Report thereon.
2. To appoint a Director in place of Mr. K Satyanarayana, 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 upto the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:
"RESOLVED THAT Mr. K Ramakrishna Prasad who was appointed as an additional director of the Company by the Board of Directors, and who holds office upto the date of the Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has, under Section 257 of the said Act, received notices in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."
5. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:
"RESOLVED THAT Mr. Kosaraju Venkatadri who was appointed as an additional director of the Company by the Board of Directors, and who holds office upto the date of the Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has, under Section 257 of the said Act, received notices in writing proposing his candidature for the office of Director, 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 Dr. Jayaram Chigurupati who was appointed as an additional director of the Company by the Board of Directors, and who holds office upto the date of the Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has, under Section 257 of the said Act, received notices in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT Dr. A Ranganadha Rao who was appointed as an additional director of the Company by the Board of Directors, and who holds office upto the date of the Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has, under Section 257 of the said Act, received notices in writing proposing his candidature for the office of Director, 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 Prof. Vithala R Rao who was appointed as an additional director of the Company by the Board of Directors, and who holds office upto the date of the Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has, under Section 257 of the said Act, received notices in writing proposing his candidature for the office of Director, 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 Dr. Denis Broun who was appointed as an additional director of the Company by the Board of Directors, and who holds office upto the date of the Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has, under Section 257 of the said Act, received notices in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."

10. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re – enactment thereof for the time being in force) Dr. Jayaram Chigurupati be and is hereby appointed as the Managing Director of the Company up to a period of five years with effect from January 30, 2004 or till a successor has been appointed whichever is earlier, on such salary and perquisites as set out in the Explanatory Statement attached to the notice convening this meeting."

Place: Hyderabad
Date: August 25, 2004

For and on behalf of the Board

Sd/-
Dr. Jayaram Chigurupati
Managing Director

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NOTES:

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business is annexed thereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself and such proxy need not be a member of the Company.
3. The instrument(s) appointing the proxy, if any, shall be delivered at the Registered Office of the Company at 8-3-677/15, SKD Nagar, Srinagar Colony, Hyderabad – 500 073, not less than forty eight hours (48) before the commencement of the meeting and in default, the instrument of proxy shall be treated as invalid. Proxies shall not have any right to speak at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from September 27, 2004 to September 30, 2004 (both days inclusive).
5. The members are requested to –
 - a) Intimate to the Share Transfer Agents of the Company / Depository Participants changes, if any, in their Registered Addresses at an early date.
 - b) Quote Ledger Folio / Client ID in all the correspondence.
 - c) Bring the copy of the Annual Report and Attendance Slip with them to the Annual General Meeting.
6. Under Section 109A of the Companies Act, 1956 shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to the Registrar & Share Transfer Agents M/s Ikon Vision Pvt. Ltd.
7. Members desiring to seek any information on the annual accounts are requested to write to the Company at an early date to enable compilation of information.
8. Reappointment of Directors:
Information on Directors seeking appointment / re-appointment is furnished below in terms of Clause 49 of the Listing Agreement with the Stock Exchanges:
 - a) Mr. K Satyanarayana is having an industrial experience of over 26 years. He is on the Board of following companies:
 1. Havish Transports Private Limited
 2. Ind Aqua Limited
 3. Harniks Park Private Limited
 4. Harniks Software Solutions Private LimitedHe is also the Chairman of the Koneru Lakshmaiah College of Engineering, Vijayawada and the Chief Executive Officer of the Harniks Information Systems Limited.
He is the Chairman of the Audit Committee and a member of the Remuneration Committee and the Shareholders/Investors Grievances Committee constituted under clause 49 of the Listing Agreement.

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- b) Mr. K Ramakrishna Prasad is a Bachelor of Science. He has more than three decades experience in media and publishing industry. He has successfully led a number of publications from their inception to commercial success. He brings in rich experience of handling the intricacies of the media and publishing businesses.

He is the Chairman of the Remuneration Committee and the Shareholders/ Investors Grievances Committee and a member of the Audit Committee constituted under clause 49 of the Listing Agreement.

- c) Mr. Kosaraju Venkatadri is a graduate and is handling diversified businesses.

He is a member of the Remuneration Committee constituted under clause 49 of the Listing Agreement.

- d) Dr. Jayaram Chigurupati is an MBA from Cornell University and a Ph. D. in Bio-chemical Genetics. He has had a distinguished career both in science and industry. He started his career as Post-Doctoral Research Associate at the Iowa State University, Ames, USA. He has several publications in leading academics of genetic, molecular virology and immunology. Earlier, Dr. Jayaram Chigurupati has had a stint as Associate Consultant with the Wilkerson Group, New York City and as Technology Transfer Consultant at the Centre of Advanced Technology Cornell University, Ithaca, New York. He was also the Co-Founder and Vice President of Viral Therapeutics, Inc, New York, where his responsibilities included production as well as marketing of recombinant proteins for therapeutic and diagnostic use.

Dr. Jayaram Chigurupati was also the Executive Vice President of Emerging Businesses (Biotechnology, Oncology and Diagnostics) and International Branded Formulations Marketing at Dr Reddy's Laboratories Limited.

He is a Director in the following Companies:

1. Rite Diagnostics Private Limited
2. Credence Clinical Research Private Limited
3. Credence Pharmaceuticals Private Limited

- e) Dr. A Ranganadha Rao is an M.S., M.Ch. (Urology). He was Professor & Head of the Department of Genito Urinary Surgery, Osmania Medical College & Hos

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pital, Hyderabad. Dr. Rao is credited with the first kidney transplantation in the State of Andhra Pradesh. He is active in urological work and participates in teaching postgraduate students.

- f) Prof. Vithala R Rao is a postgraduate in Sociology and a Ph.D. in Applied Economics/Marketing. He started his career as an Assistant Professor of Marketing and Quantitative Methods at Johnson School of Management, Cornell University. Since 1991, he is the Deane W. Malott Professor of Management at Cornell. He has a wide spectrum of experience in teaching marketing management. He is also a consultant for several corporations in the U.S. and abroad.

He serves on the editorial boards of *Marketing Science* and *Journal of Marketing Research*. Prof. Rao's publications include *Journals in Marketing*, *Applied Economics* and *Marketing Science*. He is the co-author of books "Applied Multidimensional Scaling", "Decision Criteria for New Product Acceptance and Success", *New Science of Marketing*", and "Analysis of Strategic Marketing".

- g) Dr. Denis Broun is a master in Biomathematics and a Medical Doctor. He has a specialization in Tropical Medicine to his credit and holds Diploma cum Magna Lauda of the Paris Institute of Political Sciences. Presently, he is the Managing Director of Management Sciences for Health. He is closely associated with the United Nations in the area of Health Management programs world wide. His previous positions as Program Manager and Chief of Health and Special Advisor to the Executive Director at UNICEF, Health Financing Specialist and Senior Health Specialist at the World Bank have involved inter-agency communication and coordination in fields ranging from infectious diseases to child health.

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EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 4

Mr. K Ramakrishna Prasad was appointed as an additional director with effect from October 31, 2003 on the Board of your Company and is liable to retire at the ensuing Annual General Meeting. Notices under Section 257 of the Companies Act, 1956 have been received from the members of the Company proposing Mr. K Ramakrishna Prasad as a candidate for the office of Director, liable to retire by rotation.

Mr. K Ramakrishna Prasad, 59 years, is a Bachelor of Science and is having more than three decades of experience in media and publishing industry.

Your Directors recommend the resolution for approval.

None of the Directors of the Company except Mr. K Ramakrishna Prasad may be deemed to be concerned or interested in this resolution.

Item No. 5

Mr. Kosaraju Venkatadri was appointed as an additional director with effect from October 31, 2003 on the Board of your Company and is liable to retire at the ensuing Annual General Meeting. Notices under Section 257 of the Companies Act, 1956 have been received from the members of the Company proposing Mr. Kosaraju Venkatadri as a candidate for the office of Director, liable to retire by rotation.

Mr. Kosaraju Venkatadri aged 51 years, is a graduate from Andhra University and having family run business.

Your Directors recommend the resolution for approval.

None of the Directors of the Company except Mr. Kosaraju Venkatadri may be deemed to be concerned or interested in this resolution.

Item No. 6

Dr. Jayaram Chigurupati was appointed as an additional director with effect from October 31, 2003 on the Board of your Company and is liable to retire at the ensuing Annual General Meeting. Notices under Section 257 of the Companies Act, 1956 have been received from the members of the Company proposing Dr. A Ranganadha Rao as a candidate for the office of Director, liable to retire by rotation.

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Dr. Jayaram Chigurupati, 41 years, is an MBA from Cornell University and a Ph. D. in Biochemical Genetics. He has had a distinguished career both in science and industry.

Your Directors recommend the resolution for approval.

None of the Directors of the Company except Dr. Jayaram Chigurupati may be deemed to be concerned or interested in this resolution.

Item No.7

Dr. A Ranganadha Rao was appointed as an additional director with effect from June 12, 2004 on the Board of your Company and is liable to retire at the ensuing Annual General Meeting. Notices under Section 257 of the Companies Act, 1956 have been received from the members of the Company proposing Dr. A Ranganadha Rao as a candidate for the office of Director, liable to retire by rotation.

Dr. A Ranganadha Rao, 74 years, is an M.S., M.Ch. (Urology). His area of expertise involves Urinary Surgery and he is credited with the first kidney transplantation in the State of Andhra Pradesh.

Your Directors recommend the resolution for approval.

None of the Directors of the Company except Dr. A Ranganadha Rao may be deemed to be concerned or interested in this resolution.

Item No. 8

Prof. Vithala R Rao was appointed as an additional director with effect from August 25, 2004 on the Board of your Company and is liable to retire at the ensuing Annual General Meeting. Notices under Section 257 of the Companies Act, 1956 have been received from the members of the Company proposing Prof. Vithala R Rao as a candidate for the office of Director, liable to retire by rotation.

Prof. Vithala R Rao, 68 years, is a postgraduate in Sociology and a Ph.D. in Applied Economics/Marketing. He is having 34 years of experience in the field of teaching and marketing management.

Your Directors recommend the resolution for approval.

None of the Directors of the Company except Prof. Vithala R Rao may be deemed to be concerned or interested in this resolution.