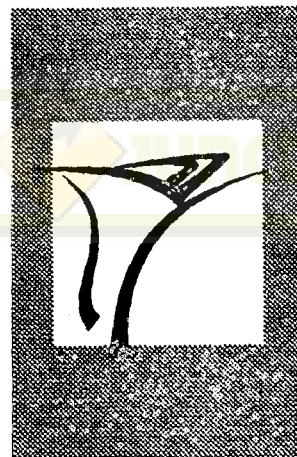


# NEHA INTERNATIONAL LIMITED

MD	<input checked="" type="checkbox"/>	BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>	DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>	DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>	AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>



FIFTH ANNUAL REPORT  
1997 - 98



**NEHA INTERNATIONAL LIMITED**

**BOARD OF DIRECTORS**

**MANAGING DIRECTOR** : **G. VINOD REDDY**

**DIRECTORS** : **N. PURUSHOTHAM REDDY**

: **ANIL G. NAIR**

: **P. RAMALINGA REDDY**

: **G. PRAMOD**

**AUDITORS** : **M/s. TUKARAM & Co.**

Chartered Accountants

209, Venkatarama Towers

Basheerbagh, Hyderabad - 500 029.

**BANKERS**

: **CANARA BANK**

Somajiguda Branch

Hyderabad.

**STATE BANK OF HYDERABAD**

Punjagutta Branch

Hyderabad.

**REGISTERED OFFICE**

✓  
10/2/95

: Flat No. 4,

Suvarna House, Punjagutta,

Hyderabad - 500 082

Ph: 3323047.

**WORKS**

: Gut No.44 & 45

Kondiwade Village

Maval Dist, Pune, Maharashtra.

**NEHA INTERNATIONAL LIMITED****NOTICE**

NOTICE is hereby given that the Fifth Annual General Meeting of the Share holders of the Company will be held on Monday the 30th November at 11AM, at The Hyderabad Gymkhana, Road No.2, Banjara Hills, Hyderabad - 500 034 to transact the following:

**Ordinary Business:**

1. To receive, consider & adopt balance sheet as at 31st March, 1998 and Profit and Loss Account for the year ended 31st March, 1998 along with the Directors and the Auditors report there on.
2. To appoint a director in place of Mr. R.D.Reddy who retires by rotation, and being eligible offers himself for reappointment.
3. To appoint M/s. Tukaram & Co., Auditors to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

**Special Business:**

4. To consider and, if thought fit, to pass the following resolution with or without modification(s) as an ORDINARY RESOLUTION:  
RESOLVED that Sri G. Pramod whose term office as an Additional Director of the Company expires at this Annual General Meeting be and is hereby appointed as a Director of the Company whose period of office will be liable to be determined retirement by rotation.
5. To consider and, if thought fit, to pass the following resolution with or without modification(s) as a SPECIAL RESOLUTION:  
"RESOLVED that the companies shares listed with stock exchanges viz., Madras Stock Exchange Ltd., and Pune Stock Exchange Ltd., be de-listed from the respective exchanges.

**NOTES**

1. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business under Item Nos.4 to 5 as set out above is appended hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the Company. However, proxies in order to be effective should be lodged with the Company at its Registered Office not less than 48 hours before the commencement of the Meeting.
3. Members/Proxies are requested to bring their copies of Annual Report to the Annual General Meeting.
4. Members are requested to notify immediately any change in their addresses to the Company's Registered Office with their ledger folio number(s).
5. The Register of Members and Share Transfers Book will be closed from 26th day of November, 1998 to the 30th day of November, 1998 (both days inclusive).

**FIFTH ANNUAL REPORT 1997 - 1998**

**Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956.**

**Item No.4**

Dr. G. Pramod was Co-opted as an Additional Director on 30/03/1998 and he holds office only upto the conclusion of this Annual General Meeting pursuant to the provisions of Section 260 of the Companies Act, 1956. A notice in writing has been received by the company from a member proposing his name for his appointment as a director of the company.

Dr. G. Pramod was one of the core promoter of the company. Due to his pre occupation, he has resigned from the board during 93-94. He was actively involved in the project implementation. To take advantage of his expertise, the board has decided to appoint Dr. Pramod as an additional director of the company. Except Dr. Pramod and Mr. G.Vinod Reddy, Managing Director of the company, who is a relative of Dr. Pramod, none of the Directors are concerned or interested in this resolution.

The Board of Directors therefore recommended his appointment for your approval.

**Item No.5**

The Companies shares are listed in Hyderabad, Mumbai, Pune & Madras stock exchanges. It is observed that, hardly there are any share holders in Pune and Madras exchange region. Also the companies shares are not traded in Pune & Madras Stock Exchanges. The board has decided to de-list its shares listed in Pune & Madras Stock Exchanges to reduce its finance and management costs.

The Board of Directors therefore recommended the same and seeks your approval.

**Registered Office:**  
Flat No.4,  
Suvarna House, Punjagutta,  
Hyderabad - 500 082.

By Order of the Board  
For **Neha International Limited**

30th October, 1998.

(G. Vinod Reddy)  
Managing Director

## NEHA INTERNATIONAL LIMITED

## DIRECTORS' REPORT

To  
The Shareholders

The Directors have pleasure in presenting the Fifth Annual Report on the business of the Company and the audited Statement of Accounts of the Company for the year ended 31st March, 1998.

**Financial Results:**

	1997-98	1996-97
	(Rupees in Lakhs)	
1. Net Sales	96.46	95.51
2. Increase / (Decrease) in Stock	1.25	(8.13)
3. Total Expenditure	88.71	139.67
4. Interest	84.01	87.81
5. Gross Profit / (Loss)	(75.01)	(140.01)
6. Depreciation	15.02	28.03
7. Write Offs	35.00	70.96
8. Provision for Taxation	0.00	Nil
9. Profit / (Loss) carried to Balance Sheet	(125.03)	(178.97)

**Operations**

During the financial year 1997 - 98 the company could not perform well due to various reasons beyond the control of the management. As envisaged during the last year, the company could not complete the replantation work. Hence the production & revenue was very less.

**Projections Vs Actuals**

Particulars	Projections	Actuals
	(Rupees in Lakhs)	
Total Income	846.72	96.46
Profit / (Loss) after tax	229.48	(125.03)
Dividend	30%	Nil

The reasons for variations are:

Due to the low utilization of the farm, the company could not produce the expected number of stems. Hence the turnover was very less and the company could not make any profit.

**Prospects**

Even in the face of all this adversity the promoters have immense confidence in the industry and are seeking the help of the Banks to revive the unit and make it profitable. The company has replanted the lost area with proven varieties. During the current year the company is hopeful of making good production and sales. The promoters are taking all the measures to turnaround the company. The Indian Floriculture Industry is stabilising with better infrastructural facilities, availability of experienced personnel and the inter action amongst the various companies to focus on better quality and efficient production practices.

**FIFTH ANNUAL REPORT 1997 - 1998**

Your company is putting more thrust on exploring the possibilities in the International markets to realise better prices round the year by sending the company's personnel abroad, and making arrangements to sell directly to the wholesalers, wherever possible, thereby enhancing the profitability of the Company.

**Personnel**

Employee relations continue to be cordial. Information on particulars of Employees Remuneration required as per Section 217(2A) read with Companies (Particulars of Employees) Rules 1975 is not applicable to the company as none of the employees is drawing remuneration in excess of limits prescribed thereunder.

**Disclosure of Particulars**

The Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, requiring disclosures of particulars with respect to conservation of energy, technology absorption and foreign exchange are given in Annexure 1 which forms part of this report.

**Deposits**

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

**Directors**

Mr. R.D. Reddy retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for reappointed.

**Auditors**

Auditors of the company M/s. Tukaram & Co., Chartered Accountants, Hyderabad are retiring at the conclusion of this Annual General Meeting. The Company has received a certificate from the auditors to the effect that their reappointment, if made, would be within the limits prescribed under section 224 (1B) of the Companies Act, 1956.

**Acknowledgments**

Your Directors wish to thank the Central and State Governments, Canara Bank, State Bank of Hyderabad, National Horticulture Board, FMO., Netherlands, Moerheim Roses, Suppliers, Customers and employees for their support and assistance offered to the Company.

For Neha International Limited

Hyderabad.  
30th October, 1998.

P. R. Reddy  
Director

G. Vinod Reddy  
Managing Director