



SOWBHAGYA EXPORTS LIMITED

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SECOND ANNUAL REPORT 1996-97

SOWBHAGYA EXPORTS LIMITED

Board of Directors : D. Bhavani - Director
J. Jayaram Reddy - Director
D. Surendranath Reddy - Managing Director

Registered Office : 5/610, Usmansahebpet,
Nellore District.

Farm : Kotha Kodur Village,
T.P. Gudur Mandal,
Nellore District.

Bankers : State Bank of Hyderabad
Nellore District
The Vysya Bank Limited
Nellore District
Corporation Bank
Nellore District
Bank of Baroda,
Masabtank,
Hyderabad.

Auditors : M/s. A.M. Reddy & Co.,
Chartered Accountants
Hyderabad.

NOTICE

NOTICE is hereby given that the Second Annual General Meeting of the members of the Company will be held at the Registered Office of the Company on Wednesday the 31st day of December, 1997 at 10.30 A.M. to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 1997 and Profit & Loss Account for the year ended on that date together with the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Sri. J. Jayaram Reddy who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.

BY ORDER OF THE BOARD

Place : Nellore

(D. SURENDRANATH REDDY)

Date : 24.11.1997

Managing Director

Note :

1. A member entitled to attend and vote is also entitled to appoint a proxy to attend and vote instead of him/herself and a proxy need not be a member.
2. The proxy form duly completed and signed should be deposited at the Registered Office of the Company atleast 48 hours before the commencement of the meeting.
3. Members are requested to notify immediately any change in their address to the Company's Registered Office with their Ledger Folio No(s).
4. The Register of Members and Share Transfer Books of the Company will be closed from 29th December, 1997 to 31st December, 1997 (both the days inclusive)

DIRECTORS' REPORT***The Members of the Company,***

Your directors have pleasure in presenting the Second Annual Report and the audited accounts for the year ended 31st March, 1997.

OPERATIONAL RESULTS :

During the year under Report the Company achieved a turnover of Rs. 22.30 lacs and incurred a net loss of Rs. 28.21 lacs after providing depreciation of Rs. 6.06 lacs. The Company could not able to achieve the projected turnover as there was a loss of production due to diseases. However, your directors are confident to project better financial results in the coming year.

Statement showing the comparison of projections given in the prospectus dated 9th April, 1996 Vs Actuals.

	Actuals (Rs.Lakhs)	Projections (Rs. Lakhs)
Sales	22.30	504.00
Other Income	0.07	—
Cost of Production	55.08	268.61
Profit/Loss before tax	(28.21)	214.75
Net Profit/Loss (PAT)	(28.21)	115.96
Paid up Capital	522.00	522.00

DEPOSITS :

The Company has not accepted any deposits from the public.

DIRECTORS :

During the year Sri. S.R. Ashok, Director of the Company resigned from the Board and the Board has appreciated for the services rendered by him during his tenure.

SOWBHAGYA EXPORTS LIMITED

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PERSONNEL :

Particulars of employees in terms of Sec. 217(2A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules - 1975 - Nil.

AUDITORS :

M/s. A.M. Reddy & Co., Chartered Accountants present auditors of the Company retires at the ensuing Annual General Meeting and are eligible for re-appointment.

ACKNOWLEDGMENT :

Your Directors wish to place on record their grateful thanks to State Bank of Hyderabad, Nellore. The Vysya Bank Limited, Nellore, Corporation Bank, Nellore and Bank of Baroda, Masab Tank, Hyderabad for their valuable assistance. Your Directors would also like to record their appreciation to the sincere and dedicated services rendered by the employees of the Company.

FOR AND ON BEHALF OF THE BOARD

Place : Nellore

Date : 24.11.1997

(D. SURENDRANATH REDDY)

Managing Director

A.M. REDDY & CO.,
Chartered Accountants

10-5-6/B, 2nd Floor,
"My Home Plaza",
Off : 103, Masab Tank,
Hyderabad - 500 028.
Phone : 3316426 / 3316912

AUDITORS' REPORT

To,
The Member of
SOWBHAGYA EXPORTS LIMITED,
Hyderabad.

We have audited the attached Balance Sheet of M/s. **SOWBHAGYA EXPORTS LIMITED** as the 31st March, 1997 and the Profit and Loss Account for the Period ended on that date and annexed thereto and report that :

1. As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order wherever applicable.
2. Further to our comments in the annexure referred to in paragraph (1) above :
 - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account, as required by law have been kept by the Company, so far as it appears from our examination of such books :
 - c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account.

- d) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with and subject to the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
- i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 1997 and
 - ii) In the case of Profit and Loss Account of the Loss of the Company for the Period ended on that date.

for **A.M. REDDY & CO.,**
Chartered Accountants

Place : Hyderabad
Date : 25.11.1997

(**K.V. JAGAN MOHAN REDDY**)
Partner

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