

SOWBHAGYA EXPORTS LIMITED

ELEVENTH ANNUAL REPORT

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2005-2006

**H.No.3-375, Lakshmipuram,
Nellore – 524 002.**

SOWBHAGYA EXPORTS LIMITED

CONTENTS

1. Notice of the Annual General Meeting
2. Director's Report
3. Auditor's Report
4. Balance Sheet
5. Profit and Loss Account
6. Schedule to Balance Sheet and Profit and Loss Account
7. Notes forming part of the Balance Sheet
8. Cash Flow Statement
9. Proxy Form & Attendance Slip

SOWBHAGYA EXPORTS LIMITED

DIRECTORS

Sri. K. Ramakrishna Prasad
Sri. D.Surendranath Reddy
Sri. E.V. Raja Reddy
Sri. Vadde Kishore
Sri. M. Madhusudan Rao

Director
Director
Director
Director
Director

BANKERS

Corporation Bank, Nellore
Bank of Baroda, Hyderabad.
Bank of India, Jubilee Hills, Hyderabad

AUDITORS

M/s. GANESH VENKAT & CO
CHARTERED ACCOUNTANTS
1C, Parameswara Apts,
6-3-626, Anand Nagar, Khairatabad,
Hyderabad - 04.

REGISTERED OFFICE

H.No.3-345, Lakshmipuram,
Nellore – 524 002.

REGISTRARS

XL Softech Systems Ltd
3, Sagar Society, Road No.2,
Banjara Hills
Hyderabad – 034

LISTING

The Hyderabad Stock Exchange Ltd
The Stock Exchange Ltd, Mumbai
The Madras Stock Exchange Ltd

SOWBHAGYA EXPORTS LIMITED

H.No.3-375, Lakshmipuram, Nellore – 524 002.

NOTICE TO MEMBERS

NOTICE is hereby given that the 11th Annual General Meeting of **SOWBHAGYA EXPORTS LIMITED** will be held at the Registered Office at H.No.3-375, Lakshmipuram, Nellore – 524 002, on Saturday the 30th September, 2006 at 10.30 AM to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2006 and Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Sri. D.Surendranath Reddy Who retires by rotation and being eligible offers herself for reappointment.
3. To appoint Statutory auditors and to fix their remuneration.

SPECIAL BUSINESS:

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

“Resolved that Sri K. Ramakrishna Prasad, who was appointed as an Additional Director of the company and holds office U/s 260 of the Companies Act, 1956, upto the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Sec. 257 of the Companies Act, 1956, received a Notice 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 if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“Resolved that Sri Vadde Kishore, who was appointed as an Additional Director of the company and holds office U/s 260 of the Companies Act, 1956, upto the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Sec. 257 of the Companies Act, 1956, received a Notice 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 if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"Resolved that Sri M. Madhusudan Rao, who was appointed as an Additional Director of the company and holds office U/s 260 of the Companies Act, 1956, upto the date of this Annual General Meeting and in respect of whom the Company has, pursuant to Sec. 257 of the Companies Act, 1956, received a Notice 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".

7. To consider if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"Resolved that pursuant to the provisions of Section 163 and other applicable provisions, if any, of the Companies Act, 1956 consent of the company be and is hereby accorded to the Board of Directors of the Company to shift the Register of Members and Index of Members from M/s. 'Ikon Visions Pvt. Ltd. Registrars & Share Transfer Agents, 33, Sanali Heavens, 8-3-948, Ameerpet, Hyderabad 500073" to M/s. XL Softech Systems Ltd, 3, Sagar Society, Road.No.2, Banjara Hills, Hyderabad – 500 034."

By Order of the Board of Directors

Place: Hyderabad
Date : 01.09.2006

Sd/-
(D.SURENDRANATH REDDY)
Director

NOTES:

1. 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. Proxy Forms to be valid shall be lodged at the Registered Office of the Company not less than 48 hours before the Meeting.
2. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act in respect of Special Business of the notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain Closed from 28.09.2006 to 30.09.2006 (both days inclusive) in terms of the provisions of Section 154 of the Companies Act.,1956.
4. Members are requested to notify immediately changes if any, in their addresses to the company quoting their folio number.
5. Members / Proxies should bring the Attendance slip duly filled in for attending the meeting.

6. Shareholders seeking any information with regard to accounts are requested to write to the company at the earliest to keep the information ready.
7. Shareholders are requested to bring their copy of Annual Report to the meeting.
8. 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 no.2B in duplicate (which will be made available on request) to M/s. XL Softech Systems Ltd, 3, Sagar Society, Road.No.2, Banjara Hills, Hyderabad – 500 034. Tel. No. 23545913 / 5914.

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Annexure to the Notice : (Item No.2,4, 5 & 6)

Information on Directors seeking appointment/re-appointment is furnished below in terms of Clause 49 of the Listing Agreement with Stock Exchanges:

- a) Sri D.Surendranath Reddy is the promoter director of the company from incorporation i.e 23.11.1994. He has completed M.A (IRPM) and B.L. He has more than 15 years of experience in Aquaculture industry. He is holding directorship in one other company and 2 committees.
- b) Sri K. Ramakrishna Prasad was appointed as Director of the company on 21.03.2006. He is holding directorship in 3 other companies and committees of directors. He has a Bachelor of Science degree from Andhra University. He has more than three decades of experience in media and publishing industry. He has successfully led a number of publications from their inception to commercial success including Udayam daily news paper. He brings in rich experience of handling the intricacies of the media and publishing business.

He is the chairman of the shareholders/ Investors grievances committee constituted under clause 49 of the listing agreement.

- c) Sri Vadde Kishore, aged 55 years, is a Commerce Graduate and an Independent Director. He has over 2 decades of experience in the Regional Entertainment Industry regional publications and other allied business exposures. He was appointed as Director of the company on 21.03.2006. He was not holding directorship in any other company and / or committee of directors.

He is the member of the Audit committee constituted under clause 49 of the listing agreement.

- d) Sri M. Madhusudan Rao, aged 45 Years is a Commerce Graduate and an Independent Director. He is having over a decade of experience in the administrative matters of Publication and Cinema Industry. He was appointed as Director of the company on 21.03.2006. He was not holding directorship in any other company and / or committee of directors.

He is the member of the Audit committee and shareholders/ Investors grievances committee constituted under clause 49 of the listing agreement.

EXPLANATORY STATEMENT U/s. 173(2) OF COMPANIES ACT, 1956:**ITEM NO. 4:**

Sri K. Ramakrishna Prasad was appointed as an Additional Director u/s. 260 is liable to retire at the ensuing Annual General Meeting. The company has received a valid Notice and requisite Deposit from a member of the Company u/s. 257 of the Companies Act, 1956, proposing the candidature of Sri K. Ramakrishna Prasad for the office of Director of the Company liable to retire by rotation.

Hence your Directors recommend the resolution for your approval.

None of the directors except Sri K. Ramakrishna Prasad is concerned or interested in the resolution.

ITEM NO. 5

Sri Vadde Kishore was appointed, as an Additional Director u/s. 260 is liable to retire at the ensuing Annual General Meeting. The company has received a valid Notice and requisite Deposit from a member of the Company u/s. 257 of the Companies Act, 1956, proposing the candidature of Sri Vadde Kishore for the office of Director of the Company liable to retire by rotation.

Hence your Directors recommend the resolution for your approval.

None of your directors except Sri Vadde Kishore is concerned or interested in the resolution.

ITEM NO. 6

Sri M. Madhusudan Rao was appointed, as an Additional Director u/s. 260 is liable to retire at the ensuing Annual General Meeting. The company has received a valid Notice and requisite Deposit from a member of the Company u/s. 257 of the Companies Act, 1956, proposing the candidature of Sri M. Madhusudan Rao for the office of Director of the Company liable to retire by rotation.

Hence your Directors recommend the resolution for your approval.

None of your directors except Sri M. Madhusudan Rao is concerned or interested in the resolution.

ITEM NO. 7

Pursuant to the guidelines issued by the Securities and Exchange Board of India, vide circular number D&CC/FITTC/CIR-15/2002 dated December 27th, 2002 regarding 'Appointment of Common Agency for Share Registry work', the Board of Directors have appointed M/s. Ikon Vision Private Limited as the Registrar and Share Transfer Agents (RTA) of the Company for both physical and demat

segments. Since M/s Ikon Vision expressed their inability to continue their services the board with a view to give better services to the shareholders passed a resolution to change the RTA from M/s. Ikon Vision Private Limited to M/s. XL Softech Limited as Registrars & Transfer Agents to undertake share transfers in both physical and demat segment. The Company has applied for approvals from the specified authorities in this regard.

Now it is proposed to shift the Register of Members and index of members from existing RTA M/s. Ikon Vision Private Limited, 33 Sanali Heavens, Ameerpet, Hyderabad – 500 073 to M/s. XL Softech Systems Ltd, 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034.

Under Section 163 of the Companies Act, 1956 the approval of the members is required for this purpose.

Your Directors recommend the resolution for approval.

None of the Directors of the Company are concerned or interested in this resolution.

By Order of the Board of Directors

Sd/-

Place: Hyderabad
Date : 01.09.2006

(D.SURENDRANATH REDDY)
Director

DIRECTOR'S REPORT

To
The members of Sowbhagya Exports Limited,
Nellore.

We have pleasure in presenting the 11th Annual Report and the Audited Statement of accounts for the Financial Year ended 31.03.2006.

FINANCIAL RESULTS :

	Current Year 2005 – 2006 (Rs. In Lakhs)	Previous Year 2004 – 2005 (Rs. In Lakhs)
Income	325.09	355.88
Profit before Interest and Depreciation	42.27	44.90
Interest	--	--
Depreciation	11.44	11.44
Profit before Tax	30.83	33.46
Provision for Taxation	3.88	--
Deffered Tax Liability	17.17	17.60
Net Profit	9.78	15.86

OPERATIONS:

During the year under review the operations have yielded satisfactory results. The company has earned a total income of Rs.325.09 Lacs and earned a Net Profit of Rs. 9.78 Lacs against an income of Rs. 355.88 Lacs and Net Profit of Rs.15.86 Lacs in the previous year.

DIVIDEND

Due to accumulated losses your Directors could not recommend Dividend on the capital.

DIRECTORS:

During the year under review the majority shareholding and management control of the company have been taken over by M/s Siri Media Pvt Ltd in terms SEBI (Substantial Acquisition of Shares & Takeovers) Regulations. On completion of take over formalities, the Board has been reconstituted. Accordingly Sri J Jayarami Reddy, N.Mallikharjuna Reddy, K.Vijayakumar Reddy and Smt K.Sowjanyaamma have resigned as Directors of the company and the board wish to place on record the valuable services rendered by them.

Sri. K. Ramakrishna Prasad, Sri. Vadde Kishore and Sri M. Madhusudan Rao were appointed as an Additional Directors of the Company with effect from 21st March,