

SOWBHAGYA EXPORTS LIMITED

TWELTH ANNUAL REPORT

2006-2007

8-3-677/14, SKD Nagar, Srinagar Colony,
Hyderabad - 500073.

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SOWBHAGYA EXPORTS LIMITED

DIRECTORS

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

Managing Director
Director
Director
Director
Director

BANKERS

Bank of India, Hyderabad.
Corporation Bank, Nellore

AUDITORS

M/s. GANESHVENKAT & CO,
CHARTERED ACCOUNTANTS
402, Ram Kishan Residency,
Anand Nagar Colony, Khairatabad.
Hyderabad - 500004.

REGISTERED OFFICE

8-3-677/14, SKD Nagar,
Srinagar Colony,
Hyderabad – 500073.

REGISTRARS

XL Softtech Systems Limited
Plot No. 3, Sagar Society,
Road No. 2, Banjara Hills,
Hyderabad – 34.

LISTING

The Hyderabad Stock Exchange Ltd
The Bombay Stock Exchange Ltd
The Madras Stock Exchange Ltd

SOWBHAGYA EXPORTS LIMITED

8-3-677/14, SKD Nagar, Srinagar Colony, Hyderabad – 500073.

NOTICE TO MEMBERS

NOTICE is hereby given that the 12th Annual General Meeting of SOWBHAGYA EXPORTS LIMITED will be held at the Registered Office of the Company at 8-3-677/14, SKD Nagar, Srinagar Colony, Hyderabad – 500073, on Saturday the 29th September, 2007 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, 2007 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 E.V. Raja Reddy who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Sri V. Kishore who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Statutory auditors and to fix their remuneration.

SPECIAL BUSINESS:

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

RESOLVED THAT subject to the provisions of the applicable laws, guidelines, rules and regulations including those framed under Companies Act, 1956, by Securities and Exchange Board of India and other Governmental agencies or Departments and the rules framed there under in this regard and subject to such other approvals permissions and sanctions as may be required from the Stock Exchanges with which the securities of the company are listed and/ or any other relevant authorities and subject to any conditions or modifications as may be imposed while granting such approvals, permissions and sanctions, consent of the company be and is hereby accorded for delisting of its equity shares from Hyderabad Stock Exchange and Madras Stock Exchange"

By Order of the Board of Directors
For M/s. **SOWBHAGYA EXPORTS LIMITED,**

Sd/-

Place: Hyderabad
Date : 27.08.2007

(K. RAMAKRISHNA PRASAD)
MANAGING 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 26.09.2007 to 29.09.2007 (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. Registrars & Share Transfer Agents, Plot No. 3, Sagar Society, Road No. 2, Banjara Hills, Hyderabad – 34. Tel. No. 23545913, 14, Fax . 23553214

Annexure to the Notice: (Item No. 2 & 3)

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) Sri E.V. Raja Reddy, aged 45 years, has more than 2 decades of experience in Media and Entertainment Industry. He is well experienced in Film Making and Distribution and also having good exposure in dealing financial matters relating to the Industry. He was not holding directorship in any other company and / or committee of directors.

He is the Chairman of Audit Committee constituted under clause 49 of the Listing Agreement.

- b) Sri V. 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 not holding directorship in any other company and / or committee of directors.

He is the member of 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. 5:**

Our Company shares are listed in Mumbai Stock Exchange, Madras Stock Exchange and Hyderabad Stock Exchange.

It has been observed that the shares of the Company are not being traded in material way regularly other than the Mumbai Stock Exchange. The Companies equity shares are specified by SEBI for settlement only in dematerialized form by all the investors. With the extensive networking of BSE terminals to other cities, the investors have access to trade and deal in Companies securities across the country. It is therefore felt that continued listing with Hyderabad Stock exchange and Madras Stock Exchange does not provide any significant tangible advantage to the members of the Company. Hence, the Board of Directors proposed for delisting of shares at Hyderabad Stock Exchange and Madras Stock Exchange.

The approval of members is required for delisting of shares and the Board recommends the resolution for the approval of members.

None of the Directors of the Company is concerned or interested in this resolution

By Order of the Board of Directors
For M/s. **SOWBHAGYA EXPORTS LIMITED,**

Sd/-

Place: Hyderabad
Date : 27.08.2007

(K. RAMAKRISHNA PRASAD)
MANAGING DIRECTOR

DIRECTOR'S REPORT

To
The members of Sowbhagya Exports Limited,
Hyderabad.

We have pleasure in presenting the 12th Annual Report and the Audited Statement of accounts for the Financial Year ended 31.03.2007.

FINANCIAL RESULTS :

Particulars	Current Year 2006 – 2007 (Rs.in Lakhs)	Previous Year 2005 – 2006 (Rs.in Lakhs)
Total Income	296.94	325.09
Profit before Depreciation	79.37	42.27
Depreciation	11.61	11.44
Profit before Tax	67.76	30.83
Provision for Taxation	14.08	3.88
Deferred Tax Liability	10.38	17.17
Net Profit	43.29	9.78

OPERATIONS:

During the year under review your company has earned a total income of Rs.296.94 Lacs out of which Rs.28.31 Lacs from Aqua Culture activity and Rs. 268.63 Lacs from Media and Entertainment activities and earned Net Profit of Rs.43.29 Lacs against an income of Rs. 325.09 Lacs and Net Profit of Rs.9.78 Lacs in the previous year.

The members may be aware that the Company's management control and controlling shareholding has been taken over by M/s. Siri Media Private Limited under the guidelines of SEBI (Substantial Acquisition & Takeover) Regulations, 1997. The Aquaculture activity is not yielding good returns due to various reasons viz., like outbreak of diseases, import restrictions by developed countries, lower price realizations etc,

Since the Promoters of M/s. Siri Media Private Limited are well experienced in Media and Entertainment related activities and In view of slow down of Aqua culture Industry and resultant low margins, the promoters have decided to diversify the activities of the Company into more profitable area of entertainment, Media and Publishing activities during the year.

During the year the Company has duly conducted two Postal Ballots in a fair and transparent manner to Change the Name of the Company from M/s. Sowbhagya Exports Limited to M/s. Sowbhagya Media Limited and Alteration of Main Objects Clause of the Memorandum of Association by deleting Clauses 1 to 5 and the

DIVIDEND

Due to set off of Carry Forward losses your Directors could not recommend Dividend on the capital.

DIRECTORS:

Sri E.V. Raja Reddy and Sri V. Kishore, Directors who retires by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

AUDITORS:

M/s. Ganeshvenkat & Co, Chartered Accountants, Hyderabad, will retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

DIRECTORS RESPONSIBILITY STATEMENT:

In pursuance of Section 217(2AA) of the Companies Amendment Act, 2000, your directors confirm --

- i) that in the preparation of the annual accounts the applicable accounting standards have been followed along with proper explanations relating to material departures.
- ii) that the directors had 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 and of the Profit and loss account for that period.
- iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding the assets of the company and for preventing and deleting fraud and other irregularities.
- iv) That the directors had prepared the annual accounts on the going concern basis.

PARTICULARS OF EMPLOYEES:

No employee was in receipt of remuneration exceeding the limits prescribed under section 217(2A) of the Companies Act, 1956 and the rules framed there under, as amended to date.

FIXED DEPOSITS:

Your company has not accepted any deposits and as such no amount of principal or interest was outstanding on the date of the Balance Sheet.