

MD	✓		BKC	✓
CS	NA		DPY	NA
RO	✓		DIV	NA
TRA	NA		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓



# SCANET EXPORTS LTD

4<sup>th</sup> Annual Report



# SCANET EXPORTS LTD

## FOURTH ANNUAL REPORT 1997 - 98

### BOARD OF DIRECTORS

**Dr.M.SAKTHIVEL**

**Sri.Y.KRISHNA REDDY**

**Sri.YERABHAGHA MEERA REDDY**

**MANAGING DIRECTOR**

**Sri.U.SUBRAMANIAN**

**Sri.A.H. KISHORE**

**Sri.C.ASOKAN**

**Smt. Y.M.R.PRASOONA**

### BANKERS

**BANK OF INDIA**

**INDIAN OVERSEAS BANK**

### AUDITORS

**M/s. V. SENTHILNANTHAN & CO.,**

**Chartered Accountants**

**Sri Karpagambal Kriba Flats**

**38/5 Bazaar Street**

**K.K. Nagar**

**Chennai - 600 078.**

### REGISTERED OFFICE

**47, STERLING AVENUE**

**NUNGAMBAKKAM**

**CHENNAI - 600 034.**

## SCANET EXPORTS LTD

### NOTICE

NOTICE IS HEREBY GIVEN THAT THE FOURTH ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD ON WEDNESDAY THE 23RD DAY OF SEPTEMBER 1998 AT 11 AM AT 47, STERLING AVENUE, NUNGAMBAKKAM, CHENNAI - 600 034, TO TRANSACT THE FOLLOWING BUSINESS.

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balanced Sheet of the company as at 31st March 1998 and Profit and Loss Account for the period ended on that date together with the Auditors Report and Directors Report thereon.
2. To appoint a Director in the place of Mr.Y.Krishna Reddy who retires by rotation at this meeting and being eligible offers himself for reappointment.
3. To appoint a Director in the place of Mr.C.Asokan who retires by rotation at this meeting and being eligible offers himself for reappointment.
4. To appoint auditors and fix their remuneration.

"RESOLVED THAT M/s.Murali Associates, Chartered Accountants, Chennai be and hereby appointed as Statutory Auditors of the Company to hold office from the Conclusion of Fourth Annual General Meeting till the Conclusion of fifth Annual General Meeting of the Company at a remuneration to be determined by the Board of Directors at a later date"

#### SPECIAL BUSINESS

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

'RESOLVED THAT Mrs.Y.M.R. Prasoon be and is hereby appointed as a director of the Company, who is liable to retire by rotation'.

BY ORDER OF THE BOARD

Place : Chennai  
Date : 20th July 1998

**YERABHAGHA MEERA REDDY**  
Managing Director

## SCANET EXPORTS LTD

### NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR HOLDING THE MEETING.
2. To Explanatory statement pursuant to section 173(2) of the Companies Act 1956 in respect of the special business as set out above is annexed here to.
3. The Register of Members and Share Transfer books of the Company shall remain closed from 16th September 1998 to 23rd September 1998 (Both Days inclusive)

### EXPLANATORY STATEMENT

(Pursuant to section 173(2) of the Companies Act 1956)

#### ITEM NO.4

The retiring Auditors Expressed their inability to Continue as Auditors due to their Pre-Occupation. A special Notice U/s 225 of the Companies Act, 1956 received from a Shareholder proposing the appointment of M/s.Murali Associates, Chartered Accountants, Chennai as Auditors of the Company. Hence this resolution is proposed.

None of the Directors are interested in the resolution.

Your Directors commend the resolution for your approval.

#### ITEM NO.5

During the year Mrs.Y.M.R. Prasoon was Co-opted as an Additional Director of the Company. Her term expires at the fourth Annual General Meeting. Your Directors recommend her appointment as a Director of the Company. A Notice u/s 257 of the Companies Act, 1956 along with Cautious Deposit of Rs.500/- received from a Shareholder proposing the appointment of Mrs.Y.M.R. Prasoon as a Director of the Company.

Mr.Y.Krishna Reddy, Mr.Yerabagha Meera Reddy, Mrs.Y.M.R.Prasoon are deemed to be interested in the resolution.

Your Directors commend the resolution for your approval.

BY ORDER OF THE BOARD

Place : Chennai  
Date : 20th July 1998

**YERABHAGHA MEERA REDDY**  
Managing Director

## SCANET EXPORTS LTD

**REPORT OF DIRECTORS TO THE MEMBERS**

Your Directors have great pleasure in presenting the Fourth Annual Report of the company together with the audited balance sheet of the company as at 31st March 1998, the Profit and Loss Account for the year ended on that date and the Auditors Report thereon.

**FINANCIAL RESULTS**

	(Rs. in Lakhs)	
	1997-98	1996-97
Net Sales	674.26	910.89
Other Income	40.36	19.89
Profit before Depreciation and tax	23.57	44.98
Less : deprecation	1.60	2.53
Profit before tax	21.97	42.45
Less : provision for tax	2.76	3.11
Less : preliminary exp. written off	18.53	16.62
Profit after tax	0.68	22.72
Add : Profit brought forward	39.31	16.59
Profit carried forward to the balance sheet	39.99	39.31

**OPERATIONS**

Your directors pleased to inform that the company has achieved a turnover of Rs.674 lakhs which includes an export turnover of Rs.213 lakhs. Your company continues as Largest Exporter of Live Lobster.

During the year ended the company recorded a net profit of Rs.0.68 lakhs against of Rs.22.72 lakhs of previous year. The decline in turnover and net profits is due to crisis in Hongkong Market and also adverse conditions in domestic market. As the domestic market continues to be not favourable your company has suspended the local sales for time being to avoid losses.

**DIVIDEND**

Your Directors are not recommending any dividend for the year ended 31st March 1998.

**DIRECTORATE**

Mr.Y.Krishna Reddy and Mr.C.Asokan Directors of the Company retires at Fourth Annual General Meeting and being eligible offers themselves for reappointment.

During the year Mrs.Y.M.R.Prasoona was Co opted as an additional director of the Company. Her term expires at the end off fourth Annual General Meeting of the Company. Your Directors recommend her appointment as a Director of the Company.

## SCANET EXPORTS LTD

**AUDITORS**

The retiring Auditors expressed their inability to continue as auditors of the Company due to their Pre-Occupation. A Special Notice U/s 225 of the Companies Act, 1956 proposing the appointment of M/s. Murali Associates, Chartered Accountants, Chennai as auditor of the Company has been received from a Shareholder. Your directors recommend the appointment of Mr.Srinivasan, Murali Associates as Auditors of the Company.

**COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988**

In terms of the above Rules, Your Board is pleased to give the particulars as prescribed there in vide Annexure - A which forms part of the Director's Report.

**PARTICULARS OF EMPLOYEES**

The Statement showing the details as required under section 217(2A) of the Companies Act 1956 is given in Annexure - B which forms part of the Directors Report.

**INFORMATION PURSUANT TO CLAUSE 43 OF THE LISTING AGREEMENT.**

The statement showing the comparison between the projections and performance is given in Annexure-C which forms part of Directors Report.

**PROSPECTS AND BUSINESS PLANS**

The South East Asian Economic Crisis is affecting our Exports as Hongkong continues to be the major buyer of Lobsters. Your Board has confident the situation will improve shortly. Your Managing Director has recently made a business trip to United States of America to explore the possibilities of setting up facilities for software exports and the deliberations are on with prospective foreign collaborators. Your directors are optimistic that these deliberations take a concrete shape before this year end.

**ACKNOWLEDGEMENTS**

The Board takes this opportunity to express sincere thanks to the Bankers for their support and assistance. The Directors thanks the shareholders for the confidence placed in the company. The Directors also wish to thank employees for their dedicated performance which has made all our achievements possible.

For and on behalf of the Board

Place : Chennai

Date : 20th July 1998

**YERABHAGHA MEERA REDDY**

Managing Director

**Y. KRISHNA REDDY**

Director

## SCANET EXPORTS LTD

### ANNEXURE - A TO THE DIRECTORS REPORT

Companies (Disclosure of particulars in the Report of Board of Directors)  
Rules, 1988.

A.	Conservation of Energy	:	Not applicable
B.	Technology Absorption	:	Not applicable
C.	Foreign Exchange Earnings and outgo		
	i. Activities relating to Exports	:	The Company has continued exporting of Live Lobsters.
	ii. Total Foreign Exchange earned	:	Rs.2,13,29,976/-
	iii. Total Foreign Exchange used	:	Rs.5,20,756/-

### ANNEXURE - B TO THE DIRECTORS REPORT

Name of the Employee	Age	Designation	Qualification & Experience	Date of Commencement of Employment	Last Employment	Remuneration (Rs.)
YERABHAGHA MEERA REDDY	37	Managing Director	B.E. 11 Years	02.09.94	Business	Rs.5,40,000/-

Note : Remuneration includes salary and house rent allowance

### ANNEXURE - C Information pursuant to clause 43 of the listing agreement The COMPARISON BETWEEN PROJECTIONS Vs PERFORMANCE

PROJECTION Vs PERFORMANCE (Rs. in Lakhs)		
	PROJECTIONS	PERFORMANCE
Sales	547.60	674.26
Profit before Depreciation interest and tax	301.30	55.80
Net Profit	129.50	0.68