

FIFTH ANNUAL REPORT 1997 - 98

For Acquaint Exports Limited,

[Signature]
Joint Managing Director.

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



ACQUAINT EXPORTS LIMITED

REGISTERED OFFICE & FACTORY
SEESALI, KALLA MANDAL
BHIMAVARAM - 534 237
W.G. DIST., ANDHRA PRADESH



Acquaint Exports Limited

BOARD OF DIRECTORS

: R.Ramalinga Raju	Managing Director
G.Vishnumurthy Raju	Joint Managing Director
K.Narasimha Raju	Director
R.Venugopala Raju	Director
Mohammad Iqbal Essa	Director
T.Ravindran	Director
N.Sudhir Shetty	Director

COMPANY SECRETARY CONSULTANT : **A.Chandra Sekhar**
Visakhapatnam

AUDITORS : **Chowdary & Rao**
Chartered Accountants
Classic Plaza,
Visakhapatnam

REGISTRARS : **Paark Consultants Ltd.,**
D.No.1-2-383
Gaganmahal Road,
HYDERABAD - 500 029

BANKERS : **CANARA BANK,**
P.P.Road,
BHIMAVARAM - 534 232

REGISTERED OFFICE : **Seesali, Kalla Mandal**
AND PROCESSING PLANT **BHIMAVARAM - 534 237**
West Godavari Dt.
Andhra Pradesh

FARM : **Marripalem Village**
Rambilli Mandalam
Visakhapatnam District
Andhra Pradesh



Acquaint Exports Limited

NOTICE OF FIFTH ANNUAL GENERAL MEETING

NOTICE is hereby given to all the members of the Company that the Fifth Annual General Meeting of the Company will be held on **Tuesday the 29th September, 1998 at the Registered Office of the Company situated at Seesali, Kalla Mandal, Bhimavaram, West Godavari Dist., Andhra Pradesh - 534 237 at 3.00 p.m.** to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the annual accounts consisting of Balance Sheet as at 31st March, 1998, Profit and Loss Account for the period ended 31st March, 1998 together with notes and schedules attached thereto and the reports of the Auditors and Directors thereon.
2. To appoint Director in place of Mr.N.Sudhir Shetty who retires by rotation and being eligible offer himself for reappointment.
3. To appoint Director in place of Mr.Mohammad Iqbal Essa who retires by rotation and being eligible offer himself for reappointment.
4. To appoint Auditors and to fix their remuneration

SPECIAL BUSINESS

5. To consider and if thought fit, to pass the following with or without modification as Ordinary Resolution:
RESOLVED that pursuant to Section 269,309,310,311,198 and Schedule XIII to the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approvals of the Central Government and/or Financial Institutions; if any, consent of the Company be and is hereby accorded to the appointment of **Sri.R.Ramalinga Raju as Managing Director** of the Company for a period of Five years with effect from 27.08.1998 on terms and conditions as to remuneration mentioned hereunder :

REMUNERATION :

Salary : Rs.15,000/- Per Month.

Perquisites : Perquisites will be restricted to an amount equal to the annual salary to be reckoned on the basis of actual expenditure or liability incurred by the Company as provided under explanation to section 198 of the Companies Act, 1956. Within this overall limit, the perquisites may be paid as stated below:

CATEGORY - A

- (i) Housing : H.R.A. Rs.2500/- per month.
- (ii) Medical reimbursement : Expenses incurred for the Managing Director and the family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- (iii) Leave Travel Concession : For the Managing Director and his family, once in a year incurred in accordance with any rules specified by the Company.
- (iv) Club fees : Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- (v) Personal Accident Insurance : Premium not to exceed Rs.3,000/- per annum.

Explanation : For the purposes of Category-A, "family" means the spouse, the dependent children and dependent parents of the Managing Director.

CATEGORY - B

- (i) Company's contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
- (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- (iii) Encashment of leave at the end of the tenure.

CATEGORY - C

- (i) Provision of car for use on Company's business. Use of car for private purpose shall be billed by the Company.

Acquaint Exports Limited



- (ii) Provision of Telephone at residence. Personal long distance calls on telephone shall be billed by the Company.
6. To consider and if thought fit, to pass the following with or without modification as Ordinary Resolution: **RESOLVED** that pursuant to Section 269, 309, 310, 311, 198 and Schedule XIII to the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approvals of the Central Government and/or Financial Institutions, if any, consent of the Company be and is hereby accorded to the appointment of **Sri.G.Vishnu Murthy Raju as Joint Managing Director** of the Company for a period of Five years with effect from 27.08.1998 on terms and conditions as to remuneration mentioned hereunder:

REMUNERATION :

Salary : Rs.10,000/- Per Month.

Perquisites : Perquisites will be restricted to an amount equal to the annual salary to be reckoned on the basis of actual expenditure or liability incurred by the Company as provided under explanation to section 198 of the Companies Act, 1956. Within this overall limit, the perquisites may be paid as stated below :

CATEGORY - A

- (i) Housing : H.R.A. Rs.2500/- per month.
- (ii) Medical reimbursement : Expenses incurred for the Joint Managing Director and the family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- (iii) Leave Travel Concession : For the Joint Managing Director and his family, once in a year incurred in accordance with any rules specified by the Company.
- (iv) Club fees : Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- (v) Personal Accident Insurance : Premium not to exceed Rs.3,000/- per annum.

Explanation : For the purposes of Category-A, "family" means the spouse, the dependent children and dependent parents of the Joint Managing Director.

CATEGORY - B

- (i) Company's contribution to Provident fund, Superannuation fund or Annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
- (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- (iii) Encashment of leave at the end of the tenure.

CATEGORY - C

- (i) Provision of car for use on Company's business. Use of car for private purpose shall be billed by the Company.
- (ii) Provision of Telephone at residence. Personal long distance calls on telephone shall be billed by the Company.

BY ORDER OF THE BOARD

Regd. Office :

Seesali, Kalla Mandal

BHIMAVARAM - 534 237

Date : 27-08-1998

for **ACQUAINT EXPORTS LIMITED**

Sd/-

(**R.RAMALINGA RAJU**)

MANAGING DIRECTOR

Notes :

1. Every member entitled to attend and vote at the Annual General meeting is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member of the company. Proxy Form is enclosed herewith.
2. Explanatory Statement pursuant to the provisions section 173(2) of the Companies Act, 1956 is annexed to and forms part of this notice.
3. The Shareholders Register and Share Transfer Register shall remain closed from 16.09.98 to 29.09.98 (both days inclusive) pursuant to the provisions of section 154 of the Companies Act, 1956.



Acquaint Exports Limited

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM No. 5

Sri.B.K.Rai has resigned as Managing Director of the Company and the same was accepted by the Board of Directors of the Company with effect from 27.08.1998. **Sri.R.Ramalinga Raju** is one of the Promoter Directors of the Company and he was the Executive Director of the Company since inception and elevated to the position of Joint Managing Director with effect from 04.09.1996. He has got an experience over a decade in procurement, processing and export operations of the marine products. In view of the resignation of **Sri.B.K.Rai** and also with a view to utilise the services of **Mr.R.Ramalinga Raju** for the Company, the Board of Directors of the Company appointed him as the Managing Director of the Company in their Board Meeting held on 27.08.1998 for a period of five years w.e.f. 27.08.1998.

In terms of the provisions of section 269 and schedule XIII to the Companies Act, 1956, consent of the company in a general meeting be accorded to the appointment of **Sri.R.Ramalinga Raju** as **Managing Director** of the Company. Hence the Board of Directors recommends this resolution.

None of the Directors excepting **Sri.R.Ramalinga Raju** and his brother **R.Venu Gopala Raju** is interested or concerned in the proposed resolution.

ITEM No.6

Sri.G.Vishnu Murthy Raju was appointed as Director of the Company with effect from 30.09.1996 and has been actively associated with the Management of the Company since his appointment. He is a science post graduate and has got industrial experience of 15 years in various fields. With a view to utilise the services of **Mr. G. Vishnu Murthy Raju** for the Company, the Board of Directors of the Company appointed him as the **Joint Managing Director** of the Company in their Board Meeting held on 27.08.1998 for a period of five years w.e.f. 27.08.1998.

In terms of the provisions of section 269 and schedule XIII to the Companies Act, 1956, consent of the company in a general meeting be accorded to the appointment of **Sri.G.Vishnu Murthy Raju** as **Joint Managing Director** of the Company. Hence the Board of Directors recommends this resolution.

None of the Directors excepting **Sri.G.Vishnu Murthy Raju** is interested or concerned in the proposed resolution.

BY ORDER OF THE BOARD

for **ACQUAINT EXPORTS LIMITED**

Regd.Office :
Seesali,
Kalla Mandal
BHIMAVARAM - 534 237
Date : 27-08-1998

Sd/-
(**R.RAMALINGA RAJU**)
MANAGING DIRECTOR



Acquaint Exports Limited

DIRECTOR'S REPORT

To

The Members

Your Directors have pleasure in presenting the Fifth Annual report together with the Audited Accounts for the period ended 31st March 1998.

OPERATIONS & FINANCIAL RESULTS

The financial results for the year ended 31st March 1998 are summarised below:

FINANCIAL RESULTS

(Rs.in Lakhs)

	1997-98	1996-97
Gross Sales & Other Income	131.16	1004.74
Profit/(Loss) before interest & Depreciation	(159.63)	57.82
Interest	67.76	47.77
Depreciation	20.04	20.69
Net Profit/(loss)	(247.43)	(10.64)

The company achieved a turnover of Rs. **131.16** Lakhs during the year under report as against the previous year figure of Rs.1004.74 lakhs.

The Buyer has rejected the consignment of 2900 ctns (31.32 M.tons) amounting to \$ 3.84 lakhs equivalent to Rs.136.65 lakhs exported to Kuwait on the ground that the quality of the product deteriorated during the transit. In view of the above the Management decided not to export till the Company's Bankers convert the utilised packing credit limits into working capital term loan and renew packing credit limits. This has resulted in the decrease in turnover.

Your company suffered a netloss of Rs. 247.43 lakhs during the year under report as against the previous years figure of Rs.10.64 lakhs.

STATEMENT OF ACTUALS VIS-A-VIS PROJECTIONS STATED IN THE LAST YEARS ANNUAL REPORT

In pursuance of clause 43 of the Listing Agreement executed by the Company with the Stock Exchange of Hyderabad and Bombay, the relevent information is furnished hereunder.

Audited Financial Results for the Year ended 31st March 1998

(Rs.in lakhs)

Sl.	Particulars	Year ended 31.3.97	year ended 31.3.98	Projections for 1997-98 as per prospectus dt. 10.11.1994
01.	Total Income	1004.74	131.16	2910.00
02.	PBIDT	57.82	(159.63)	360.23
03.	PAT	(10.64)	(247.43)	298.67
04.	Equity Capital	521.93	521.93	519.75
05.	Reserves & Surplus	8.87	14.31	504.45
06.	E.P.S.(Rs.)	Nil	Nil	5.75
07.	Book Value (Rs.)	8.40	3.76	18.52
08.	Dividend (%)	Nil	Nil	25



Acquaint Exports Limited

NOTES : Reasons for variance between projections and actuals

1. Failure of own culture continuously due to virus and other reasons effected the company's performance and thereby resultant decrease in turnover.
2. Rejection of consignment by the buyer on account of deterioration in quality during transit resulted in huge loss and exhaust of packing credit limits. So that the company could not do any further exports.

DEPOSITS

The Company has not accepted any deposits during the year under report

DIRECTORS

The following changes have taken place among the Board of Directors during the period under report.

Sri.B.K.Rai has resigned as Managing Director of the Company with effect from 27.08.1998. Your Directors record their sincere appreciation of the support, guidance and advice received from **Sri B.K. Rai** during his tenure as Managing Director of the Company.

Sri.R.Ramalinga Raju and **Sri.G.Vishnu Murthy Raju** have been appointed as Managing Director and Joint Managing Director of the Company respectively with effect from 27.08.1998.

Sri N.Sudhir Shetty and **Sri Mohammad Iqbal Essa** are liable to retire by rotation and being eligible, offers himself for reappointment.

AUDITORS

M/s.Chowdary & Rao, Chartered Accountants, Visakhapatnam, Statutory Auditors of the Company will retire at the conclusion of this Annual General Meeting. However, being eligible, they offer themselves for reappointment, and confirmed that their reappointment will be within the limits prescribed under section 224(1B) of the companies Act 1956.

PARTICULARS OF EMPLOYEES

There are no employees falling within the purview of the Section 217(2A) of the Companies Act 1956 read with the Companies (Particulars of the Employees) Rules 1975.

ADDITIONAL INFORMATION

Additional information on conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed in terms of Section 217(1)(e) of the Companies Act 1956 read with the Companies (disclosure of particulars in the report of Board of Directors) rules, 1988 is annexed hereto (ANNEXURE-I) and forms part of this report.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to place on record their appreciation and gratitude for the co-operation, assistance, guidance, and support extended by Canara Bank, Export Inspection Agency, MPEDA, importers of the Company's product abroad and various Central and State Governmental Agencies and local authorities.

Your Directors also wish to place on record their sincere appreciation of unstinted support and co-operation extended by all Personnel at various levels of organisation.

For and on behalf of the Board

Bhimavaram
27.08.1998

Sd/-
R.RAMALINGA RAJU
Managing Director

Sd/-
K. NARASIMHA RAJU
Director



Acquaint Exports Limited

ANNEXURE - I ANNEXURE TO THE DIRECTOR'S REPORT

Information as per Section 21(1) (e) read with Companies (Disclosure of Particulars in the report of Board of Directors) rules 1988 and forming part of report for the year ended 31st March 1998

A. CONSUMPTION OF ENERGY:		Current year 1997-98	Previous year 1996-97
a. Power and Fuel Consumption :			
i) Electricity			
Purchased Units		6,19,294	6,21,880
Total Amount	Rs	26,59,705	18,62,360
Rate per Unit (Rs/kwh)	Rs.	4.14	2.99
ii) Own generation through			
Diesel Generators		1,54,197	3,68,070
Cost Per Unit Rs/kwh)		4.40	2.71
b. Consumption per unit of Product			
Electricity (kwh/Kg)		1.13	1.65

B. TECHNOLOGY ABSORPTION

Efforts made in technology absorption as

per Form B of the annexured

Not applicable

C. FOREIGN EXCHANGE EARNINGS AND OUT GO:

The Particulars of total foreign earnings and outgo are given as Under:

1. Foreign Exchange Earnings: The Total FOB value of Exports made by the Company Rs.25,66,626/-(Previous Year Rs.8,81,67,601/-)
2. Foreign Exchange Outgo : For current Year Rs.Nil.(for previous year on account of Technical Know how Rs.Nil/-)

For and on behalf of Board

Bhimavaram

27-08-1998

Sd/-

(R.RAMALINGA RAJU)

MANAGING DIRECTOR