

teknomin aqua exports (India) limited

REGD.OFFICE: FLAT NO.: F-2, RAM'S VSRAPARTMENTS,
MOGALRAJPURAM, VIJAYAWADA - 520 010.



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**12th Annual Report
2002-2003**

teknomin aqua exports (India) limited**BOARD OF DIRECTORS**

P.MASTAN RAO
K.L.PRASAD
P.PARAMDHAMAIHA
B.KRISHNA MURTHY
S.SATYANARAYANA
DR.Y.VENKATESWARA RAO
J.VISHNU PRASADA RAO

Chairman/Managing Director
Director
Director
Director
Director
Director

AUDITORS

M/s.PINNAMANENI & Co.
Chartered Accountants,
3 & 4 Ground, RAM'S VSR Apartments,
Mogalrajpuram,
VIJAYAWADA - 520 010. (A.P.)

BANKERS

State Bank of India, Patamata, Vijayawada
State Bank of Travancore, Governorpet, Vijayawada
The Federal Bank Limited, Governorpet, Vijayawada
O B C, Governorpet, Vijayawada
Indian Overseas Bank, Gudur
State Bank of India, Gudur

LISTING

Hyderabad Stock Exchange Limited, Hyderabad
The Stock Exchange, Mumbai
The Madras Stock Exchange Limited, Chennai
The Stock Exchange, Ahmedabad

SHARE TRANSFER AGENTS

M/s.teknomin aqua exports (India) limited
F-2, RAM'S VSR Apartments,
Mogalrajpuram,
VIJAYAWADA - 520 010. (A.P.)

REGISTERED OFFICE

F-2. RAM'S VSR Apartments,
Mogalrajpuram,
VIJAYAWADA - 520 010. (A.P.)
Tel : (0866) 2478006

PROJECT ADMINISTRATIVE OFFICE

15/175, Nehru Nagar,
GUDUR - 524 101
NELLORE DISTRICT.(A.P.)
Tel : (08624) 252206.

12 TH ANNUAL GENERAL MEETING		
Date	:	30th September, 2003
Time	:	9.30 A.M.
Day	:	Tuesday
Venue	:	Hotel Anupama, Kaleswara Rao Road, Governorpet, Vijayawada-520002. Andhra Pradesh

CONTENTS	Page Nos
Notice	2
Directors' Report	4
Report on Corporate Governance	5
Auditors' Report	9
Balance Sheet	11
Profit & Loss Account	12
Schedules to the Accounts	13
Balance Sheet Abstract	20
Cash Flow Statement	22



NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 12th Annual General Meeting of the Company will be held at Hotel Anupama, Governorpet, Vijayawada - 520 002 at 9.30 A.M. on 30th September, 2003 to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the profit and Loss Account for the year ended 31st March, 2003 and the Balance Sheet as on that date, the Auditors' report and the Directors' Report thereon.
2. To appoint director in place of Sri B.Krishna Murthy who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint director in place of Dr.Y.Venkateswara Rao who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS:

5. To be moved as an ordinary Resolution.

To Consider and if thought fit, to pass, with or without modification(s), the following as a special Resolution.

"RESOLVED THAT pursuant to the provisions of section 198, 309, 310 and schedule XII (as amended), and other applicable provisions, if any of the companies Act, 1956, the company be and is hereby appointed Sri Peram Mastan Rao as Managing Director and for a period of 5 (Five) years from 24.4.2003 and he is only entitled for reimbursement of actual expenses incurred by him for the purposes of the Company."

"RESOLVED the Board has given the authorisation to Chairman cum Managing Director, the Board of authorities in Board Meeting dated 26.02.2003."

6. To be moved as an ordinary Resolution.

To Consider and if thought fit, to pass, with or without modification(s), the following as a special Resolution.

AS ON ORDINARY RESOLUTION

"RESOLVED that pursuant to provisions of Section 293(1)(a) of the Companies Act, 1956 and other consents as may be required the Company hereby decides to offer the entire farming and hatchery on lease basis."

Further Resolved that the following Directors will constitute the committee members (1) Sri P.Mastan Rao, (2) Sri P.Paramdhamiah and (3) Sri Sama Satyanarayana, who are hereby entrusted to search for the suitable lessee and finalise the terms of lease such as lease rentals, period etc. and any two members out of three of the committee shall finalise the lease and are further authorised to execute a lease deed on behalf of the Company in favour of the lessees so finalised.

ANNEXURE TO NOTICE

Explanatory Statement Under Section 173(2) of the Companies Act, 1956.

Item No.5 :

The shareholders of the Company at the Annual General meeting held on 30th December, 1997 had appointed Mr.K.L.Prasad as the Managing Director of the Company for a period of five years from 31st December, 1997 to 30th December, 2002. After expiry of the term, Sri Peram Mastan Rao has been appointed as Managing Director of the Company by the Board of Directors at its meeting held on 24.04.2003 till the end of the next Annual General Meeting. Now it is proposed to consider his appointment for the next 5 years.

Your Directors recommend the resolution for approval of the members. None of the Directors, except Ms.P.Mastan Rao is interested in the Resolution.

Item No.6 :

In view of the industry sickness the Company is facing severe financial crisis resulting to its inability for further infusion of funds for activating the operations of farming and hatchery. Therefore your Board of Directors wishes to lease out the project for a temporary period 2 to 3 years and for this purpose has appointed a committee of Directors comprising (1) Sri P.Mastan Rao, (2) Sri P.Paramdhamiah and (3) Sri Sama Satyanarayana for searching the suitable lessee and finalise lease terms for the beneficial operations of the Company and its early revival. As per the provisions of Section 293(1)(a) of the Companies Act, 1956 the Board of Directors of the Company shall obtain the prior permission of the shareholders at the General Meeting. Hence for the reasons stated above your Board recommends for approval of the resolution by the Shareholders.

By order of the Board

Sd/-
(P.MASTAN RAO)
Chairman/Managing Director

Place : Vijayawada

Date : 23-07-2003.



NOTES FOR MEMBERS ATTENTION

1. Notice is also given that the Register of Members and share transfer books in respect of equity of the Company will remain closed for 5 days from 26-09-2003 to 30-09-2003.
2. A member entitled to attend and vote, is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
3. The Instrument appointing a proxy should however be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.
4. Shareholders are requested to notify change in address if any, immediately to the Company's Registrars.
5. Shareholders are requested to bring their copies of Annual Report to the Meeting. Copies of the Annual Report will not be available for distribution to Shareholders at the Hall.
6. Shareholders attending the Meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the Meeting place.
7. Shareholders intending to require information about Accounts to be explained in the Meeting are requested to inform the Company atleast 7 days in advance of the Annual General Meeting.
8. All the Shareholders are advised to send their certificates for transfer directly to the Company Registered Office, Vijayawada.

By order of the Board

Sd/-
(P.MASTANRAO)
Chairman/Managing Director

Place : Vijayawada
Date : 23-07-2003.



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in submitting the 12th Balance Sheet and Profit & Loss a/c of your Company together with the auditors report thereon.

1. REVIEW OF OPERATIONS:

The working results of the Company for the year are furnished as follows

(Rs.in Lakhs)

Sl. No.	Particulars	Year Ended 31-03-03	Year Ended 31-03-02
01.	Sales	145.33	87.65
02.	Other Income	17.04	0.50
03.	Total Expenditure	130.55	79.36
04.	Profit/Loss before Interest, Depr. & Taxes	31.82	8.79
05.	Interest	--	--
06.	Depreciation	33.45	37.68
07.	Provision for Tax	--	--
08.	Net Profit/(Loss)	(1.63)	(28.89)
09.	Equity Share Capital	558.50	558.50

The Company has executed a one-time settlement of its dues with the State Bank of Travancore and paid the amount. Similarly the Company is continuing its efforts for settling the dues with the other Banks of SBI Consortium.

2. DIRECTORS:

The Directors of the Company Sri B.Krishna Murthy and Dr.Y.Venkateswara Rao retire by rotation in this meeting in pursuance of Article 105 of the Articles of Association and being eligible offer themselves for re-appointment. The Board recommends their-appointment of these Directors.

3. AUDITORS:

M/s.Pinnamaneni & Co., Chartered Accountants, statutory auditors of the Company will retire at the conclusion of the Annual General Meeting and are being eligible and offer themselves for re-appointment.

4. EMPLOYEES:

It is to report that U/S217 (2A) of the Companies Act, 1956 that there are no employees drawing salary of Rs.1,00,000/- or more p.m. or Rs.12,00,000/- or more per year or part there of.

Your directors also place on record their deep sense of appreciation of the services of the staff and workers of the Company, who have contributed for the administration of the Company's affairs.

5. INFORMATION U/S 217(1)(e):

Particulars U/S 217(1)(e) of the Companies Act, 1956 and the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are given below:

(a) Conservation of Energy:

The Company is making all efforts for conservation of energy.

(b) Technology Absorption:

The hatchery with 60 Million Shrimp Seed capacity is being operated under the Technical advice of Mr.Suresh jhoshi an experience technician in this line.

(c) Foreign Exchange Earnings & Outgoings:

(Rs.in Lakhs)

Particulars	For the Year 2001-02	For the Year 2002-03
Foreign Exchange Earnings	- Nil -	- Nil -
Foreign Exchange Outgo	- Nil -	- Nil -

06. CORPORATE GOVERNANCE:

Your Company has complied with the provisions of Clause 49 of the Listing Agreement relating to Corporate Governance and believes that the initiatives on Corporate Governance will assist the Management in the efficient conduct of the business and in meeting its obligation to all its stakeholders.

A ++report on Corporate Governance and a certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as required under Clause 49 of the Listing Agreement is attached to this report.

**07. DIRECTORS' RESPONSIBILITY STATEMENT:**

As required under the Companies Act, 1956, your Directors wish to state:

- (a) That in the preparation of Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) That they have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 or loss of the Company for the year under review;
- (c) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding assets of the Company and for preventing and detecting fraud and other irregularities; and
- (d) That they have prepared the accounts for the year ended 31st March, 2003 on a 'going concern' basis.

08. ACKNOWLEDGEMENT:

Your Directors are thankful to the Financial Institutions and Bankers for their continued support during the year under review and acknowledge with gratitude the help extended by the Central Government and the Government of Andhra Pradesh. Your Directors are equally grateful to the customers, suppliers and to you for the confidence reposed and the valuable support extended.

We further express our sincere thanks to MPEDA.

By order of the Board

Sd/-

(P.Mastan Rao)

Chairman/Managing Director

Place : Vijayawada

Date : 24-07-2003.

REPORT ON CORPORATE GOVERNANCE **MANDATORY REQUIREMENTS**

Company's philosophy on Code of Governance:

The Company's philosophy of Corporate Governance is aimed at assisting the top management of the Company in the efficient conduct of its business and in meeting its obligations to its shareholders.

Board of Directors:

Composition: The present strength of the Board is seven Directors. The Board comprises of Executive and Non-executive Directors. The Non-executive Directors bring independent judgment in the Board's deliberations and decisions. The Chairman/Managing Director is Wholtime Director. The remaining six are Non-executive Directors.

Attendance of each Director at the Board Meetings and the latest AGM:

Name of the Director	Category of Directorship	No. of Board Meetings attended	% of total Meetings	Attendance at the last A.G.M
P.Mastan Rao	Chairman/ Managing Director	4	66%	- Yes -
K. L. Prasad	Director	6	100%	- Yes -
P.Paramdhamaiiah	Director	5	83%	- Yes -
B.Krishna Murthy	Director	5	83%	- Yes -
S.Satyanarayana	Director	3	50%	- Yes -
J.V.Prasada Rao	Director	3	50%	- Yes -
Dr.Y.Venkateswara Rao	Director	—	—	- No -

Number of other companies or committees the Director (being a directors as on the date of the Directors' Report) is a Director/Chairman

Name of the Director	No. of other Companies in which Director	No. of Committees (other than Teknomin Aqua Exports (India) Limited in which Member)
P.Mastan Rao	2	—
K. L. Prasad	2	—
P.Paramdhamaiiah	2	—
B.Krishna Murthy	—	—
S.Satyanarayana	—	—
J.V.Prasada Rao	—	—
Dr.Y.Venkateswara Rao	2	—

teknomin aqua exports (India) limited**Number of Board Meetings held and the dates of the Board Meetings**

Six Board Meetings were held during the year 2002-03 on the dates mentioned below:

- ◇ 27 April, 2002 ◇ 15 July, 2002
- ◇ 27 September, 2002 ◇ 28 October, 2002
- ◇ 30 January, 2003 ◇ 26 February, 2003

Audit Committee

Terms of Reference and Composition, Chairman and the Name of Members

The Audit Committee comprise of Mr.P.Mastan Rao, Chairman/Managing Director of the Committee, Mr.P.Paramdhamaiah, Director. The Chairman/Managing Director, along with the statutory Auditors the invites to the meeting. The Terms of reference of this Committee are wide enough covering matters specified for Audit Committee under the Listing Agreements.

Meeting and attendance during the year

There were two meetings of the Audit Committee during the financial year 2002-2003 and the attendance of each member of the Committee is give below:

Name of the Director	No. of Meeting Attended	% of total Meeting Attended
P.Mastan Rao	2	100%
P.Paramdhamaiah	2	100%
B.Krishna Murthy	2	100%

Remuneration to the Directors

It is to state that the Company has not paid any remuneration or sitting fee to the executive or non-executive Directors during the year.

Investors/Shareholders Grievance Committee

The Company has formed an Investors/Shareholders Grievance Committee under the Chairmanship of Mr.P.Mastan Rao. The other two members of the Committee are Mr.B.Krishna Murthy & Mr.P.Paramdhamaiah. All the three members of the Committee are Non-executive and independent Directors. The Committee shall look into the shareholder's and investor's complaints. Most of the complaints received from the Shareholders have been resolved. The number of shares pending for transfer were 30 as on 31st March, 2003.

General Body Meetings

Details of the location of the past three AGMs and the details of the resolutions passed or to be passed by Postal Ballot.

- a) The last 3 Annual General Meetings of the Company were held at the Hotel Anupama, Governorpet, Vijayawada. All meetings commenced at 9.30 A.M. The share holders passed all the resolutions set out in the respective Notices.
- b) No resolution requiring postal ballot as recommended under clause 49 of the listing agreement has been placed for Shareholders approval at the meeting.

Notes on Directors seeking appointment/re-appointment

Sri B.Krishna Murthy is a Director of the Company from its beginning.

Dr.Y.Venkateswara Rao is a Cardiologist and Medical Practitioner at Vijayawada. He is carrying on his profession in the name and style of M/s.Usha Cardiac Centre Limited. He is also a Director in M/s.Usha Medi-Soft Pvt. Limited.

Disclosures

Disclosures on materially significant related transactions i.e., transactions of the company of a material nature, with its promoters, the Directors or the Management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the company at large.

- ◇ All transactions with the companies in which the Promoters are deemed to be interested were duly authorised by the Board and were in line with the approvals received from the Central Government.

Details of non-compliance of the by Company, penalties structures imposed on the Company by Stock Exchanges or SEBI or any statutory or any matter related to capital markets during the last three years.

- ◇ None in last three years.

Means of Communication

- ◇ Half-yearly report sent to the household of each share holder

No, as the results of the Company are widely published in the newspapers

- ◇ Quarterly results

No, as the results of the Company are widely published in the newspapers