

***teknomin aqua exports (India) limited***

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



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**17<sup>th</sup> Annual Report  
2007-2008**

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

P.MASTAN RAO  
B.KRISHNA MURTHY  
J.VISHNU PRASADA RAO  
K.L.PRASAD  
P.PARAMDHAMIAH  
S.SATYANARAYANA

Chairman/Managing Director  
Director (Operation)  
Director (Marketing)  
Director  
Director  
Director

**AUDITORS**

M/s.HANUMIAH & Co.  
Chartered Accountants,  
1&2 Ground, RAM'S VSR Apartments,  
Mogalrajpuram,  
VIJAYAWADA - 520 010. (A.P.)

**BANKERS**

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

**LISTING**

The Stock Exchange, Mumbai

**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**

15/212, Nehru Nagar,  
GUDUR - 524 101  
NELLORE DISTRICT.(A.P.)  
Tel : (08624) 250283

**17<sup>TH</sup> ANNUAL GENERAL MEETING**

Date : 29<sup>th</sup> September, 2008  
Time : 9:30 AM  
Day : Monday  
Venue : Hotel Anupama,  
Kaleswara Rao Road,  
Governorpet,  
Vijayawada - 520 002,  
Andhra Pradesh

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## NOTICE TO THE SHARE HOLDERS

Notice is hereby given that the 17<sup>th</sup> Annual General Meeting of the Company will be held at Hotel Anupama, Governorpet, Vijayawada - 520 002 at 9:30 AM on **29th September, 2008** to transact the following business.

### ORDINARY BUSINESS:

1. To receive, consider and adopt the profit and Loss Account for the year ended 31st March, 2008 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 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

#### ORDINARY RESOLUTION

To consider and, if thought fit, to pass the following resolution as a special resolution.

"Resolved" that pursuant to section 17 and other applicable provisions if any of the Companies Act, 1956 consent of the Company be and is hereby accorded for alteration of clause IIIA of the main objects clause of the Memorandum of Association of the Company by way of addition of the following new sub clauses 5 to 8 after the existing sub clauses 1 to 4.

1. To carry on the business of constructing, executing, maintaining improving, working, in India or elsewhere works and contracts of quarries, barrages, dams, Roads, warehouses, sluices, Locks, Embankments, Docks, Bridges, Canals, Tunnels, Dams, Reservoirs, tanks, aqueducts, marine works, power houses, Irrigation and Drinking water projects, Townships, Dwellings, Sewage and Drainage systems and all civil structures including Power Projects, Earth work, Foundation works, gas

pipe lines work, hotels, markets, malls, places of amusement, crushing works, Hydraulic works, factories, Industrial structures and all other works of conveniences or other public or private utility in India or elsewhere to establish private SEZ/S anywhere in India and to carryout designs, drawings, Survey work, valuers, appraisers of projects, take up Technical and Feasibility studies, Dealers of all civil construction machinery, equipments and materials, to purchase and take on lease, lands for development and turn the same to account into resorts and farm houses, commercial, Residential and Industrial establishments with all modern amenities and conveniences, dealers in real estate and managing lands, buildings and properties either free holder or leasehold either solely or in conjunction or in partnership or in joint venture with any person, firm or Company located in India or outside.

2. To undertake fabrication works and contracts of all description in India or elsewhere for the erection commissioning and installation of all types of plants, machineries, equipment, electrical fittings, fixtures, furniture, appliances, power lines, transmission towers, telecom towers and to carry on Engineering consultancy business in the fields of Civil, Mechanical, Electrical, Agricultural and all other branches of engineering and to design develop install and maintain software packages and programs for the process controls, maintenance and efficient running of business and Industrial enterprises in relation to all branches of engineering and to act as Engineers and Contractors.

3. To carry on the business of execution of Projects on turnkey basis in India or elsewhere of all branches of engineering and to act as advisors, Technical and Industrial consultants and to provide technical know-how, advise on planning, development, research, plant operations, prepare feasibility reports, assist in acquisition of plant and machinery materials and man power and to do services in connection with management, manufacture,



production, processing, marketing, erection, installation and commissioning and to act as importer and exporter, dealer, distributor, and trade in all kinds of Industrial equipments, machinery, appliances and accessories thereof.

4. To carry on the business of harnessing, developing, distributing and supply of electricity by setting up power plants using liquid, gaseous or solid fuels or any other fuels including agricultural products/waste to carry on and generate power either by hydro, thermal, gas, diesel oil or any other fuel including natural crude, seed oil, naphtha, furnace oil or through renewable energy sources and to transmit, distribute, supply and sell such power either directly or through transmission lines and facilities of central / State Governments, other consumers of electricity, to construct, establish manage power stations, steam turbines, switch yards, sub-stations, and to carry out such works necessary for generation, distribution and supply of power and construct, lay down, establish, fix, erect equip and maintain power generating machinery and electricity equipments, cables, computer control equipment either in the capacity of principals, contractors or otherwise.

The above resolution is proposed to be passed by the postal ballot. The necessary postal ballot forms will be dispatched to the shareholders shortly.

No. 2-1, 3.00 Acres etc. and for that purpose to sign, seal and deliver such instruments that may be considered necessary, usual proper for the sale, lease or otherwise disposing of the land which according to the Directors may be considered beneficial and convenient for the Company. To negotiate with MEPADA to buy back equity and / or to create adequate and sufficient surity / guarantee for MEPADA, Cochin.

The above resolution is proposed to be passed by the postal ballot. The necessary postal ballot forms will be dispatched to the shareholders shortly.

By order of the Board

(P.MASTAN RAO)

Chairman/Managing Director

Place : Vijayawada

Date : 25-07-2008.

## SPECIAL RESOLUTION NO 2

To consider and, if thought fit, to pass the following resolution as an ordinary resolution

RESOLVED THAT, Pursuant to Section 293(1) (a) of the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorized to deal, negotiate and dispose of the land situated at Manabolu (Post & Mandal) Lands Survey No. 889/535 etc. 6.50 acres and Yogesarunipalli, Tikkavaram (Post), Chillakur (Mandalam) Land Survey



### INDUSTRY SCENARIO

For the last couple of years the aqua culture industry is facing lot of problems like lack of demand, reduction of selling price in international market and also virus affects to the product.

The Company's own hatchery is not operated through out the year due to the lack of demand. Our hatchery capacity is very large and due to the bad industry's condition there is no demand for the product. It is not feasible to operate the hatchery for a small quantity hence it is kept idle.

In the year under review, the significant steps have been taken for revival of the Company. The Company has settled the loans taken from SBT, Eluru Road, Vij, SBI, Patamata, under one time settlement and pursuing the other banks also for settlement of their dues. In this regard the directors have taken decision to sell a small piece of land which is not aqua culture land in order to settle the bank dues and to meet the working capital needs.

As per the MPEDA vision report the coming years are good for the Aqua Culture units. Accordingly the directors anticipate that in the coming years the prospects of the Company will be good. In this direction the directors are taking necessary steps for improvement of the company business.

By order of the Board

(P.MASTAN RAO)  
Chairman/Managing Director

Place: Vijayawada

Date : 25-07-2008.

### 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 25-09-2008 to 29-09-2008.
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

(P.MASTAN RAO)  
Chairman/Managing Director

Place: Vijayawada

Date : 25-07-2008.



## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in submitting the 17<sup>th</sup> 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 31-03-08	Year Ended 31-03-07
01.	Sales	-----	-----
02.	Other Income	7.87	17.87
03.	Total Expenditure	16.92	16.69
04.	Profit/Loss before Interest, Depr. & Taxes (Loss)	(9.06)	(1.18)
05.	Interest	--	--
06.	Depreciation	17.40	18.58
07.	Provision for Tax	--	--
08.	Net Profit/(Loss)	(26.46)	(17.41)
09.	Equity Share Capital	558.50	558.50

### 2. DIRECTORS:

The Directors of the Company Sri B. Krishna Murthy 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.

The Company Hatchery and Ponds given lease for the year.

### 3. AUDITORS:

M/s.HANUMAI AH & 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.2,00,000/- or more p.m. or Rs.24,00,000/- or more per year or part thereof.

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 2007-08	For the Year 2006-07
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 shareholders.

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 judgements 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, 2008 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 : 25-07-2008.

## **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 Six 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 Five 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	80%	-No-
B.Krishna Murthy	Director	5	100%	- Yes -
J.V.Prasada Rao	Director	4	80%	- Yes -
K.L.Prasad	Director	-	Nil	- No -
P.Paramdhamaiah	Director	5	100%	- Yes -
S.Satyanarayana	Director	-	Nil	- 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	—
B.Krishna Murthy	—	—
J.V.Prasada Rao	—	—
K.L.Prasad	2	—
P.Paramdhamaiah	2	—
S.Satyanarayana	—	—



### Number of Board Meetings held and the dates of the Board Meetings

Five Board Meetings were held during the year 2007-08 on the dates mentioned below:

- ◇ 07-06-2007                      ◇ 17-12-2007
- ◇ 12-07-2007                      ◇ 18-01-2008
- ◇ 28-08-2007

### 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 2007-2008 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%
B.Krishna Murthy	2	100%
P.Paramdhamaiah	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 5 as on 31st March, 2008.

### 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.

### 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.

None during the last year.

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.

- 2) None in last three years.

### Means of Communication

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

- No -

- 4) Quarterly results

- No -

- 5) Any website where displayed - No -

- 6) Whether it is also displayed in official news papers - No -

- 7) Presentations made to institutional investors or to analysts - No -

- 8) Newspapers in which results are normally published in - No -



- 9) Whether Management Discussion and Analysis is a part of the Annual Report or not - Yes -

#### General Shareholder information

- 1) Annual General Meeting

Date : **29th September, 2008**  
 Time : 9:30 AM  
 Venue : Hotel Anupama, Kaleswara Rao Road,  
 Governorpet, Vijayawada.

- 2) Financial Calender

Results for the First quarter (April-June) last week of July

Results for the Second quarter (July-September) last week of October

Results for the Third Quarter (October-December) last week of January

Annual Results (April-March) last week of May

- 3) Date of Book Closure

**25th September, 2008 to 29th September, 2008**

- 4) Dividend payment dates - Nil -

- 5) Listing on Stock Exchanges

The Stock Exchange Mumbai

The Listing Fees for the year 2007-2008 has been paid

- 6) Stock code - Nil -

ISIN Number for NSDL & CDSL - Nil -

- 7) Market price Data: High & Low during each month in the last financial year - Nil -

- 8) Stock Performance in comparison to broad-based indices such as BSE Sensex

As per Annexure-'A'

- 9) Registrar and Transfer Agents

M/s. Teknomin Aqua Export (I) Limited  
 Flat No.F2,  
 RAM'S VSR Apartments,  
 Mogalrajpuram,  
 VIJAYAWADA - 520 010,  
 Krishna District, A.P.

- 10) Share transfer system

All the transfers received are processed and approved by the Share Transfer Committee which normally meets twice in a month or more depending on the volume of transfers

- 11) Distribution of Shareholding and Share holding pattern as on 31.03.2008

As per Annexure-'B'

- 12) Dematerialisation of shares and liquidity - Nil -

- 13) Outstanding GDRs \ ADRs \ Warrants or any convertible instruments conversion date and likely impact

The Company has not issued any ADR \ GDR

- 14) Hatchery location

Srinivasachatram, Nellore District, Andhra Pradesh

- 15) Address for correspondence:

- (a) For transfer/dematerialisation of shares and any other query relating to the shares of the Company

M/s. Teknomin Aqua Exports (I) Limited  
 Flat No.: F2,  
 RAM'S VSR Apartments,  
 Mogalrajpuram,  
 Vijayawada - 520 010.

- (b) For shares held in demat form

Depository Participant - Not Applicable -

- (c) Any query on the Annual Report and for other correspondence

M/s. Teknomin Aqua Exports (I) Limited,  
 Flat No.: F2,  
 RAM's VSR Apartments,  
 Mogalrajpuram,  
 Vijayawada - 520 010.