



VIJAYA SHRIMP FARMS AND EXPORTS LIMITED

**11th
ANNUAL REPORT**

2002 - 2003

VIJAYA SHRIMP FARMS & EXPORTS LIMITED



BOARD OF DIRECTORS :

Sri C.R. Sen Gupta

Chairman

Sri B. Narayana Murthy

Managing Director

Sri G.S. Rama Chandra Rao

Director

Sri G. Venkateswara Rao

Director

Sri M. Ravindra

Director

REGISTERED OFFICE :

Anakalpatur Village,

Chillakur Mandal,

Nellore District,

Andhra Pradesh.

CORPORATE OFFICE :

H.No. 11-4-646, C-206,

Vijaya Hills, A.C. Guards,

Lakdikapool, Hyderabad - 500 004.

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AUDITORS :

M/s. A.M. Reddy & Co.,

Chartered Accountants,

Masab Tank,

Hyderabad.

BANKERS :

State Bank of Hyderabad

The South India Bank Limited

VIJAYA SHRIMP FARMS & EXPORTS LIMITED



NOTICE

Notice is hereby given that the 11th Annual General Meeting of the Members of the company will be held at the Registered Office of the company situated at Anakalpatur Village, Chillakur Mandal, Nellore District of Andhra Pradesh on 30th September, 2003 at 11.00 A.M. to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Profit & Loss A/c for the year ended 31st March, 2003 and the Balance Sheet as on that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of C.R. Sen Gupta, who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit it to pass with or without modifications the following resolution as an ordinary resolution.

"RESOLVED THAT M/s. A.M. Reddy & Co., Chartered Accountants be and hereby appointed as Auditors of the company from the conclusion of this Annual General Meeting at such remuneration to be determined by the Board of Directors of the company in addition to payment for other service and reimbursement of out pocket expenses".

SPECIAL BUSINESS :

4. Consider and if thought fit, to pass with or without modifications, the following resolution as SPECIAL RESOLUTION.

"RESOLVED THAT pursuant to provisions of Section 61 and other applicable provisions of the Companies Act, 1956 and Clause 6.1 and other applicable provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 (hereafter referred to as 'delisting guidelines') and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and

modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company ("the Board" which term shall be deemed to include any Committee thereof), consent of Company be and is hereby accorded to the Board of delist the Equity shares of the Company from the Hyderabad Stock Exchange.

"RESOLVED FURTHER that Mr. B.N. MURTHY, Managing Director of the Company be and is hereby authorised to seek voluntary delisting, to take all necessary steps in this regard and to do all such acts, deeds, matters and things as it may in its discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in regard to delisting of the equity shares and to execute all such deeds, documents, writings as may be necessary, or expedient as may be deemed fit to give effect to this resolution".

By order of the Board

Place : Hyderabad
Date : 30.08.2003

(B.N. MURTHY)
Managing Director

NOTES :

1. A Member entitled to attend and vote is also entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member.
2. The Proxies from duly completed and signed should be deposited at the Registered Office of the Company atleast 48 hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Blocks of the company will remain closed from 25th September, 2003 to 30th September, 2003.
4. Members are requested :
 - i) To notify immediately any change in their addresses to the company at its Registered Office.
 - ii) To bring along with them a copy of the Annual Report being sent.

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The Explanatory statement pursuant to section 173 (2) of the Companies Act, 1956 in respect of item No.4 setout above is Annexed hereto.

Item No : 1

The equity shares of the Company are listed on The Hyderabad Stock Exchange Limited (HSE), Hyderabad. However bulk of trading of the Company's Equity shares take place on BSE.

As per the Securities and Exchange Board of India (De-listing of Securities) Guidelines, 2003 (the Guidelines), it is open to the Company to voluntarily delist securities from any stock exchange(s), provided that the Company's securities continue to remain listed in a stock exchange having nation-wide trading terminals. The BSE is a stock exchange, which fulfills this condition.

For the last few years, it has been observed that the trading in equity shares of the Company on HSE (said Stock Exchange) has been negligible, as compared to the trading volume at BSE. Also the listing fee paid to the said stock exchanges is disproportionate to the volume handled by them when compared to that of BSE. Moreover, owing to the expansion of BSE and their extensive networking and extension of their terminals to other cities, investors now have access to online dealing in the Company's equity shares on such terminals across the Country.

Further, the Company has been spending considerable amount of money on listing fees, communication charges etc. and no particular benefit accrues to the shareholders or the Company by continuing the listing of the equity shares on the said Stock Exchange.

Therefore, it is considered desirable to delist equity shares of the Company from HSE subject to the Company complying with the various provisions of SEBI (Delisting of Securities) Guidelines, 2003 (The Delisting Guidelines) and obtaining requisite approvals, permissions and sanctions in this regard.

The Company's equity shares however, will continue to be listed on BSE.

In terms of De-listing Guidelines issued by SEBI, a public announcement regarding proposed de-listing will be published. The de-listing will take place only after all approvals, sanction and permissions have been received. The exact date on which de-listing will take place will be suitably notified.

Owing to the availability of trading facilities on the connectivity of BSE in most of the cities across the Country, the proposed de-listing of the prejudicial to or after the interest of the Investors.

The Directors commend the special resolution for the approval of the members.

None of the Directors of the company are interested in the said resolution.

DIRECTOR'S REPORT

To

The Shareholders

Your Directors have pleasure in presenting herewith the 11th Annual Report of your company together with the Audited Accounts for the year ended 31st March, 2003.

1. FINANCIAL RESULTS

	Amount Rs. in Lacs	
	2002 - 03	2001 - 02
Gross Income	7.21	0.00
Total Expenditure before		
Interest & Depreciation	3.30	14.72
Interest Debited	194.18	165.76
Depreciation provided		
Preliminary & Preoperative		
Expenses written off	27.61	23.67
Loss Carried Balance Sheet	1453.97	1243.82

2. OPERATIONS :

During the year 2002-2003 the company has gone for crop holiday. Both Hatchery and Farming are kept shut down during the year.

As you know that we have approached financial institutions for One Time Settlement of loans. Since the negotiations are not fruitful, the financial institutions approached to Debit Recovery Tribunal and we have approached legal personnel in the matter.

3. DIRECTORS :

In accordance with the provisions of the Companies Act, 1956 Sri C.R. Sen Gupta, who retires by rotation and being eligible offer themselves for re-appointment.

VJAYA SHRIMP FARMS & EXPORTS LIMITED**4. AUDITORS :**

The Auditors M/s. A.M. Reddy & Co., Chartered Accountants, present auditors of the company retire at the conclusion of the ensuing Annual General Meeting. They have signified their willingness to accept reappointment and have further confirmed their eligibility under Section 224 (1-B) of the Companies Act, 1956.

5. PUBLIC DEPOSITS :

Your company has not accepted public deposits and hence the provisions of Sec. 58A of the Companies Act, 1956 are not applicable to the company.

6. PERSONNEL :

Particulars of employees in terms of Sec. 217 (2A) of the Companies Act, 1956 are not furnished as there are no employees drawing the stipulated remuneration.

7. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE :

- a) The Company's operations do not involve a high level of energy consumption and there are no major areas where energy conservation measures could be undertaken. However efforts have been made to peg the energy costs through improved operational methods.
- b) Technology absorption :
The Company operated with complete indigenous technology and the same shall be updated to improve the quality of the products and production efficiency.
- c) Foreign Exchange out go and inflow :
Value of Imports on CIF Basis

Amount Rs.

- Feed ---
- Plant & Machinery ---
- Expenditure in Foreign Currency ---
- Travelling Expenditure ---
- Foreign Exchange earnings ---

STATUTORY DISCLOSURES :**8. DIRECTORS RESPONSIBILITY STATEMENT AS PER SECTION 217 (2AA) OF THE COMPANIES ACT, 1956 :**

Pursuant to the requirement U/S 217 (2AA) of the Companies Act, 1956 with respect to

Director's Responsibility Statement, it is hereby confirmed.

- (i) That in the preparation of the accounts for the financial year 31st March, 2003, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) That the Directors 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.
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2003 on a going concern basis.

9. CORPORATE GOVERNANCE :

The report on Corporate Governance in accordance with Clause No : 49 of the Listing Agreement with Stock Exchanges is attached to this report vide Annexure.

10. ACKNOWLEDGEMENTS :

Your Directors place on record their appreciation for the dedicated services rendered by the employees at all levels in realizing the objectives of the company. The Board of Directors also place on record their appreciation for whole hearted and sincere support and co-operation extended to the company by different agencies in particular the Government of India, Government of Andhra Pradesh Industrial Development Corporation Limited, The Marine Products Export Development Authority, State Bank of Hyderabad and The South Indian Bank Ltd.

FOR AND ON BEHALF OF THE BOARD

Place : Hyderabad
Date : 30.08.2003

(B.N. MURTHY)
Managing Director



VIJAYA SHRIMP FARMS & EXPORTS LIMITED

ANNEXURE TO DIRECTOR'S REPORT REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance:

The Company philosophy on the code of Corporate Governance is :

- (i) To ensure that adequate control system exists to enable the board to effectively discharge its responsibility to all the shareholders of the company.
- (ii) To ensure that the decision making process is fair and transparent.
- (iii) To ensure the fullest commitment of the Management and the board to the maximization of shareholders value.
- (iv) To ensure that the employees of the company subscribe to the corporate values and apply them in their conduct and to ensure that the company follows globally recognized Corporate Governance practices.

2. Board of Directors :

- (i) **Composition :** The details of composition and categories of Directors are :

(See Page No. 9)

Meeting of Board of Directors

During the Financial year 2002 - 03 the Board of Directors met on the following dates :

**30.04.2002, 31.07.2002, 30.08.2002,
31.10.2002, 31.01.2003**

3. Board level committees :

Audit Committee : As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's oversight responsibilities, and Audit Committee has been constituted consisting of two Independent Directors and one Non-Executive Director as Sub-Committee to the Board. The functions of the Audit Committee are :

- a. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- c. Reviewing with management the annual financial statements before submission to the board, focusing primarily on:
 - Any changes in draft audit report.
 - Major accounting entries based on exercise of judgments by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with stock exchange and legal requirements concerning financial statements.
 - Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.
- d. Reviewing with the management and auditors, the adequacy of internal control systems.
- e. Discussion with auditors before the audit commences nature and scope of audit as well as has post-audit discussion to ascertain any area of concern.
- f. Reviewing the company's financial and risk management policies.
- g. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- h. The Audit committee shall have full access to information contained in the records of the company and external professional advice, if necessary.

VJAYA SHRIMP FARMS & EXPORTS LIMITED



- i. The recommendations of the Audit Committee on any matter relating to financial management including the audit report, shall be binding on the Board.

Composition and other details :

The Audit Committee of the Company was constituted with two Independent Directors and one Non-Executive Director viz.,

Mr. C.R. Sen Gupta	- Independent & Non-Executive Director
Mr. GS. Ramachandra Rao	- Non-Executive Director
Mr. M. Ravindra	- Independent & Non-Executive Director

The Audit Committee of the company was formed on 31st January, 2003 and no meeting was held till 31st March, 2003.

4. Share Holders / Investors Grievance Committee

a. **Constitution :** The shareholders grievance committee was constituted by the Board of Directors in accordance with the requirement of clause 49 of the listing agreement.

b. **Composition :** The composition of the Committee is as follows:

Mr. C.R. Sen Gupta	- Independent & Non-Executive Director
Mr. GS. Ramachandra Rao	- Non-Executive Director
Mr. M. Ravindra	- Independent & Non-Executive Director

c. Functions :

The functions of the committee are as follows :

- Ensure sound functioning of Share Transfer Committee.
- Dividends.
- To consider replacement of lost / stolen / mutilated share certificates.
- Non-receipt of rights / bonus / share certificates.
- other related issues.

The shareholders grievance committee of the company was formed on 31st January, 2003 and no meetings were held till 31st March, 2003. The Board of Directors, deals with the complaints of the shareholders on a regular basis all the complaints have generally been solved to the satisfaction of the members concerned.

6. GENERAL BODY MEETINGS :

- a. Details of Location and Time of holding the last three Annual General Meetings.

Date	Venue	Time
30.09.2000	Anakalpatpur Village	11.00 A.M.
30.09.2001	Anakalpatpur Village	11.00 A.M.
29.09.2002	Anakalpatpur Village	11.00 A.M.

7. DISCLOSURES :

(a) **Related party transactions :** The Company has no related party transactions during the year 2002 - 2003.

(b) **Compliance by the Company :** The Company has complied with the requirements of the Stock Exchange, Securities Exchange Board of India (SEBI) and other Statutory authorities on all matters related to capital markets during the last three years; no penalties, Strictures have been imposed on the company by the Stock Exchange or Securities Exchange Board of India (SEBI) or any other Statutory authorities relating to the above.