



VIJAYA SHRIMP FARMS AND EXPORTS LIMITED

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**13th
ANNUAL REPORT**

2004 - 2005



BOARD OF DIRECTORS :

Sri C.R. Sen Gupta	-	Chairman
Sri B.Narayana Murthy	-	Managing Director
Sri G.S. Ramachandra Rao	-	Director
Sri G. Venkateswara Rao	-	Director
Sri M. Ravindra	-	Director

Registered Office :

Ankulpatur Village,
Chillakur Mandal,
Nellore District,
Andhra Pradesh

Corporate Office :

H.No.11-4-646/C-206,
Vijaya Hills,
A.C. Guards, Lakdikapool,
Hyderabad – 4. (A.P.)

Auditors :

M/s A.M. REDDY & CO.,
Chartered Accountants,
Masab Tank,
Hyderabad.

Bankers :

State Bank of Hyderabad
The South Indian Bank Ltd.

REGISTRAR & SHARE TRANSFER AGENTS :

M/s Aarti Consultants Pvt. Ltd.,
1-2-285, Near Gagan Mahal Hospital,
Domalaguda, Hyderabad – 29.



NOTICE

Notice is hereby given that the 13th Annual General Meeting of the Members of the company will be held at the Registered Office of the company situated at Ankulapatur Village, Chillakur Mandal, Nellore District of Andhra Pradesh on 18th August, 2005 at 11.00 A.M. to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2005, the Profit & Loss A/c for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of G.S. Ramachandra Rao, 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 modification(s) the following resolution as an Ordinary Resolution:
"RESOLVED THAT M/s. A.M. Reddy & Co., Chartered Accountants, Hyderabad, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors."

SPECIAL BUSINESS :

4. To consider and if thought fit it to pass with or without modification(s) the following resolution as a Special Resolution :

" RESOLVED THAT pursuant to the provisions of Section 21 of the Companies Act, 1956 and subject to the approval of the Central Government, the name of the Company be and is hereby changed from **" VIJAYA SHRIMP FARMS AND EXPORTS LIMITED"** to **" VSF PROJECTS LIMITED"**.

"RESOLVED FURTHER THAT the name **" VIJAYA SHRIMP FARMS AND EXPORTS LIMITED"** wherever it occurs in the Memorandum and Articles of Association of the Company be substituted by the new name **" VSF PROJECTS LIMITED"**.

5. To consider and if thought fit it to pass with or without modification(s) the following resolution as a Special Resolution :

"RESOLVED THAT subject to the provisions of Section 17 of the Companies Act, 1956 the Main Objects of the company be and are hereby altered by adding the following Main Object No.5 after the existing Main Object No.4 viz.,

5. To construct, erect, build, repair, remodel, demolish, develop, improve, grade, cure, pave, macadamize, cement and maintain buildings, structures, houses, apartments, townships, multistories complexes, landscapes, hospitals, schools, place of worship, highways, road, paths, streets, side ways, Sea ports, Airports, bridges, flyovers, subways, alleys, pavements,



and to do other similar constructions, leveling and paving work and to build, construct and repair railways, water ways, ports, piers, docks, water-works, drainage works, light houses, power houses, and floor and to do all kinds of excavating, dredging and digging work; to make all kinds of iron, wood, grass, machinery, and earth construction to design, device, decorate, plant, model and to furnish labour and all kinds of material to supervise construction or other work, to act as valuers, appraisers, referees and accessories to investigate into the conditions of building and other structures.

6. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution.

“RESOLVED THAT in pursuance to the provisions of Section 198, 269, 309, 310, 311, and Schedule XIII, as amended, of the Companies Act, 1956 and other applicable provisions, if any, of the said Act, and in partial modification of the Resolution passed in the 10th Annual General Meeting of the company, the approval of members of the company be and is hereby accorded to the increase of the remuneration to Mr. B. N. Murthy, Managing Director of the Company as set out below:.

1. The Managing Director shall carry out such duties as may be entrusted to him subject to the supervision and control of the Board of Directors and he shall also perform such other

duties and services as shall from time to time be entrusted to him by the Board of Directors.

2. The Managing Director shall be entitled to the following remuneration and perquisites.

a) Remuneration: Salary Rs.25,000/- P.M.

b) H.R.A: Rs.15,000/-per Month

c) Perquisites :

i) Provident Fund and benefits under the company's superannuating and Retiring Gratuity Scheme in accordance with the company's rules and regulations in force from time to time.

ii) Reimbursement of Medical Expenses for self and family incurred the total cost of which shall not exceed one month's salary subject to maximum of Rs. 25,000/- for a period of every three years of service.

iii) Leave on full pay and allowances as per rules of the company but not exceeding four weeks leave for every complete year subject to the condition that leave accumulated but not availed of will not be allowed to be encashed.

iv) Reimbursement of actual fare for self and his family (wife and minor children) once a year to and fro for any place in India.

v) Rent-free furnished accommodation with services of personnel for maintenance and protection of property of the accommodation.



vi) Use of company car with driver for official use.

vii) Free Telephone facility at residence.

viii) Personal Accident Insurance of account, premium of which does not exceed Rs.5,000/-.

ix) Remuneration of entrance fee and subscription for membership of two clubs.

“RESOLVED FURTHER THAT the Managing Director of the company be and is hereby authorized to file the necessary returns with the Registrar of Companies, Andhra Pradesh, Hyderabad.”

FOR AND ON BEHALF OF THE BOARD

(B.N. MURTHY)
Managing Director

THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. Explanatory statement pursuant to section 173 (2) of the Companies Act is annexed to this notice.
3. The Register of Members and Share Transfer Register will remain closed from 13th August, 2005 to 18th August, 2005.
4. Members are requested to notify immediately any change in their addresses to the company at its Registered Office and bring the attendance slips duly filled in with the copies of Annual Reports to the meeting.

Place: Hyderabad

Date: 14.07.2005

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS



EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956

The following Explanatory Statement set out all the material facts relating to special business mentioned in the accompanying Notice dated 14th July, 2005 and shall be taken as forming part of this notice.

ITEM NO. 4:

Members are aware that the company was engaged in the business of shrimp and prawn culture. The same was stopped due to imposition of restrictions by the Supreme Court of India on the aqua culture activities. Now the company proposed to plan for infrastructure and project works. In this direction the company intended to change its name from M/s Vijaya Shrimp Farms & Exports Ltd., to M/s VSF PROJECTS LIMITED. The Company has also obtained the name availability confirmation from the Registrar of Companies, Andhra Pradesh.

In accordance with the provisions of Section 21 of the Companies Act, 1956, the alteration in name clause of Memorandum of Association requires the approval of the members of the company. Your Directors recommend the Special Resolution for your approval.

None of the Directors of the Company is concerned or interested in the above resolution.

ITEM NO. 5 :

Your Company proposes to diversify its activities in to infrastructure and project works as these industries are considered to have high

growth potential and therefore your company desires to explore the opportunities available to these sectors.

In accordance with the provisions of Section 17 of the Companies Act, 1956, the alteration in the Main Object Clause of Memorandum of Association requires the approval of the members of the company.

Your Directors recommend the Special Resolution for your approval.

None of the Directors of the Company is concerned or interested in the above resolution.

ITEM NO. 6:

The Board of Directors have accorded their approval for the increase of the remuneration to the Managing Director of the company.

In accordance with the provisions of Schedule XIII and other applicable provisions of the Companies Act, 1956, increase of remuneration to the Managing Director requires the approval of the members of the company.

Your Directors recommend the Ordinary Resolution for your approval.

None of the Directors of the Company, except Mr. B. N. Murthy, is concerned or interested in the above resolution.

For and on behalf of the Board

(B. N. MURTHY)

Managing Director

Place : Hyderabad

Date : 14.07.2005



DIRECTOR'S REPORT

To
The Members of
M/s Vijaya Shrimp Farms & Exports Limited

Your Directors are pleased to present the 13th Annual Report of your company with Audited Balance sheet and Statement of accounts for the year ended 31st March, 2005.

1. FINANCIAL RESULTS

	Amount	Rs. In Lacs
	2004-05	2003-04
Gross Income	6.60	8.57
Total Expenditure before Interest & Depreciation	5.64	3.50
Interest Debited	268.11	229.17
Depreciation provided Preliminary &		
Pre-operative Expenses written off	23.34	27.53
Loss Carried Balance Sheet	1985.18	1705.61

2. OPERATIONS :

During the year 2004-2005 the company has gone for crop holiday. Hatchery operations were closed during the year and some ponds were given on lease to small farmers.

As you know that we have approached the financial institutions for One Time Settlement of loans. They have approved our One Time Settlement proposal, and the company had paid Rs.30.00 Lakhs towards one time settlement part payment to the both Bankers. The company appointed a legal advisor to argue the MPEDA Arbitration case.

The Company is intending to venture into Infrastructure activity and hence is in the

process of changing the main objects and name of the company. During the year the company has obtained the name availability letter of "**VSF PROJECTS LIMITED**", Dt. 26.05.2005 from the Registrar of Companies, Andhra Pradesh.

3. DIRECTORS :

In accordance with the provisions of the Companies Act, 1956 Sri G.S. Ramachandra Rao, who retires by rotation and being eligible offer themselves for re-appointment.

4. AUDITORS :

The Auditors M/s.A.M. Reddy & Co., Chartered Accountants, retires as Auditors in this Annual General Meeting and is eligible for reappointment.

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 :

- 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 :

There were no foreign exchange earnings and outgo.

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, 2005, 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, 2005 on a going concern basis.

9. CORPORATE GOVERNANCE :

As a listed company, necessary measures have been taken to comply with the listing agreements of Stock Exchanges. A report on Corporate Governance, along with a certificate of compliance from the Auditors, forms part of this Report.

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 and the Shareholders.

For and on behalf of the Board

(B.N. MURTHY)

Managing Director.

Place: Hyderabad

Date : 14.07.2005