

# **SEA GOLD AQUA FARMS LIMITED**

**18th ANNUAL REPORT**

**2011-12**

**BOARD OF DIRECTORS**

1. Sri. Venkata Krishna Reddy Panati – Managing Director
2. Sri. Thapovardhan Vasireddy – Director
3. Sri. Korapati Venkateswara Rao – Director
4. Sri. Raghava Prasad Tipirneni – Director (up to 29th September, 2012)
5. Sri. Harshavardhan Pedakala – Additional Director(up to September 29, 2012)
6. Sri. Venkata Satish Veerapaneni – Additional Director
7. Sri. Rajasekhara Reddy Mathura – Additional Director
8. Sri. Syed Khaleel Ahmed – Additional Director
9. Sri. Veera Raghavan Parthasarathy – Additional Director
10. Sri. Sreedhar Ikkurthi – Additional Director

**REGISTERED OFFICE**

Plot No. 23, Phase IV,  
IDA Jeedimetla,  
Hyderabad-500 055  
Email: seagoldacqa@gmail.com  
Website : www.seagoldaqua.com

**STATUTORY AUDITORS**

M/s G.C. Reddy & Associates.  
Chartered Accountants  
Door No.8-3-678/70, 1st Floor  
Pragathi Nagar, Srinagar Colony  
Hyderabad - 500 018.

**NOTICE**

**NOTICE** is hereby given that the Eighteenth Annual General Meeting of the Members of the Company will be held on Saturday, the 29th September 2012 at 11.00 A.M. at the Registered Office of the Company at Plot No.23, Phase IV, IDA, Jeedimetla, Hyderabad - 500 033 .

**ORDINARY BUSINESS:**

1. To consider, receive and adopt Audited Balance Sheet as on 31st March 2012 and Profit and Loss Account for the year ended on that date together with the Reports of the Board of Directors' and the Auditor's thereon.
2. To appoint Sri.V.Thapovardhan as Director who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Sri. Korapati Venkateswara Rao as Director who retires by rotation and being eligible offers himself for reappointment.
4. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary resolution

**“RESOLVED THAT** Mr.T.Ragav Prasad, a Director liable to retire by rotation, who does not seek re-appointment, be and is hereby not re-appointed as a Director, liable to retire by rotation of the Company and the vacancy so caused on the Board of the Company be and is hereby not filled up.”

5. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution

**“RESOLVED THAT** pursuant to Section 224(1) of the Companies Act, 1956 and other applicable provisions, if any, of the said act, M/s G C Reddy & Associates, Chartered Accountant, Hyderabad, be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from conclusion of this Annual General Meeting until the conclusion of the next annual general meeting at a remuneration as fixed by the Board of Directors.

**SPECIAL BUSINESS:**

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

**“RESOLVED THAT** pursuant to the provisions of Section 257 and other applicable provisions of the Companies Act, 1956, Sri. Veera Raghavan Parthasarathy, who was appointed as an Additional Director of the Company effective August 25, 2012, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

7. To consider and, if thought fit, to pass the following Resolution, with or without modifications, as an Ordinary Resolution:-

**“RESOLVED THAT** pursuant to the provisions of Section 257 and other applicable provisions of the Companies Act, 1956, Sri. Sreedhar Ikkurthi, who was appointed as an Additional Director of the Company effective August 25, 2012, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

8. To consider and, if thought fit, to pass the following Resolution, with or without modifications, as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 257 and other applicable provisions of the Companies Act, 1956, Sri. Venkata Satish Veerapaneni, who was appointed as an Additional Director of the Company effective August 14, 2012, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

9. To consider and, if thought fit, to pass the following Resolution, with or without modifications, as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 257 and other applicable provisions of the Companies Act, 1956, Sri. Rajasekhara Reddy Mathura, who was appointed as an Additional Director of the Company effective August 14, 2012, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

10. To consider and, if thought fit, to pass the following Resolution, with or without modifications, as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 257 and other applicable provisions of the Companies Act, 1956, Sri.Syed Khaleel Ahmed , who was appointed as an Additional Director of the Company effective August 14, 2012, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

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

**“RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309 & 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the members, be and is hereby accorded for appointment of Sri.Venkata Krishna Reddy Panati as Managing Director of the Company for a period of three years with effect from 25th August, 2012.

**“FURTHER RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309 & 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, having considered the entire aspects and subject to the requisite approvals and pursuant to the approval of the Remuneration Committee, approval of the members be and is hereby accorded for payment of remuneration to Sri Venkata Krishna Reddy Panati by way of Salary, Dearness allowance, Perquisites, Commission and other allowances up to a maximum amount Rs 75,000/- Per Month, for the period of his tenure i.e. up to three years.

"**FURTHER RESOLVED THAT** in the event of absence or inadequacy of profits in any year during his tenure, Sri.Venkata Krishna Reddy Panati shall be paid a minimum remuneration for a period of three years as provided in Schedule XIII of the Companies Act, 1956, as in force in each year and such remuneration shall be paid monthly or quarterly or half yearly or otherwise as may be agreed to between the Managing Director and the Remuneration Committee of the company"

By the Order Of the Board of Directors  
for **Sea Gold Aqua Farms Limited**

Sd/-

**P.V.Krishna Reddy**  
*Managing Director*

Date : 25.08.2012

Place : Hyderabad

**NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and such proxy need not be a member of the company. Proxies in order to be effective must be received by the company not less than 48 hours before the commencement of the meeting.
2. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto and forms part of this notice.
3. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting
4. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Registered Office of the Company, a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting
5. The Register of members and share transfer books of the Company will remain closed from 26.09.2012 to 29.09.2012 (both days inclusive) for the purpose of Annual General Meeting.
6. The members are required to notify the change in their address, if any, to the Registrar of the Company i.e. M/s.Venture Capital and Corporate Investments Private Limited, #12-10-167, Bharat Nagar, Hyderabad-18.
7. Members are requested to intimate their Permanent Account No. allotted to them by the Income Tax Department.
8. Members intending to seek clarifications at the Annual General Meeting concerning the accounts and any aspect of operations of the Company are requested to send their questions in writing to the Secretarial Department so as to reach the Company at least 7 days in advance before the date of the Annual General Meeting, specifying the points.

9. Members who wish to make nomination for the shares held in the Company may kindly send the details in the Form 2B as prescribed under the Companies Act, 1956 to the Registrars of the company.
10. Members are requested to bring their copies of the Annual Report to the Annual General Meeting and are requested to sign at the place provided on the attendance slip and hand it over at the entrance to the venue.

By the Order Of the Board  
for **Sea Gold Aqua Farms Limited**

Sd/-  
**P.V.Krishna Reddy**  
*Managing Director*

Date : 25.08.2012

Place : Hyderabad

#### **IMPORTANT COMMUNICATION TO MEMBERS**

The Ministry of Corporate Affairs has taken a "Green Initiative" in the Corporate Governance by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, Members who hold shares in physical form are requested to register the same with the Registrar and Share Transfer Agent (RTA) M/s.Venture Capital and Corporate Investments Private Limited, #12-10-167, Bharat Nagar, Hyderabad – 500 018, e-mail: info@vccilindia.com

#### **Explanatory Statement Under Section 173 of the Companies Act, 1956**

##### **ITEM NO. 6**

Members may please note that Sri. V.R.Parthasarathy was appointed as an Additional Director of the Company effective August 25, 2012 and his term as Additional Director will expire at this Annual General Meeting. The Board now proposes to appoint him as Director whose office is liable to retire by rotation.

As per the Companies Act, 1956, the said ordinary resolution requires the approval of the members and hence is placed before you for approval.

None of the Directors is interested in the above resolution, except Sri. V.R.Parthasarathy.

##### **ITEM NO. 7**

Members may please note that Sri.Sreedhar Ikurthi was appointed as an Additional Director of the Company effective August 25, 2012 and his term as Additional Director will expire at this Annual General Meeting.

The Board now proposes to appoint him as Director whose office is liable to retire by rotation.

As per the Companies Act, 1956, the said ordinary resolution requires the approval of the members and hence is placed before you for approval.

None of the Directors is interested in the above resolution, except Sri.Sreedhar Ikurthi.

**ITEM NO. 8**

Members may please note that Sri Venkata Satish Veerapaneni was appointed as an Additional Director of the Company effective August 14, 2012 and his term as Additional Director will expire at this Annual General Meeting. The Board now proposes to appoint him as Director whose office is liable to retire by rotation.

As per the Companies Act, 1956, the said ordinary resolution requires the approval of the members and hence is placed before you for approval.

None of the Directors is interested in the above resolution, except Sri Venkata Satish Veerapaneni.

**ITEM NO. 9**

Members may please note that Sri Rajasekhara Reddy Mathura was appointed as Additional Director of the Company effective August 14, 2012 and his term as Additional Director will expire at this Annual General Meeting. The Board now proposes to appoint him as Director whose office is liable to retire by rotation.

As per the Companies Act, 1956, the said ordinary resolution requires the approval of the members and hence is placed before you for approval.

None of the Directors is interested in the above resolution, except Sri Rajasekhara Mathura.

**ITEM NO. 10**

Members may please note that Sri Syed Khaleel Ahmed was appointed as an Additional Director of the Company effective August 14, 2012 and his term as Additional Director will expire at this Annual General Meeting. The Board now proposes to appoint him as Director whose office is liable to retire by rotation.

As per the Companies Act, 1956, the said ordinary resolution requires the approval of the members and hence is placed before you for approval.

None of the Directors is interested in the above resolution, except Sri Syed Khaleel Ahmed.

**ITEM NO. 11**

The Board of Directors of the Company at their meeting held on 25.08.2012 and subject to the approval of the members has appointed Sri. Venkata Krishna Reddy Panati as Managing Director for a period of three

years from 25.08.2012 to 25.08.2015 on such terms and conditions as agreed up on between Managing Director and Remuneration Committee.

Based on rich professional experience of Sri Venkata Krishna Reddy Panati in the corporate sector your Company felt appropriate to appoint him as Managing director with Remuneration. The Remuneration Committee of the Board at its meeting held on 25.08.2012 has reviewed and recommended a overall remuneration by way of Salary, Dearness Allowance, Perquisites, Commission and other allowances up to a Rs 75,000/- Per Month.

It also recommended that in the event of absence or inadequacy of profits in any year during his tenure, Sri. Venkata Krishna Reddy Panati, Managing Director shall be paid a minimum remuneration for a period of three years as provided in Schedule XIII of the Companies Act, 1956 as in force in relevant year and such remuneration shall be paid monthly or quarterly or half yearly or otherwise as may be agreed to between Sri. Venkata Krishna Reddy Panati, Managing Director and the Board of Directors or Remuneration Committee.

The Remuneration Committee has proposed the fixation of remuneration as mentioned above for the approval of the members in accordance with the provisions of Sections 198,269, 309 & 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956.

Your Directors recommend the Resolution for your approval.

None of the Directors are interested in the above resolutions, except Mr.P.V.Krishna Reddy.



## DIRECTORS' REPORT

To  
The Members

Your Directors present the 18th Annual Report together with the Audited Statements of Accounts for the **Financial Year ended 31st March, 2012.**

### FINANCIAL PERFORMANCE OF THE COMPANY

*(Amount in Rupees)*

	Current Year Ended 31.03.2012	Previous Year Ended 31.03.2011
Income	0	0
- Profit on sale of assets	0	0
- Credit Balances Written Off	0	0
- Interest from Bank	0	0
Expenditure	(20,000)	(17,760)
Depreciation	0	-
Net Profit / (Loss) for the year	(20,000)	(17,760)

### OPERATIONS

During the year under review, no operations were carried out by the Company, as informed earlier, all assets of the Company have been disposed off. It may be noted that during the year under review, the Company obtained approval for the Scheme of Arrangement under section 391 read with Section 100 of the Companies Act, 1956, between the Company and its members from the Hon'ble High Court of Andhra Pradesh. The Board of Directors has initiated the process of implementing the scheme.

### STATUS ON IMPLEMENTATION OF SCHEME OF ARRANGEMENT (till the date of submission of this report):

#### I. Allotment of Shares to New Promoters and Associates and Conversion of Unsecured Loans

- (i) Pursuant to the Scheme of Arrangement the Company has allotted 37,50,000 Equity Shares of Rs.10/- each aggregating to Rs.3,75,00,000/- to New promoters and Associates on Preferential Basis;
- (ii) Your Company has converted Unsecured loans availed from persons other than promoters aggregating to Rs.1,25,00,000/- into 12,50,000 Equity shares of Rs 10/- .

#### II. Change in Main Objects and Name of the Company

Your Company has initiated the process of the Change in Main Objects of the Company from Aqua Culture and other allied activities to Infrastructure Activities. Also it is proposed to Change the Name of the Company to M/s Sea Gold Infrastructure Limited.

**III. Listing of Shares allotted pursuant to Scheme of Arrangement**

Your Company has initiated the process of Listing of the 50,00,000\* (Fifty Lac) Equity Shares of the Company, allotted on preferential basis, pursuant to the Scheme of Arrangement, as approved by the Hon'ble High Court of Andhra Pradesh with the Bombay Stock Exchange.

*\*50,00,000 (Fifty Lac) Equity shares allotted on Preferential Basis, pursuant to the Scheme of Arrangement, as approved by the Hon'ble High Court of Andhra Pradesh includes:*

- (i) *37,50,000 Equity shares of Rs.10/- each aggregating to Rs.3,75,00,000/- to New Promoters and Associates and*
- (ii) *Conversion of Unsecured Loans amounting to Rs.1,25,00,000/- availed from persons other than promoters into 12,50,000 Equity Shares of Rs.10/- each*

**IV. Change in Management of the Company**

Under the approved Scheme of Arrangement, the Management of the Company will vest with the New Promoters and associates i.e., Mr.P.V.Krishna Reddy, Mr. Rajasekhar Reddy Mathura and others.

**STATUTORY AUDITORS**

M/s. G.C.Reddy & Associates, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Statutory Auditors have intimated to the Company that the appointment, if made, would be within the prescribed limits under section 224 (1-B) of the Companies Act, 1956 and that they are not otherwise disqualified within the meaning of subsection (3) of section 226 to the Companies Act, 1956, for such appointment.

The notes to the accounts referred to in the Auditors' Report is self explanatory and therefore do not call for any further Comments.

**SECRETARIAL COMPLIANCE CERTIFICATE**

Certificate from the M/s AGR Reddy & Co., Company Secretaries, Hyderabad, as stipulated in Section 383A of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules, 2001 is attached to the Directors' Report, forms part of this Annual Report.

**FIXED DEPOSITS**

The Company has not raised any fixed Deposits as on 31st March, 2012 so as to attract the provisions of Section 58A of the Companies Act, 1956, read with the Companies (Acceptance of Deposits) Rules, 1975 as amended from time to time. There is no amount outstanding or due to any deposit holder.

**MANAGEMENT DISCUSSION ANALYSIS**

A detailed section on Management Discussion and Analysis, pursuant to the Clause 49 of the Listing Agreement is enclosed as an Annexure – II to this Annual Report.

**LISTING**

Details of Listing are annexed to the Corporate Governance Report.

**SHARE CAPITAL**

The Paid up Share Capital of the Company as on 31st March, 2012 is Rs. 44,82,400 (Rupees Forty Four Lacs Eighty Two Thousand and Four Hundred Only) divided into 4,48,240 (Four Lac Forty Eight Thousand Two Hundred and Forty) Equity Shares of Rs.10 (Rupees Ten) each.

**DEMATERIALIZATION OF SHARES**

All the shares are held in physical mode and are not admitted in Demat mode either by NSDL or CDSL. However, your Company has initiated the process of Capital Admission of the existing shares and shares allotted pursuant to Scheme of Arrangement approved by the Hon'ble High Court of Andhra Pradesh, in NSDL and CDSL.

**REQUIREMENTS UNDER CLAUSE 49 OF LISTING AGREEMENT**

In accordance with the Listing agreement, a report on (a) Corporate governance and (b) Management Discussion & Analysis Report is annexed herewith.

**PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY AND ABSORPTION, FOREIGN EXCHANGE OUT GO**

Particulars with respect to Conservation of Energy as required under Section 217(1)(e) of the Companies Act 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is not applicable to the Company since there are no activities.

Foreign Exchange inflow: Nil

Foreign Exchange outflow: Nil

**PARTICULARS OF EMPLOYEES**

In pursuance of section 217(2A) of the Companies Act, 1956 none of the employees of the Company was drawing a remuneration exceeding Rs 60,00,000 per annum or Rs 5,00,000 per month or part thereof.

**DIRECTORS**

- (i) Sri V.Thapovardhan and Sri Korapati Venkateswara Rao retire by rotation in this Annual General Meeting and being eligible offers themselves for re-appointment.
- (ii) Sri V.Venkata Satish, Sri Rajasekhar Mathura, Sri Syed Khaleel Ahmed, Sri. V.R.Parthasarathy and Sri. Sreedhar Ikkurthi who were appointed as Additional Directors of the Company under Section 260 of the Companies Act, 1956, shall be regularized at this Annual General Meeting.
- (iii) Sri. Venkata Krishna Reddy Panati, Additional Director of the Company, shall be appointed as Managing Director with Remuneration.
- (iv) Sri. Harshavardhan Pedakala who was appointed as an Additional Director on 10th July, 2012 has expressed his unwillingness to get regularized as Director to retire by rotation, hence will not be regularized as Director at this Annual General Meeting and will cease to act as Director of the Company with effect from the date of this Annual General Meeting.

- (v) Sri Raghava Prasad who is liable to retire by rotation at this Annual General Meeting has expressed his un-willingness for re-appointment and hence will cease to act as director at this Annual General Meeting and no other person is proposed to be appointed in his place.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, your Directors wish to confirm that:

- (a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures , if any;
- (b) such Accounting policies have been selected and applied consistently and judgments and estimates are made that are 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 and loss of the Company for that period;
- (c) proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting any fraud or other irregularities has been taken; and
- (d) accounts for the financial year ended on 31st March, 2012 are prepared on a going-concern basis.

**CORPORATE GOVERNANCE:**

Our Directors re-affirm their continued commitment to good corporate governance practices and our company adheres to all major stipulations in this regard as provided in clause 49 of the Listing Agreement which relate to corporate governance.

A detailed report on the Corporate Governance, enclosed as Annexure - I together with a certificate from M/s G.C.Reddy & Associates, Chartered Accountants, forms part of this report.

**ACKNOWLEDGEMENTS:**

Your Directors take this opportunity to place on record their sincere appreciation and wish to express their thanks for the guidance and assistance received from State & Central government agencies, BSE, Company's clients, Share holders for their continued support and faith in the Company.

By Order of the Board  
for **Sea Gold Aqua Farms Limited**

Date : 25.08.2012  
Place : Hyderabad

Sd/-  
**P.V.Krishna Reddy**  
*Managing Director*

Sd/-  
**K.Venkateswara Rao**  
*Director*

**ANNEXURE I****REPORT ON CORPORATE GOVERNANCE****1. Company's philosophy**

The Company aims at achieving transparency, accountability in all facets of its operations on a continuous basis and in all interactions with the stakeholders. The Company is committed to achieve the good standards of Corporate Governance on a continuous basis.

**2. (a) Composition, Category and attendance of Board of Directors**

Name	Category	Designation	No. of Meetings held during the last financial year	No. of Meetings attended	Directorship in other Companies
Sri V. Thapovardhan	Promoter, Executive	Managing Director	6	5	1
Sri T Raghava Prasad	Non-Executive	Director	6	5	1
Sri.Shaji Baby John*	Non-Executive	Director	6	4	0
Sri K.Venkateswara Rao	Non-Executive, Independent	Director	6	5	0
Sri Krishna Reddy Chintam*	Non-Executive	Director	6	5	7

*\*Sri Shaji Baby John ceased to act as Director of the Company with effect from 30.09.2011.*

*\*Sri.Krishna Reddy Chintam ceased to act as Director of the Company with effect from 30.01.2012*

No Director is a member in more than 10 (ten) committees and chairman in more than 5 committees.

**3. Pecuniary relationship or transactions of Non-Executive Directors**

Non-Executive Directors do not have any other material pecuniary relationship or transactions with the Company, its promoters or its management which in the judgment of the Board may affect independence of judgment of the Director.

**4. Code of Conduct**

The Board of Directors of the Company laid a Code of Conduct for Directors and senior management personnel. All Directors affirmed compliance with the Code for the year under review. A declaration to this effect duly signed by the Managing Director of the Company is annexed to this report.

**5. Audit Committee**

The Company has constituted the Audit Committee under section 292A of the Companies Act, 1956 and consists of following three Directors of the Company:

The Composition of Committee is as follows:\*

- (a) Sri Veeraraghavan Parthasarthy, Chairman
- (b) Sri Sreedhar ikkurthi
- (c) Sri K. Venkateswara Rao

The terms of reference as stipulated by the Board to the Audit Committee include:

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information
- b. Recommending the appointment and removal of external auditors fixation of audit fee and also approval for payment for any other services.
- c. Reviewing with the management, the annual financial statements prior to the submission to the Board, with key focus on :
  - Changes in accounting policies and practices
  - Major accounting entries based on exercise on judgment by management
  - Qualifications, if any in the draft audit report
  - Significant adjustments arising out of audit
  - Going concern assumption
  - Compliance with Accounting Standards
  - Compliance with stock exchange and legal requirements concerning financial statements
  - Disclosure of any related party transactions
- d. Reviewing with the management, external and internal auditors, and the adequacy of internal control systems
- e. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- f. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

- g. Carrying out any other function as mentioned in the terms of reference of the Audit Committee
- During the year under review, four meetings were held. Attendance of each member at the committee meetings were as follows:

S. No.	Name of the Member	No. of Meetings Attended
1	Sri. V Thapovardhan	4
2	Sri Shaji Baby John**	2
3	Sri. Korapati Venkateswara Rao	4
4	Sri.T.Raghava Prasad	2

*\*The Audit Committee of the Company is reconstituted with effect from 25.08.2012, by inducting new members in the place of Sri.V.Thapovardhan, Sri.Korapati Venkateswara Rao and Sri. T. Raghava Prasad.*

*\*\* Sri Shaji Baby John ceased act as Director of the Company with effect from 30.09.2011.*

## 6. Remuneration Committee

The Remuneration Committee is constituted by the Board of Directors at their meeting held on 25th August, 2012

The Composition of the Remuneration Committee is as follows:

- Sri Veera Raghavan Pathasarathy, Chairman
- Sri Sreedhar Ikkurthi
- Sri K.Venkateswara Rao

The Remuneration committee has been constituted to recommend / review the Remuneration of the Executive Directors. The remuneration policy is in consonance with the existing industry practices and also with the provisions of the Companies Act, 1956

## 7. Investors Grievance Committee

As a measure of Good Corporate Governance and to focus on the Shareholder's grievance and towards strengthening investor relations, as Investor's Grievance Committee has been constituted as a sub-committee of the Board.

The composition of the Committee as follows:\*

- i. Sri Veeraraghavan Parthasarthy, Chairman
- ii. Sri Sreedhar ikkurthi
- iii. Sri K. Venkateswara Rao

The Committee primarily focuses on shareholder grievances, inter-alia, approves the issue of duplicate share certificates and oversees and reviews all matters connected with servicing of investors. The Committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall quality improvement of investor services.

The Company has appointed M/s Venture Capital and Corporate Investments Private Limited as Registrar & Share Transfer Agents and they will also attend to Investors Grievances.

***\*Investors Grievance Committee of the Company is reconstituted with effect from 25th August, 2012, by inducting the present members in place of Sri. V Thapovardhan, Sri. T Raghava Prasad and Sri. Korapati Venkateswara Rao.***

## 8. General Body Meetings

- a) Date, Venue and Time of the last three Annual General Meetings

Date	Venue	Time	No. of Special Resolutions
30.09.2011	H.No: 8-2-389/A, Plot No 1367, Pagan Plaza, Road no: 45, Jubilee Hills, Hyderabad - 500 033.	11.00 AM	Nil
29.09.2010	Plot No: 118, Journalist Colony, Jubilee Hills, Hyderabad - 500 033.	11.00 AM	Nil
29.09.2009	Flat No.202, Pavani Annexe, Road No.2, Banjara Hills, Hyderabad - 500 034.	11.00 AM	Nil

## 9. Disclosures

There are no materially significant related party transactions, i.e., transactions material in nature, with its promoters, Directors or the Management their relatives etc. that may potentially conflict with the interests of the company.

The Company has not adopted the non-mandatory requirements. And no penalties of strictures as imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.



*Whistle Blower Policy:*

We have established a mechanism for employees to report to the management, concerns about unethical behavior actual or suspected frauds or violation of our code of conduct policy. The mechanism also provides for adequate safeguard against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit committee in exceptional cases.

**10. Means of Communication**

The main channel of communication to the shareholders is through the annual report which inter alia includes the Directors' Report, the Report of the Board of Directors on Corporate Governance, Management Discussion and Analysis Report, along with the Auditors Report, and Shareholders Information.

The Quarterly Unaudited results are regularly sent to the Bombay Stock Exchange where shares are listed and normally published in the all India editions of the Business Standard (National Daily) and Andhra Prabha (Regional Newspaper) along with the official news release.

**11. Profile of Director reappointed/appointed at the AGM**

**Brief profile of Directors seeking re-appointment/appointment at this Annual General  
(Pursuant to Clause 49 of the Listing Agreement)**

Name of the Director	Sri. V.Thapovardhan
Date of Appointment	05/10/1993
Date of Birth	10/07/1952
Qualification	Graduate
Expertise in specific functional areas	Aqua Culture and other allied business activities
List of Companies in which Directorship is held as on 31.03.2012	M/s Bahar Commercial Private Limited Limited
Chairman / Member of the Committees* of other Companies on which he is a Director as on 31.03.2012	NIL
Name of the Director	Sri. K.Venkateswara Rao
Date of Appointment	31/08/2008
Date of Birth	20/07/1953
Qualification	Graduate

Name of the Director	Sri. K.Venkateswara Rao
Expertise in specific functional areas	Aqua Culture and other allied business activities
List of Companies in which Directorship is held as on 31.03.2012	(i) M/s Neptune Aqua Farms and Exports Private Limited  (ii) M/s Bahar Commercial Private Limited
Chairman / Member of the Committees* of other Companies on which he is a Director as on 31.03.2012.	Nil

Name of the Director	Sri. P.V. Krishna Reddy
Date of Appointment	10/07/2012
Date of Birth	05/05/1949
Qualification	Graduate
Expertise in specific functional areas	Infrastructure Activities
List of Companies in which Directorship is held as on 31.03.2012	(i) M/s PVK Engineers Private Limited (ii) M/s Zipcode Technologies India Private Limited  (iii) eMpoWer Solar Energy Private Limited  (iv) PVK and PRK Technologies Private Limited  (v) Vision Renergies and Projects Private Limited  (vi) Nandian PVK Energy Private Limited  (vii) Bhuaneswari Power Projects Private Limited
Chairman / Member of the Committees* of other Companies on which he is a Director as on 31.03.2012	Nil

Name of the Director	Mr. Venkata Satish Veerapaneni
Date of Appointment	14.08.2012
Date of Birth	01.06.1967
Qualification	Graduate
Expertise in specific functional areas	Infrastructure Activities
List of Companies in which Directorship is held as on 31.03.2012	Bhuvanewari Power Projects Private Limited
Chairman / Member of the Committees* of other Companies on which he is a Director as on 31.03.2012	Nil

Name of the Director	Mr. Rajasekhara Reddy Mathura
Date of Appointment	14.08.2012
Date of Birth	09.03.1973
Qualification	Graduate
Expertise in specific functional areas	Infrastructure Activities
List of Companies in which Directorship is held as on 31.03.2012	Nil
Chairman / Member of the Committees* of other Companies on which he is a Director as on 31.03.2012	Nil

Name of the Director	Mr. Syed Khaleel Ahmed
Date of Appointment	14.08.2012
Date of Birth	07.07.1972
Qualification	Graduate
Expertise in specific functional areas	Infrastructure Activities
List of Companies in which Directorship is held as on 31.03.2012	Nil
Chairman / Member of the Committees* of other Companies on which he is a Director as on 31.03.2012	Nil

Name of the Director	Mr. V. R. Parthasarathy
Date of Appointment	25.08.2012
Date of Birth	26.06.1944
Qualification	Graduate
Expertise in specific functional areas	Infrastructure Activities
List of Companies in which Directorship is held as on 31.03.2012	Nil
Chairman / Member of the Committees* of other Companies on which he is a Director as on 31.03.2012	Nil

Name of the Director	Mr. Sreedhar Ikkurthi
Date of Appointment	25.08.2012
Date of Birth	03.08.1966
Qualification	Graduate
Expertise in specific functional areas	Infrastructure Activities
List of Companies in which Directorship is held as on 31.03.2012	Nil
Chairman / Member of the Committees* of other Companies on which he is a Director as on 31.03.2012	Nil

*\*The Committee includes the Audit Committee, the Remuneration Committee and the Shareholders / Investor Grievance Committee.*

## 12. Nomination Facility

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the company. As permitted under Section 109A of the Companies Act, 1956, are requested to submit to the Company the prescribed Form 2B for this purpose.

## 13. Company's Policy on prevention of Insider Trading

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company had framed a Code of Conduct for prevention of insider trading. Sri. Syed Khaleel Ahmed had been appointed as the Compliance Officer for the purpose. The code is applicable to all such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self-regulatory mechanism.

#### 14. Compliance with Clause 49 Mandatory Requirements

The Company complied with all the applicable mandatory requirements of Clause 49 of the Listing Agreement and is also submitting a quarterly compliance report duly certified by compliance officer of the company to the stock exchanges within the time frame prescribed under regulations.

#### 15. General Information for shareholders

- |    |   |  |
|----|---|--|
| a. | Annual General Meeting<br>Day, date, time and venue | Saturday, September 29, 2012 at 3.00 P.M.<br>Plot No 23 Phase IV, IDA.,<br>Jeedimetla, Hyderabad - 500 055.  |
| b. | Book closure dates                                  | From 26.09.2012 to 29.09.2012 (both days inclusive) for the purpose of Annual General Meeting  |
| c. | Financial Calendar                                  |  |
|    | (i) 1st Quarter                                     | 1st April to 30th June   |
|    | (ii) 2nd Quarter                                    | 1st July to 30th September   |
|    | (iii) 3rd Quarter and                               | 1st October to 31st December   |
|    | (iv) 4th Quarter                                    | 1st January to 31st March  |
| d. | Financial Year                                      | Year ending March 31, 2012   |
| e. | Listing of equity shares is at                      | The Bombay Stock Exchange Limited<br>Floor, P J Towers, Dalal Street<br>Fort, Mumbai - 400 001 .   |
| f. | Stock Code  | 530361   |
| g. | Share Transfer System                               | Share transfer requests, which are received in physical form are processed and the share certificates returned within a period of 15 days in most cases, and in any case within 30 days, from the date of receipt, subject to the documents being in order and complete in all respects. |

- h. Secretarial Audit  
Secretarial Audit is being carried out every quarter by a Practicing Company Secretary and his audit report is placed before the Board for its perusal and filed with the Stock Exchange.
- i. Location  
Registered Office:  
Plot No 23 Phase 4, IDA  
Jeedimetla, Hyderabad-500055  
Email: seagoldacqa@gmail.com  
Website: www.seagoldaqua.com
- j. Registrar & Share Transfer Agents  
M/s Venture Capital and Corporate Investments Private Limited  
#12-10-167, Bharat Nagar, Hyderabad-18  
Registration No. with SEBI: INR00001203  
Tel: +91-40-23818475/476  
Fax: +91-40-23868024  
Email: info@vccilindia.com
- k. Query on the Annual Report  
Sri. Syed Khaleel Ahmed  
Additional Director  
Sea Gold Aqua Farms Limited  
Plot No.23, Phase IV, IDA Jeedimetla,  
Hyderabad - 500 055.  
Email: seagoldacqa@gmail.com  
Website: www.seagoldaqua.com
- l. Distribution of shareholding as on 31st March, 2012

Category	No. of shareholders	Total Shares	% of holding
Promoter & Promoter Groups	4	147410	32.89
Foreign Institutional Investors	2	50000	11.15
Bodies Corporate	9	37310	8.32
Resident Individuals	919	159880	35.67
Non Resident Indians	50	46230	10.31
Mutual Funds/UTI	1	7410	1.65
Total	985	448240	100.00

m) Categories of share holders as on 31st March, 2012

Category	No. of Shares Held	Percentage
Promoters and Promoter Group	1,47,410	32.89
Financial Institutional Investor	50,000	11.15
Others	2,50,830	55.96
Total	4,48,240	100.00

#### 16. Code of Conduct

The Code of Conduct as adopted by the Board of Directors is applicable to the directors, both executive and non-executive and Senior Management team comprising of members of Management one level below the Executive Directors, including the functional heads

#### **CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT**

The Shareholders

I hereby declare that all the Board members and Senior Management Personnel have affirmed compliance with the code of conduct adopted by the Company and have submitted declaration in this behalf for the year ended 31<sup>st</sup> March 2012.

By Order of the Board  
for **Sea Gold Aqua Farms Limited**

Sd/-

**P.V. Krishna Reddy**

*Managing Director*

Date : 25.08.2012

Place : Hyderabad

**Chief Executive Officer Certification under Clause 49 of the Listing Agreement with the Stock Exchange**

To

The Board of Directors

**Sea Gold Aqua Farms Limited**

We, Venkata Krishna Reddy Panati, Managing Director and K.Venkateswara Rao, Director of Sea Gold Aqua Farms Limited, to the best of our knowledge and belief certify that:

1. We have reviewed the Balance Sheet, Profit and Loss Account, its schedule & notes to the accounts and cash flow statement for the year ended 31st March 2012 and that to the best of my knowledge and belief:
  - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) These statements together present a true and fair views of the Company's and are in compliance with existing accounting standards, applicable laws and regulations.
2. We also certify, that based on our knowledge and the information provided to us, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
3. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
  - a) Significant changes in internal control during the year;
  - b) Significant changes in accounting policies during the year and that the same have been disclosed in notes to the financial statements; and
  - c) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

By Order of the Board  
for **Sea Gold Aqua Farms Limited**

Sd/-

**Venkata Krishna Reddy Panati**  
*Managing Director*

Sd/-

**K.Venkateswara Rao**  
*Director*

Place : Hyderabad

Date : 25.08.2012



**Auditors Certificate on Compliance with the conditions of Corporate Governance under Clause 49 Of The Listing Agreement(s)**

To

**The Member of Sea Gold Aqua Farms Limited**

1. We have reviewed the implementation of Corporate Governance by Sea Gold Aqua Farms Limited (The Company) during the year ended 31st March,2012, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

We further state that such compliance is neither an assurance as to the future viability of the Company as per the records maintained by the Shareholder's/Investors Grievance Committee.

3. We state that no investor grievance are pending for a period exceeding one month against the Company as per the records maintained by the Shareholder's/Investors Grievance Committee.
4. On the basis of our review and according to the information and explanations provided to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement(s) with the Stock Exchange have been complied with in all material respect of the Company.

for **M/s. G.C. Reddy & Associates.,**  
*Chartered Accountants*

Sd/-

**CA. A.Srinivas***Partner*

M.No.029619

Place : 25.08.2012

Date : Hyderabad

**ANNEXURE - II****MANAGEMENT'S DISCUSSION & ANALYSIS REPORT:****1. INDUSTRY STRUCTURE AND DEVELOPMENT, OPPORTUNITIES & THREATS, PERFORMANCE, OUTLOOK AND RISKS & CONCERNS:**

In view of the Hon'ble Supreme Court directions, the Company did not undertake any Aqua Culture activities as the Aqua Culture Industry as whole is affected.

However, pursuant to the Scheme of Arrangement, as approved by the Hon'ble High Court of Andhra Pradesh, effective August 27, 2011, the Company has initiated the process of amending the Main Objects and change in name of the Company.

**2. SEGMENT-WISE AND PRODUCT-WISE PERFORMANCE:**

The Company has no operations for the year ended March 31, 2012, hence nothing to report under this head.

**3. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has a proper and adequate system of internal control to ensure all the assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, regarded and reported correctly.

An Audit Committee headed by a Non-Executive Independent Director is in place to review various areas of the control systems.

**4. DISCUSSION OF FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

The details of the financial performance of the Company are appearing in the Balance Sheet, Profit & Loss Account and other financial statements etc. appearing separately.

The financial performance of the Company has been explained in the Directors' Report of the Company for the year 2011-12 appearing separately.

**5. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRY RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:**

Since there are no activities carried out by the Company, there are no employees on the rolls of the Company.

**7. CAUTIONARY STATEMENT:**

Certain statement in the Management Discussion and Analysis describing the Company's views about the industry, expectations/predictions, objectives etc, may be forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed

in the statement. Company's operations may inter-alia affect with the supply and demand situations, input prices and their availability, changes in Government regulations, tax laws and other factors such as Industrial relations and economic developments etc. Investors should bear the above in mind.

#### 8. DECLARATION UNDER CODE OF CONDUCT

As required under Clause 49(ID) of the Listing Agreement, it is hereby declared that the Company has obtained confirmation from all the Board Members of the Company for the compliance of the Code of Conduct of the Company for the year 2011-12.

By Order of the Board  
for **Sea Gold Aqua Farms Limited**

Place : Hyderabad  
Date : 25.08.2012

Sd/-  
**Venkata Krishna Reddy Panati**  
*Managing Director*

Sd/-  
**K. Venkateswara Rao**  
*Director*

**AGR Reddy & Co.**

Company Secretaries

# 202, Pavani Annexe,  
Road No.2,  
Banjara Hills,  
Hyderabad - 500 034.  
Land Line : 040-23541900  
e-mail: mail@agrlaws.com  
Website : www.agrlaws.com

**FORM**  
**[SEE RULE 3]**  
**COMPLIANCE CERTIFICATE**

**CIN NO: L05005AP1993PLC016389**

Authorized Capital : Rs. 5,50,00,000/-

Paid Up Capital : Rs. 5,44,82,400/-

To,

The Members,

**Sea Gold Aqua Farms Limited**

Plot No 23 Phase IV,

IDA Jeedimetla,

Hyderabad - 500 055.

I have examined the registers, records, books and papers of **SEA GOLD AQUA FARMS LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2012. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, we certify in respect of the aforesaid financial year that:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies within the time prescribed or with the requisite penalty if applicable under the Act and the rules made there under.
3. The Company being Limited Company the comments are not required.
4. The Board of Directors duly met 6 (Six) times on 12.05.2011, 05.08.2011, 14.08.2011 31.08.2011, 11.11.2011 and 14.02.2012 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 27th September, 2011 to 30th September, 2011 and necessary compliance of section 154 of the Act has been made.

6. The Annual General Meeting for the financial year ended 31st March, 2011 was held on 30th September, 2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting was held during the financial year.
8. The Company has not advanced loan to its directors and/ or persons or firms or companies referred in the Section 295 of the Act.
9. The Company has not entered into contract falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301(3) of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company was not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any Duplicate Share Certificates during the financial year.
13. The Company:
  - i) has delivered the required Share Certificates on transfer of shares made during the year under review;
  - ii) has not deposited any amount in a separate Bank account as no dividend was declared during the financial year;
  - iii) is not required to post warrants to any member of the Company as no dividend was declared during the financial year.
  - iv) is not required to transfer the amounts in unpaid dividend account, application money due to refund, matured deposits, matured debentures and interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund as there were no such amounts outstanding during the financial year under review.
  - v) has complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and there was no appointment of Additional Directors, Alternate Directors and Directors to fill casual vacancy during the financial year.
15. There was no appointment of Managing Director/Whole-time director/ Manager during the financial year under review.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/ or such other authorities as may be prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.

19. The Company has not issued any shares/debentures or other securities during the year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued any preference shares or debentures till date.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company has not borrowed any amount from members, financial institutions, banks and others during the financial year.
25. The Company has not made any loans and investments or given guarantees or provided securities to other bodies corporate.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the current year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted a separate Provident Fund under Section 418 of the Companies Act, 1956.

for **AGR Reddy & Co.**  
Company Secretaries

Sd/-

**Manoj Kumar Koyalkar**  
C.P.No.10004

Hyderabad, August 25th, 2012

**ANNEXURE A****Registers as maintained by the Company**

- Register of Members u/s 150 and Index u/s 151
- Minutes Book of Board Meetings u/s 193
- Minutes Book of General Meetings u/s 193(1)
- Register of Disclosure of interested directors u/s 301(3)
- Register of Directors, Managing Director, Manager, Company Secretary u/s 303(3)
- Register of Directors' Share holding u/s 307
- Register of Directors' Attendance
- Register of Shareholders' Attendance
- Register of Share Transfers

**ANNEXURE B**

1. Forms and Returns as filed by the Company with the Registrar of Companies, during the financial year ended March 31st, 2012.

S.No.	Form No.	Relevant Section	Description	Date of Filing
1	Form 18	146	Shifting of Registered office from Plot No. 118 , Journalist Colony, Hyderabad to Plot No-1367, Pagan Plaza, Road No-45, Jubilee Hills, Hyderabad - 500033 with effect from 23rd March, 2011	01.04.2011 without late fee
2	Form 20B	159	Annual Return for the Financial Year ending 2008-09	11.07.2011 with late fee
3	Form 20B	159	Annual Return for the Financial Year ending 2009-10	12.07.2011 with late fee

S.No.	Form No.	Relevant Section	Description	Date of Filing
4	Form 20B	159	Annual Return for the Financial Year ending 2007-08	18.07.2011 with late fee
5	Form 66	383A	Compliance Certificate for the Financial Year ending 2006-07	18.07.2011 with late fee
6	Form 66	383A	Compliance Certificate for the Financial Year ending 2007-08	18.07.2011 with late fee
7	Form 66	383A	Compliance Certificate for the Financial Year ending 2008-09	18.07.2011 with late fee
8	Form 66	383A	Compliance Certificate for the Financial Year ending 2009-10	19.07.2011 with late fee
9	Form 20B	159	Annual Return for the Financial Year 2010-11	28.11.2011 without late fee
10	Form 66	383A	Compliance Certificate for the Financial Year 2010-11	28.11.2011 with late fee

2. Forms and Returns as filed by the Company with the Regional Director, Company Law Board, Central Government and other authorities, during the financial year ending on 31st March, 2012:

NIL

for **AGR Reddy & Co.**  
Company Secretaries

Sd/-

**Manoj Kumar Koyalkar**  
C.P.No.10004

Place : Hyderabad  
Date : 25.08.2012



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**AUDIT REPORT**

To

The members of

**Sea Gold Aqua Farms limited**

1. We have audited the attached Balance Sheet of **M/s Sea Gold Aqua Farms Limited** ("the Company") as at 31 March 2012, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Ministry of Corporate Affairs in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ("the Act"), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 5 above, we report that:
  - (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act to the extent applicable;
  - (e) on the basis of written representations received from the directors as at 31 March 2012, and taken on record by the Board of Directors, we report that none of the Director is disqualified as at 31 March 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act, on the said date; and

- (f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2012
  - b. in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
  - c. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **G C Reddy & Associates**  
*Chartered Accountants*

Sd/-  
**VIJENDRA G.**  
PARTNER  
M. NO. 220735

Place : Hyderabad  
Date : 25.08.2012

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**ANNEXURE TO AUDITORS' REPORT**

Referred to in paragraph 3 of our report of even date,

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its business. No material discrepancies were noticed on such physical verification.
2. (a) The inventories have been physically verified by the management during the year at reasonable intervals.
- (b) The procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The company has maintained proper records of inventories and discrepancies noticed on physical verification of inventories as compared to book records were not material.
3. (a) In our opinion, the Company has neither granted nor taken any loans to/from companies, firms or other parties covered in the Register, maintained under Section 301 of the Companies Act, 1956;
- (b) In our opinion, the rate of interest and other terms and conditions in respect of unsecured loans given by the company to its employees and others, are in our opinion, prima facie not prejudicial to the interest of the Company;
- (c) In respect of such loans given by the Company, where stipulations have been made, they have generally repaid the principal amounts as stipulated and have been regular in payment of interest, where applicable;
- (d) In respect of such loans given by the Company, there are no overdue amounts more than Rs. 1,00,000/-.
4. In our opinion, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, fixed assets and for the sale of goods.
5. (a) In our opinion, there are no transactions made in pursuance of contracts or arrangements, that need to be entered into the register maintained under section 301 of the Companies Act, 1956.

- 
- (b) In our opinion, there are no transactions of purchase and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 aggregating during the year to Rs.5,00,000- or more in respect of each party.
6. In our opinion and according to the information and explanation given to us, the Company has not accepted any Deposits as defined under Section 58A of the Companies Act, 1956 .
7. In our opinion, the Company has an adequate internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the Books of Account maintained by the Company as prescribed by the Central Government for maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima fade the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the accounts and records.
9. (a) According to the books and records of the company, the company is regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Customs Duty, Excise Duty, Cess and other statutory dues with appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2012 for a period exceeding six months from the date they became payable.
- (b) According to information and explanation given to us, there are no dues of sales Tax, Income Tax , Customs Duty, Excise Duty, Cess and other statutory dues, which have not been deposited on account of any dispute.
10. The Company has incurred cash losses in the current financial year..
11. In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of its dues to banks and financial institutions.
12. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
13. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
14. In our opinion, the Company is not dealing or trading in shares, securities, debentures or other investments and hence, the requirements of clause 4(xiv) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
-

15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks, and financial institutions.
16. In our opinion the term loans have been applied for the purpose for which they were raised.
17. In our opinion and according to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investments. No long-term funds have been used to finance short-term assets except permanent working capital.
18. The Company has not made any preferential allotment of share to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
19. No debentures have been issued by the company and hence, the question of creating securities in respect there of does not arise.
20. The company has not raised any money by way of public issues during the year.
21. On the basis of our examination and according to the information and explanations given to us, no fraud, on or by the Company, has been noticed or reported during the year.

For **G C Reddy & Associates**  
*Chartered Accountants*

Sd/-  
**VIJENDRA G.**  
PARTNER  
M. NO. 220735

Hyderabad, August 25, 2012

**BALANCE SHEET AS AT 31-03-2012**

Particulars	Note No.	As at 31st March, 2012	As at 31st March, 2011
<b>EQUITY AND LIABILITIES:</b>			
<b>Shareholders' funds</b>			
Share capital	1	4,482,400	44,824,000
Reserves and surplus	2	-20,000	-44074059
<b>Non-current liabilities</b>			
Long-term borrowings		0	0
Deferred tax liabilities (Net)		0	0
<b>Current liabilities</b>			
Trade payables		0	0
Other current liabilities		0	0
Short-term provisions	3	20,000	2,760
		<b>4,482,400</b>	752,701
<b>ASSETS:</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets		0	0
Loans and advances		0	0
<b>Current assets</b>			
Inventories		0	0
Trade receivables		0	0
Cash and Bank Balances	4	4,482,400	752,701
Short-term loans and advances		0	0
Other current assets		0	0
		<b>4,482,400</b>	752,701

As per our report even date attached  
For **G.C. Reddy and Associates**  
*Chartered accountants*

Sd/-  
**Vijendra G.**  
*Partner*  
M.No.220735

Place : Hyderabad  
Date : 25.08.2012

For and on behalf of the Board

Sd/-  
**P.V. Krishna Reddy**  
*Managing Director*

Sd/-  
**K. Venkateswar Rao**  
*Director*

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Note No.	As at 31st March, 2012	As at 31st March, 2011
<b>Revenue from operations</b>		<b>0</b>	<b>0</b>
Less: Excise duty		0	0
Other income		—	—
Total Revenue		<b>0</b>	<b>0</b>
<b>Expenses:</b>			
Cost of materials consumed		0	0
Changes in inventories		0	0
Employee benefits expense		0	0
Depreciation		0	0
Administrative expenditure		<b>20,000</b>	17,760
Total expenses		<b>20,000</b>	17,760
Loss before tax		<b>20,000</b>	17760
Tax expense:		<b>0</b>	0
(1) Current tax		<b>0</b>	0
Loss for the period		<b>20,000</b>	17,760

As per our report even date attached  
For **G.C. Reddy and Associates**  
*Chartered accountants*

Sd/-  
**Vijendra G.**  
*Partner*  
M.No.220735

Place : Hyderabad  
Date : 25.08.2012

For and on behalf of the Board

Sd/-  
**P.V. Krishna Reddy**  
*Managing Director*

Sd/-  
**K. Venkateswar Rao**  
*Director*

**SIGNIFICANT ACCOUNTING POLICIES:****A. Basis of Preparation of Financial Statements:**

The Company follows the Mercantile System of accounting and recognizes income and expenditure on accrual basis. The Accounts are prepared on historical cost basis and as a going concern. Accounting policies not referred to otherwise are consistent with Generally Accepted Accounting Principles.

**B. Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**C. Inventories:**

Raw Materials, work-in-process, stores & spares and consumables are valued at Cost.

**D. Fixed Assets:**

Fixed assets are stated at cost less depreciation. Cost comprises of purchase price and attributable other expenses.

**E. Depreciation:**

Depreciation on Fixed Assets is provided under Written Down Value Method at the rates specified in Schedule XIV of the Companies Act, 1956.

**F. Foreign Exchange Transactions:**

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction. Monetary items denominated in foreign currencies at the year end are restated at year end rates. Non monetary foreign currency items are carried at cost.

Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.



**G. Revenue Recognition:**

All Incomes and expenditure are accounted on accrual basis except stated otherwise. Gross Sales includes excise duty and excludes VAT and CST.

**H. Taxes on Income:**

Tax expenses for the year comprises of Current Tax and Deferred Tax. Provision for current tax is made based on the applicable tax rates and tax laws with respect to the year. Provision for deferred tax on timing difference is made as per Accounting Standard-22 issued by the ICAI.

**I. Retirement Benefits:**

Employee benefits in the form of Provident Fund and ESIC are considered as defined contribution plan and the contributions are charged to the Statement of Profit & Loss of the year when the contributions to the respective funds are due.

The accruing liability towards gratuity and other retirement benefits are provided on the basis of Accrual basis according to the eligibility of the employees.

**J. Impairment:**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**K. Borrowing Cost:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

**L. Provisions, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**NOTES TO FINANCIAL STATEMENTS**

Particulars	As at 31st March 2012	As at 31st March 31-03-2011
<b>NOTE 1</b>		
<b>SHARE CAPITAL</b>		
Authorized Capital		
55,00,000 Equity Shares of ₹10/- each	<b>55,000,000</b>	55,000,000
Issued, Subscribed, Paid up	<b>4,482,400</b>	44,824,000
Total	<b>4,482,400</b>	44,824,000
<b>NOTE 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
d) Surplus in the Statement of Profit & Loss		
Opening Balance	-	(44,056,299)
Add: Net Profit for the current year	<b>(20,000)</b>	(17,760)
Closing Balance	<b>(20,000)</b>	(44,074,059)
Total (A+B+C+D)	<b>(20,000)</b>	(44,074,059)
<b>NOTE 3</b>		
<b>SHORT TERM PROVISIONS</b>		
Audit fee payable	<b>20,000</b>	2,760
	<b>20,000</b>	2,760
<b>NOTE 4</b>		
<b>CASH AND BANK BALANCES</b>		
i) Cash and Cash Equivalents		
a. Cash on hand	-	-
b. Balances with banks	<b>4,482,400</b>	749,941
Total	<b>4,482,400</b>	749,941
<b>NOTE 5</b>		
<b>ADMINISTRATIVE EXPENSES</b>		
Audit fee	<b>20,000</b>	2,760
Printing and stationery	-	6,500
other expenses	-	8,500
	<b>20,000</b>	17,760

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The Company does not have dues to Micro & Small enterprises as envisaged under The Micro, Small and Medium Enterprises Development Act, 2006.

**NOTE 1**

The Revised Schedule VI has become effective from 1 April 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

**NOTE 2**

Paise have been rounded off to the nearest rupee.

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As per our report even date attached  
For **G.C. Reddy and Associates**  
*Chartered accountants*

Sd/-  
**Vijendra G.**  
*Partner*  
M.No.220735

Place : Hyderabad  
Date : 25.08.2012

For and on behalf of the Board

Sd/-  
**P.V. Krishna Reddy**  
*Managing Director*

Sd/-  
**K. Venkateswar Rao**  
*Director*

**SEA GOLD AQUA FARMS LIMITED**  
**PLOT NO 23, PHASE IV, IDA JEEDIMETLA, HYDERABAD - 500 055.**

**PROXY FORM**

Registered Folio No./Client ID .....

Number of shares held .....

I/We .....of.....in the district of ..... being a member(s) of the Company, hereby appoint ..... of .....or failing him/her ..... of ..... in the district of ..... as my /our proxy to attend and vote for me/us on my/our behalf at the Eighteenth Annual General Meeting of the Company to be held on Saturday, September 29, 2012 at 11.00 A.M at Plot No 23 Phase IV, IDA Jeedimetla, Hyderabad – 500 055 and at any adjournment thereof.

Signed on ..... 2012

Affix 15 paise revenue stamp
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It is Rs.1/-  
or Rs.2/-  
pls check

*Note: The form of proxy should reach the Company, not less than 48 hours before the time fixed for the meeting.*

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**SEA GOLD AQUA FARMS LIMITED**

Regd. Office: Plot No. 23, Phase IV, IDA Jeedimetla, Hyderabad - 500 055.

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**ATTENDANCE SLIP**

Registered Folio No./Client ID .....

Number of shares held .....

Name of the shareholder .....

I hereby accord my/our presence at the Eighteenth Annual General Meeting of the Company to be held on Saturday, September 29<sup>th</sup>, 2012 at 11.00 AM at Plot No 23 Phase IV, IDA Jeedimetla, Hyderabad – 500 055 and at any adjournment thereof.

**Signature of the member/Proxy**

*Note: Members are requested to bring their copies of the Annual Report to the Annual General Meeting and present this attendance slip at the entrance of the meeting venue*

**NOTES**

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**SEA GOLD AQUA FARMS LIMITED**

Regd. Office: Plot No. 23, Phase IV, IDA Jeedimetla, Hyderabad - 500 055. e-mail: [seagoldacqa@gmail.com](mailto:seagoldacqa@gmail.com) Website: [www.seagoldaqua.com](http://www.seagoldaqua.com)