

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 Meeting attended	Directorships 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.Krishna Reddy Chintam ceased to act as Director of the Company with effect from 30.01.2012*

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

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:

- a) Sri Veera Raghavan Pathasarathy, Chairman
- b) Sri Sreedhar Ikkurthi
- c) 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-34	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
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
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	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. 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 Day, date, time and venue	Saturday, September 29, 2012 at 3.00 P.M. Plot No 23 Phase IV, IDA Jeedimetla, Hyderabad – 500055
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) 1 st Quarter (ii) 2 nd Quarter (iii) 3 rd Quarter and (iv) 4 th Quarter	1 st April to 30 th June 1 st July to 30 th September 1 st October to 31 st December 1 st January to 31 st March
d. Financial Year	Year ending March 31, 2012
e. Listing of equity shares is at	The Bombay Stock Exchange Limited Floor, P J Towers, Dalal Street 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 Share 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 31st March 2012.

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

Date: 25.08.2012
Place: Hyderabad

P.V.Krishna Reddy
Managing Director