

16th Annual Report

2008 - 2009



NCC BLUEWATER PRODUCTS LIMITED

NCC BLUEWATER PRODUCTS LIMITED

BOARD OF DIRECTORS

Dr.G SUBBA RAO

Sri U Jaya Chandra

Sri Y D MURTHY
(Additional Director)

Sri. J S N RAJU
(Wholetime Director)

REGISTERED OFFICE

**41,Nagarjuna Hills
Punjagutta
Hyderabad-500 082**

PROJECT OFFICE

**Chandanada
Nakkapalli Mandal
Visakhapatnam Dist
Andhra Pradesh-531081**

BANKERS

**State Bank of India
State Bank of Hyderabad
Bank of India**

AUDITORS

**M/s.M.Bhaskara Rao &Co
Chartered Accountants
6-3-652, 5-D, Fifth Floor, 'Kautilya',
Amrutha Estates, Somajiguda
Hyderabad-500082**

**SIXTEENTH ANNUAL GENERAL MEETING ON TUESDAY, THE
29TH SEPTEMBER, 2009 AT 11.30 A.M AT SRI SAGI RAMAKRISHNAM
RAJU COMMUNITY HALL, MADHURANAGAR, HYDERABAD-500 038**

NOTE:NO GIFTS WILL BE DISTRIBUTED AT THE AGM

NCC BLUEWATER PRODUCTS LIMITED

NOTICE

Notice is hereby given that the 16th Annual General Meeting of the Company will be held on Tuesday, the 29th September 2009 at 11.30 A.M at Sri Sagi Ramakrishnam Raju Community Hall, Madhurapur, Hyderabad – 500 038 to transact the following items of business:

I. ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2009 together with the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Dr. G Subba Rao, Director who retires by rotation and being eligible offers himself for reappointment.
3. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution.

“RESOLVED THAT M/s.M.Bhaskara Rao & Co., Chartered Accountants be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of the 16th Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration as may be determined by the Board of Directors of the Company”.

SPECIAL BUSINESS

4. APPOINTMENT OF SRI Y D MURTHY AS A DIRECTOR

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

“RESOLVED THAT notice of intention to propose Sri Y D Murthy for appointment as a Director having been received from a member under Section 257 of the companies Act, 1956 Sri Y D Murthy, who was appointed as an Additional Director of the Company and who holds office upto

the date of this Annual General Meeting pursuant to Section-260 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company liable to retire by rotation”.

**By Order of the Board
For NCC Bluewater Products Limited**

Place: Hyderabad

Date : 30-06-2009

Sri J S N Raju

Wholetime Director

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 a proxy need not be a member of the Company. Instruments of proxies in order to be effective must be deposited at the Company's Registered Office at 41, Nagarjuna Hills, Hyderabad – 500 082 not less than forty-eight hours before the meeting.
2. The register of Members and the Share Transfer books will remain closed from 22nd September, 2009 to 29th September, 2009 (both days inclusive).
3. Members / proxies are requested to bring annual reports along with them to the meeting.
4. Members are requested to inform immediately the change, if any, of address registered with the Company.
5. All communication relating to shares are to be addressed to the Company's Regd. Off. at 41, Nagarjuna Hills, Punjagutta, Hyderabad - 500 082.
6. **A Member desirous of seeking any information / clarification on the accounts or operations of the Company is requested to forward his/her query to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.**

7. Re-appointment of Directors

At the ensuing Annual General Meeting, Dr.G Subba Rao, Director retires by rotation and being eligible offers himself for re-appointment. The relevant information as required under clause 49 of the Listing Agreement concerning Corporate Governance Code in respect of re-appointment of Director is given below for the information of the shareholders:

- a. Dr. G Subba Rao holds a Ph.d in Fisheries Management and has experience of around 28 years in the areas of fisheries management. Dr. G Subba Rao was associated with TAS PARK, Govt.of Andhra Pradesh and had promoted a number of hatcheries in the Visakhapatnam region. Currently, he is engaged in Consultancy services in the aquaculture management and allied areas.

- b. Sri Y D Murthy holds a Bachelor's Degree in Engineering and Post Graduate Degree in Management and has over 30 years of rich experience in middle and senior management level in Public and private Sectors. He is a Director on the Board of NCC Finance Ltd, M/s. A V S R Holdings Pvt.Ltd Dhatri Developers & Projects Pvt Ltd, Sushrutha Real Estate Pvt Ltd, NCC Infrastructure Holdings Mauritius PTE Ltd, NAC Infrastructure Equipment Ltd, Patnitop Ropeway & Resorts Ltd, and Liquidity Limited, Mauritius.

**By Order of the Board
For NCC Bluewater Products Limited**

Place: Hyderabad

Date : 30th June 2009.

Sri J S N Raju

Wholetime Director

NCC BLUEWATER PRODUCTS LIMITED

DIRECTORS' REPORT

To
The Members,

NCC BLUEWATER PRODUCTS LIMITED

Your Directors present the 16th Annual Report of your Company along with the Audited Statement of Accounts for the year ended March 31,2009.

FINANCIAL RESULTS

(Rs. in Lakhs)

PARTICULARS	Year ended 31.03.2009	Year ended 31.03.2008
Gross Income	0.49	0.48
Loss before Depreciation and taxation	(16.02)	(28.54)
Depreciation	40.93	43.08
Provision for Tax	-	-
Profit / Loss after tax	(56.95)	(71.62)
Add balance of loss brought forward from previous year	(917.57)	(845.95)
Balance of Loss carried forward	(974.52)	(917.57)
Paid-up equity share capital	775.00	775.00
Reserves excluding Revaluation Reserves	25.00	25.00

REVIEW OF OPERATIONS:

As the Members are aware in view of industry related problems and the liquidity crunch faced by the Company, the operations of the Company have come to a stand still. During the year under review, your Company had earned Gross Income of Rs.0.49 lakhs. After providing for depreciation the operations have resulted in a net loss of Rs.56.95 lakhs. The Company is considering various alternatives available to restructure / revive its business operations.

COMMENTS OF AUDITORS:

The observations / comments made by the auditors in their report attached, have been suitably clarified / explained under the Notes to the Accounts.

CORPORATE GOVERNANCE:

In pursuance of clause 49 of the Listing Agreement entered into with the Stock

Exchange, a separate section on Corporate Governance has been incorporated in the annual report for the information of the shareholders. A certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under said clause also forms part of the Annual Report.

DIRECTORS:

During the year Sri A V N Raju, Director of the company, resigned from the Board. Your Board placed on record the valuable services rendered by him during his association with the company.

Dr.G Subba Rao, Director retires by rotation at the conclusion of the forthcoming Annual General Meeting and being eligible offers himself for reappointment.

Sri YD Murthy, was appointed by Board of Directors as an Additional Director w.e.f. 29-09-2008. Who

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will hold office up to the date of the ensuing Annual General Meeting of the Company.

Due notice under Section 257 of the Companies Act, 1956 has been received from a member of the company proposing his candidature for the office of Director of the company liable to retire by rotation.

AUDITORS:

M/s.M.Bhaskara Rao & Co., Chartered Accountants the retiring Auditors of the Company being eligible have offered themselves for reappointment as Auditors to hold office upto the conclusion of the next Annual General Meeting.

DISCLOSURES:

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS

The company did not have any activities either relating to Conservation of Energy or Technology Absorption and therefore the provisions relating to Conservation of Energy or Technology Absorption are not applicable. During the year under review there were no transactions involving foreign exchange inflow / outflow.

PARTICULARS OF EMPLOYEES: The Company had no employee whose remuneration exceeds the limit fixed under Section 217 (2A). Therefore, there are no particulars furnished under Section 217(2A) of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, the Directors' Responsibility Statement is given in Annexure -A which forms part of this report.

ACKNOWLEDGEMENTS:

Your Directors place on record their gratitude for the cooperation and valuable support received from the consortium of Banks, the State Government, shareholders of the company and

look forward for the same in greater measure.

For and on behalf of the Board

Dr. G Subba Rao
Director

J S N Raju
Wholetime Director

Place : Hyderabad

Date: 30-06-2009

ANNEXURE -A

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, the Directors hereby state that

- a) in the preparation of the annual accounts for the year ended March 31, 2009, applicable accounting standards have been followed along with proper explanations relating to material departures;
- b) we have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2009 and of the loss for the year ended on that date;
- c) we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and
- d) the accounts for the year ended March 31, 2009 have been prepared on a going concern basis.

For and on behalf of the Board

Dr. G Subba Rao
Director

J S N Raju
Wholetime Director

Place : Hyderabad

Date: 30-06-2009

NCC BLUEWATER PRODUCTS LIMITED

REPORT ON CORPORATE GOVERNANCE

In compliance with Clause 49 of the Listing Agreement entered into with the Stock Exchange, the Company hereby submits the report on the matters as mentioned in the said clause.

1. PHILOSOPHY OF THE COMPANY ON THE CODE OF GOVERNANCE:

The Company aims at achieving transparency, accountability and equity in its operations, and in interactions with the stakeholders, including the shareholders, employees, government, lenders and other constituents while fulfilling the role of a responsible corporate representative committed to good corporate practices. The Company is committed to achieve the good standards of Corporate Governance.

2. BOARD OF DIRECTORS:

As on 31st March, 2009 the Board of the Company consists of Four Directors. The details of the Composition and Category of Directors, number of Board Meetings held during the year, attendance of the Directors at the Board Meetings and other Directorships held by the Directors are as follows:

Name	Category	Designation	No. of Board Meetings held during the last financial Year	No. of Board Meetings Attended	No. of Memberships in Boards of other Public Companies	Attendance of each Director at last AGM
*Sri A V N Raju	Promoter	Director	6	5	N.A	No
Sri J S N Raju	Promoter	Wholetime Director	6	6	NIL	No
Sri U Jayachandra,	Independent Director	Director	6	6	NIL	Yes
Dr. G Subba Rao	Independent Director	Director	6	6	NIL	Yes
**Sri Y D Murthy	Independent Director	Additional Director	6	2	3	N.A

*Sri A V N Raju resigned w.e.f 1st December, 2008

**Sri Y D Murthy appointed as Additional Director w.e.f 29-09-2008

The Meetings of the Board of Directors of the Company were held on the following dates:

30th June, 2008, 31st July, 2008, 5th September, 2008, 29th September, 2008, 31st October, 2008, and 31st January, 2009

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3. AUDIT COMMITTEE OF THE BOARD:

In terms of clause 49 of the Listing Agreement, an Audit Committee has been reconstituted with three Directors viz., Dr. G Subba Rao (Chairman of the Committee) Sri U Jayachandra, and Sri Y D Murthy. The Committee met on the following dates,

30th June, 2008, 31st July, 2008, 31st October, 2008 & 31st January, 2009

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 management the annual financial statements before submission to the board, focussing primarily on
 - (i) Any changes in accounting policies and practices.
 - (ii) Major accounting entries based on exercise on judgement by management.
 - (iii) Qualifications in draft audit report.
 - (iv) Significant adjustments arising out of audit.
 - (v) The going concern assumption.
 - (vi) Compliance with accounting standards.
 - (vii) Compliance with Stock Exchange and legal requirements concerning financial statements.
- d. Reviewing with the management, external and the adequacy of internal control systems.

4. REMUNERATION COMMITTEE OF THE BOARD:

The Board of the company has reconstituted a Remuneration Committee of the Board, comprising of Sri U Jayachandra (Chairman of the Committee), Dr. G Subba Rao and Sri Y D Murthy. The Committee has been constituted to recommend/review the remuneration package of the Wholetime Director.

5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE :

The Board of the Company reconstituted a Shareholders'/Investors' Grievance Committee comprising of, Sri Y D Murthy (Chairman of the Committee), Sri U Jayachandra and Dr. G Subba Rao as its members.

The Committee, inter alia, approves the issue of duplicate certificates and oversees and reviews all matters connected with servicing of investors, and recommends measures for overall improvement in the quality of investor services.

The Company has received 2 complaints during the year. All the complaints have been promptly attended to and outstanding complaints as on 31st March, 2009 were NIL.

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6. GENERAL BODY MEETINGS :

FINANCIAL YEAR	DATE	TIME	PLACE
2005-06	29-09-2006	3.00 P.M	Sri Sagi Ramakrishnam Raju Community Hall, Madhuranagar, Hyderabad-500038
2006-07	28-09-2007	12.00 Noon	Sri Sagi Ramakrishnam Raju Community Hall, Madhuranagar, Hyderabad-500038
2007-08	29-09-2008	12.00 Noon	Sri Sagi Ramakrishnam Raju Community Hall, Madhuranagar, Hyderabad-500038

Postal Ballot: There were no items of business requiring passing of resolution through Postal Ballot

No Special Resolutions were passed in Annual General Meetings held during past three years

7. DISCLOSURES:

- During the year certain transactions have been entered into with related parties. The details thereof have been given under Note No.7 forming part of Notes on Accounts.
- No penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

8. GENERAL SHAREHOLDERS INFORMATION:

16th Annual General Meeting : Date : 29th September, 2009
Time : 11.30 A.M

Venue : Sri Sagi Ramakrishnam Raju Community Hall
Madhuranagar, Hyderabad-500038

Financial Calendar : The Tentative Calendar of events for the financial year 2009- 2010 is given below:

Results for Quarter ending June 30,2009 – July 2009

Results for Quarter ending Sept 30,2009 – Oct. 2009

Results for Quarter ending Dec 31,2009 – Jan,2010

Results for year ending March, 31,2010 - June, 2010

Book closure date : 22nd September,2009 to 29th September,2009 (both days inclusive)

Listing of Equity Shares : Mumbai Stock Exchange

On Stock Exchange

Stock Code : BSE Code :519506

Market price Data : During the year there has been no trading in the Equity Shares of the Company.

Share Transfer System : Share transfers in physical form are processed in house by Secretarial Department of the Company. The share transfers which are received in physical form and the share certificates concerned are returned within a period of 10 to 15 days from the date of receipt, subject to the documents being found valid and complete in all respects.

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Dematerialisation of Shares : The company is in the process of obtaining the International Securities Identification Number (ISIN) for its equity shares issued by the Company.

Distribution of Shareholding :

As on 31.03.2009, the distribution of Company's Shareholding was as follows:

Category (No of shares)		Shareholders		Shares	
From	To	Number	% of Total	Number	% of Total
1	5,000	14604	92.44	1997617	25.78
5,001	10,000	513	3.25	428000	5.52
10,001	20,000	248	1.57	367900	4.75
20,001	30,000	179	1.13	451700	5.83
30,001	40,000	29	0.18	101009	1.30
40,001	50,000	128	0.81	631729	8.15
50,001	1,00,000	63	0.40	510709	6.59
1,00,001	And above	35	0.22	3261336	42.08
Total		15799	100	7750000	100

Investor's correspondence : The Secretarial Department
41, Nagarjuna Hills, Punjagutta
Hyderabad-82
Ph :040-23255200
Fax :040-23356260

Declaration of Compliance with the Code of Conduct

I hereby confirm that the company has obtained from all the members of the Board affirmation that they have complied with the Code of Conduct Board members in respect of the financial year ended 31st March, 2009

For NCC Bluewater Products Limited

Director

Place : Hyderabad

Date : 30th June, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

India is the Second largest producer of Shrimp in the world after China. There are about three Lakh farmers engaged in Shrimp Farming in India. Against the potential of 11.91 lakhs Hectares, only 1.5 lakhs of Hectares of land has been brought under Aqua Culture. Andhra Pradesh has Nine Coastal Districts with a coast line of 974 kms. having an estimated potential brackish water area of 1,50,000 Hectares for shrimp farming out of which an area of about 75,000 Hectares is under Aqua Culture cultivation. This constitutes about 47% of total area under Aqua Culture in India. Due to persistent viral attacks most of the corporate aquaculture companies had discontinued their operations and shut their processing plants due to heavy losses.

2. OPPORTUNITIES AND STRENGTHS

At present the corporate aquaculture industry is in dire straits due to mounting losses and your company is not an exception to this trend. As the entire net worth of the Company has been eroded, NCC Bluewater Products Limited was referred to BIFR and was registered as a Sick Company. However, in order to satisfy the liabilities of the consortium of banks the company has entered into a One Time Settlement with the consortium and with the assistance extended by its parent company i.e. Nagarjuna Construction Co. Ltd., has paid off the entire dues under One Time Settlement.

3. RISKS AND CONCERNS

The aquaculture structure in the country has become highly risky and hence your company is planning to curtail the level of operations and has disposed off the processing plant. The company is also seriously considering other avenues of business.

4. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Management has formulated Internal Control Systems to ensure safeguarding of the assets and interests of the company. The Internal Control Systems are devised to promote operational efficiencies at the work place.

The Internal Controls are reviewed by the Audit Committee of the Board.

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AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
NCC BLUEWATER PRODUCTS LIMITED

We have examined the compliance of conditions of Corporate Governance by NCC Bluewater Products Limited for the year ended 31st March, 2009, as stipulated in Clause 49 of the Listing Agreement of the Company with stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance (excepting with regard to publishing the quarterly results in the News Papers) as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per records maintained by the Shareholder's/Investor's Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For M. BHASKARA RAO & CO.,
CHARTERED ACCOUNTANTS**

**Place: Hyderabad
Date: 30th June, 2009**

**B. RADHAKRISHNA
PARTNER
M.NO.22061**

AUDITOR'S REPORT

To
The Members of
M/S NCC BLUEWATER PRODUCTS LIMITED

1. We have audited the attached Balance Sheet of M/s NCC BLUEWATER PRODUCTS LIMITED as at 31st March 2009 and also the Profit and Loss account for the year ended on that date annexed thereto and the cash flow statement for the year ended on that date. 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 as amended, Issued by the Central Government in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matter specified in paragraph 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit
 - ii. In our opinion, proper books of account as required by law, have been kept by the Company so far as appears

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- from our examination of such books.
- iii. The Balance Sheet, Profit & loss account and Cash flow statement referred to in this report are in the agreement with the books of account.
 - iv. The Balance Sheet, Profit & loss account and Cash Row Statement dealt with by this report comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
 - v. We draw attention to the Note No.2 in the Notes on accounts relating to preparation of financial statements on a going concern basis. The company has discontinued its business. The accumulated losses as at 31st March, 2009 have eroded the net worth of the company. These factors along with the other matters set forth In Note No.2 raise substantial doubt that the company will be able to continue as a going concern.
 - vi. On the basis of written representation received from the directors and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified as on 31st March 2009 from being appointed as a Director in term of clause (g) of sub section (1) to section 274 of the Companies Act, 1956.
5. Subject to Para (vi) above, In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read with notes on accounts and the significant accounting policies, give the Information required by the Companies Act, 1956 In the manner so required and give a true and fair view In conformity with accounting principles generally accepted in India:
- i) In the case of the Balance Sheet, of the State of affairs of the Company as at 31st March, 2009.
 - ii) In the case of the Profit & Loss Account, of the Profit for the year ended on that date; and

- III) In the case of the Cash Flow Statement, of the Cash flows for the year ended on that date.

**For M. BHASKARA RAO &
CO., CHARTERED ACCOUNTANTS.**

**B. RADHA KRISHNA
PARTNER
M.No:22061**

Pixie: Visakhapatnam

Date: 30th June, 2009

ANNEXURE TO AUDITOR'S REPORT REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the management as physically verified the fixed assets during the year and no material discrepancies were noticed on such verification.
- (c) The company has not disposed off substantial part of fixed assets during the year.
- ii. Clause (a), (b) & (C) not applicable since the company is not having inventory.
- iii. (a) The company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956 and therefore clauses (b),(c) and (d) of Para (iii) of the companies (Auditor's Report) Order,2003 are not applicable.
- (b) The company has not taken any loans secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956,therefore, clauses (f) and (g) of para (iii) of the companies (Auditor's Report) Order, 2003 are not applicable.
- iv. In our opinion and according to the information

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- and explanations given to us, the internal control systems for purchase of inventory and fixed assets and for the sale of services are commensurate with size of the company and nature of its business. During the course of audit we have not observed any continuing failure to correct major weaknesses in internal controls.
- v. As there was no transaction requiring entries in Register in pursuance of Section 301 of the Act and accordingly clauses (a) and (b) are not applicable to the Company.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public and therefore, the provisions of Section 58A and 58AA of the Companies Act, 1956 and Rules there under are not applicable to the company.
- vii. There is no internal Audit system in vogue for the period covered by the Audit.
- viii. In respect of this company, maintenance of cost records has not been prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956.
- ix. According to the information and explanations given to us, the company is regular in depositing undisputed statutory dues including Income Tax, Fringe Benefit Tax and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of above were in arrears, as at 31st March, 2009 for a period of more than six months from the date on which they became payable.
- x. The company has accumulated losses eroding its net worth as at 31st March 2009 and it has incurred cash losses in the financial year.
- xi. According to the information and explanations given to us, the company has not availed any loans from the Financial Institutions and Banks. The Company has not issued any debentures.
- xii. Based on the verification of records and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. 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.
- xiv. In our opinion, the Company is not dealing in or trading in Shares, Securities, debentures and other investments, accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
- xv. 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.
- xvi. To the best of our knowledge and belief and according to the information and explanations given to us, no term loans availed during the year.
- xvii. 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 investment. No long term funds have been used to short term asset. Therefore the provisions of clause 4(xvi) of Companies (auditors report) order, 2003 are not applicable to the Company.
- xviii. The company has not made any preferential allotment to parties and companies covered under register maintained under section 301 of the Companies Act, 1956, during the year.
- xix. According to the information and explanations given to us and the records examined by us, no debentures were issued by the company.
- xx. The Company has not raised any money through public issue during the year.
- xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For M. BHASKARA RAO & CO., CHARTERED ACCOUNTANTS.

**B. RADHA KRISHNA
PARTNER
M.NO.22061**

**Place: Visakhapatnam.
Date: 30th June, 2009**

NCC BLUEWATER PRODUCTS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2009

	SCHEDULE No	As at 31st March, 2009		As at 31st March, 2008	
		Rupees	Rupees	Rupees	Rupees
I	SOURCES OF FUNDS: SHARE HOLDER'S FUNDS				
	Capital	1	77,500,000		77,500,000
	Reserves & Surplus	2	2,500,000		2,500,000
	TOTAL		80,000,000		80,000,000
II	APPLICATION OF FUNDS FIXED ASSETS				
	Gross Block	3	100,326,182	104,491,439	
	Less Depreciation		56,009,086	54,861,730	
	Net Block		44,317,096		49,629,709
	Current Assets, Loans and Advances	4			
	Sundry Debtors		36,806	36,806	
	Cash and Bank Balances		106,286	145,319	
	Loans and advances		830,742	841,316	
			973,834	1,023,441	
	Less:Current Liabilities & Provisions	5	(62,742,740)	(62,409,820)	
	Net Current Assets		(61,768,906)		(61,386,379)
	Profit And Loss Account		97,451,810		91,756,670
	TOTAL		80,000,000		80,000,000
	ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	8			

As per our report attached
for **M. BHASKARA RAO & Co.**
Chartered Accountants

for and on behalf of the Board

B. Radha Krishna
Partner

Place : Hyderabad
Date : 30-06-2009

Dr. G. Subba Rao
Director

J S N Raju
Wholetime Director

NCC BLUEWATER PRODUCTS LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR 31.03.2009

	Schedule No	YEAR ENDED 31.03.2009 RUPEES	YEAR ENDED 31.03.2008 RUPEES
INCOME			
Sales			
- Shrimp Seed (Net)		-	-
Farm Receipts		-	-
Other Income		49,516	47,590
TOTAL		49,516	47,590
EXPENDITURE			
Power & Fuel		92,908	337,414
Repairs & Maintenance		25,105	83,268
Freight & Carriage		300	550
Salaries, Wages & Other Benefits		99,008	213,877
Administration & other Expenses	6	214,190	639,260
Interest and financial charges	7	1,532	1,831
Depreciation	3	4,093,193	4,308,190
Loss on Sale of Assets		1,218,420	1,625,366
TOTAL		5,744,656	7,209,756
Profit/(Loss) for the year		(5,695,140)	(7,162,166)
Add : Profit/(Loss) brought forward from previous year		(91,756,670)	(84,594,504)
Loss Carried to Balance Sheet		(97,451,810)	(91,756,670)

As per our report attached
for **M. BHASKARA RAO & Co.**
Chartered Accountants

for and on behalf of the Board

B. Radha Krishna
Partner

Place : Hyderabad
Date : 30-06-2009

Dr. G. Subba Rao
Director

J S N Raju
Wholetime Director

NCC BLUEWATER PRODUCTS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 1

	As at 31st March, 09 Rupees	As at 31st March, 08 Rupees
SHARE CAPITAL		
Authorised Capital 80,00,000 Equity Shares of Rs. 10/- each	80,000,000	80,000,000
Issued, subscribed and paidup 77,50,000 equity shares of Rs. 10/- each fully paid up	77,500,000	77,500,000

SCHEDULE 2

	As at 31st March, 09 Rupees	As at 31st March, 08 Rupees
RESERVES & SURPLUS		
Central Subsidy (MPEDA)	500000	500000
Investment subsidy from Govt. of AP	2000000	2000000
	2,500,000	2,500,000

**SCHEDULES FORMING PART OF THE BALANCE SHEET
DEPRECIATION SCHEDULE AS ON 31.03.2009**

SCHEDULE 3
FIXED ASSETS

(Figures in Rs.)

NAME OF THE ASSET	GROSS BLOCK (AT COST)			DEPRECIATION					NET BLOCK AS AT	
	As at 1.03.2008	Additions During the year	Adjustments During the year	As at 1.03.2009	Upto 31.03.2008	For the Year	Adjustments	Upto 31.03.2009	31.03.2009	31.03.2008
1 LAND INCLUDING SITE DEVELOPMENT	10,750,970	-	-	10,750,970	*				10,750,970	10,750,970
2 BUILDINGS	19,690,970	-	-	19,690,970	7,612,000	568,553	-	8,180,553	11,510,417	12,078,970
3 PLANT & MACHINERY										
a) CANALS, PONDS & RESERVOIRS	45,351,696	-	-	45,351,696	28,752,594	2,154,203	-	30,906,797	14,444,899	16,599,102
b) ELECTRICAL & MECHANICAL	28,277,827	-	(3,935,984)	24,341,843	18,162,691	1,343,193	(2,736,968)	16,768,916	7,572,927	10,115,136
4 VEHICLES	76,486	-	(49,386)	27,100	52,469	7,267	(42,228)	17,508	9,592	24,017
5 LAB EQUIPMENT	80,589	-	-	80,589	54,499	3,828	-	58,327	22,262	26,090
6 FURNITURES & FIXTURES	262,901	-	(179,888)	83,013	227,474	16,149	(166,642)	76,981	6,032	35,427
TOTAL	104,491,439	-	(4,165,258)	100,326,181	54,861,727	4,093,193	(2,945,838)	56,009,082	44,317,099	49,629,712
PREVIOUS YEAR	108,982,597		(4,491,158)	104,491,439	53,419,329	4,308,190	(2,865,792)	54,861,726	49,629,712	55,563,268

* Includes Rs. 14,09,745/- pending registration

NCC BLUEWATER PRODUCTS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 4:

CURRENT ASSETS, LOANS AND ADVANCES

	As at 31st March, 09 Rupees	As at 31st March, 08 Rupees
A. CURRENT ASSETS:		
SUNDRY DEBTORS		
Unsecured, Considered Good	36,806	36,806
TOTAL	36,806	36,806
CASH AND BANK BALANCES		
Cash balance on hand	15,661	2,300
Bank Balances with scheduled Banks:		
- in current accounts	90,625	143,019
TOTAL	106,286	145,319
B. LOANS AND ADVANCES		
Advances recoverable in cash or in kind or for value to be received	21,568	32,142
Deposits	809,174	809,174
TOTAL	830,742	841,316

SCHEDULE 5:

CURRENT LIABILITIES & PROVISIONS

	As at 31st March, 09 Rupees	As at 31st March, 08 Rupees
A) Current liabilities :		
Sundry Creditors		
- on capital Account	156,000	156,000
- for supplies & expenses	259,240	285,852
Other Liabilities	62,327,500	61,967,968
TOTAL	62,742,740	62,409,820

NCC BLUEWATER PRODUCTS LIMITED

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

SCHEDULE NO. 6

ADMINISTRATIVE & OTHER EXPENSES

	As at 31st March, 09		As at 31st March, 08	
	Rupees		Rupees	
Rent, Rates & Taxes		47,810		101,213
Postage, Telephone & Telegrams		19,154		130,760
Watch & Ward (Security)		74,700		210,980
Printing & Stationery		16,258		51,020
Consultancy, Legal & Professional charges		23,250		78,000
Office Expenses		0		1,213
Travelling & Conveyance		1,480		11,976
Vehicle Running Expenses		201		2,501
Advertisement & Publicity		6,212		7,941
Books & Periodicals		380		1,140
Auditors Remuneration				
- Audit Fee	16,545		16,854	
- Tax Audit Fee	0		10,112	
		16,545		26,966
Miscellaneous Expenses		8,200		15,550
TOTAL		214,190		639,260

SCHEDULE NO. 7

INTEREST & FINANCIAL CHARGES

	As at 31st March, 09		As at 31st March, 08	
	Rupees		Rupees	
Bank charges		1,532		1,725
Interest to others		0		106
TOTAL		1,532		1,831

NCC BLUEWATER PRODUCTS LIMITED

SCHEDULE No: 8

NOTES ON ACCOUNTS

1. Significant Accounting Policies:

a) Fixed assets are accounted at cost of acquisition inclusive of inward freight, duties and taxes and incidentals relating to acquisition.

b) Depreciation on fixed assets is provided on straight-line method at the rates specified under schedule XIV of the Companies Act 1956 in force.

c) Assets under installation or under construction as at the Balance Sheet date are shown under Capital Work in Progress.

d) Finished goods are valued at actual cost or net realisable value whichever is less. Raw materials, stores and spares are valued at Purchase cost. Seed and stock in process are valued at actual cost.

e) Revenue Recognition:

i. Sale of goods is recognised at the point of dispatch of goods to the customers.

ii. Interest income on deposit with banks is reckoned on accrual basis.

f) Foreign Currency Transactions:

i. Transactions in foreign currency are recorded in the reporting currency by applying the exchange rate prevalent at the date of transaction.

ii. The exchange differences arising on foreign currency transactions are recognised in the period in which they arise, except exchange difference on account of forward exchange contracts, which are recognised over the life of the contract.

g) Share issue and preliminary expenses are written off to profit and loss account over a period of ten years.

Deferred revenue expenses are written off to profit and loss account over a period of 5 years.

h) Retirement Benefits:

i. Contribution to provident fund is charged to revenue

ii. Gratuity and leave encashment liabilities have been provided for on an estimated basis on the assumption that such benefits are payable to all the employees at the end of accounting year.

i) Receipts from Government such as CST reimbursement, subsidies etc are accounted on receipt basis.

j) Government Grants: Capital investments subsidy received by the company is treated as capital reserve.

k) Borrowing Costs: Interest on Bank Borrowings and other short term and long-term borrowings is recognised as expenses in the year in which they are incurred.

2. The permission for continuing shrimp culture in the ponds for the period from 27.5.99 to 27.5.2002 has been received from Aquaculture Authority vide F.No. 330361670/99-FY (t-2) dated: 27.5.99. The application for renewal was filed on 19.3.2002 and it is under consideration with department.

3. Interest on amounts brought by M/s. Nagarjuna Construction Company Limited [NCCL] for settlement of Bank dues was not provided as NCCL assumed the liability to pay out the secured creditors under corporate guarantee against which mortgage of immovable properties made.

4. Pursuant to the disclosure requirements of Accounting Standard (AS-22) on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the position of Deferred Tax Asset and Deferred Tax Liability are as follows :

NCC BLUEWATER PRODUCTS LIMITED

Particulars	As On	
	31-03-2009	31-03-2008
Deferred Tax Asset	6,47,89,351	6,34,39,286
Deferred Tax Liability	1,72,35,092	1,84,14,872

Taking a prudent view excess of Deferred Tax Asset over Deferred Tax Liability is not recognised.

5. Balances from sundry debtors, Loans and Advances and Sundry Creditors are subject to confirmation.
6. Contingent Liabilities not provided for:
 - a) During the earlier year Commercial Tax Officer had served a demand notice for Rs. 4,17,629 on turnover of prawn seed. In this connection the company had obtained stay order from A.P High Court, vide writ petition No.22936/94, hence no provision for sales tax.
 - b) The Central Excise Authorities have issued a demand notice to pay Rs.3,04,51,903/- on DTA sales of seed, prawn and processing job works. The Company appealed to Customs, Excise And Gold (Control) Appellate Tribunal (CEGAT). The case was disposed of by the Tribunal in favour of the Company disallowing the demand of the Department vide CESTAT(SZ) B'lore Final order No 2043, 2044 dt 27-12-2004. The department appealed to the Supreme Court against the order of the CEGAT which is pending in Supreme Court.

7. Related party transactions:

Related party:

Nagarjuna Construction Company Limited

Directors and Key Management Personnel:

Aggregated Related Party Disclosures:

During the year the Company had the following related party transactions:

Particulars	Key Management Personnel	Enterprises owned or significantly influenced by key Mgmt. Personnel by their relatives Rs in Lakhs	Total Rs in Lakhs
Opening balance (01.4.2008)	-	609.34	609.34
Advances	-	---	---

Remuneration Paid to Directors is : NIL

NCC BLUEWATER PRODUCTS LIMITED

8. Quantitative particulars pursuant to clause 4 C and 4 D of Part II of Schedule VI to the Companies Act, 1956

I. Details of Licensed and Installed capacity

	CURRENT YEAR		PREVIOUS YEAR	
	QTY	VALUE (Rs. in Lacs)	QTY	VALUE (Rs. in Lacs)
a) Licensed Capacity				
i) Hatchery - Shrimp Seed	NOT APPLICABLE			
ii) Farm - Head on Shrimp	NOT APPLICABLE			
b) Installed Capacity (As certified by the Management)				
i) Hatchery - Shrimp Seed	160 MPA		160 MPA	
ii) Farm - Head on Shrimp	504 TPA in 50 ponds of 1 Ha each		504 TPA in 63 ponds of 1 Ha each	
c) Actual Production				
i) Hatchery - Shrimp Seed	---	---	---	---
ii) Farm - Head on Shrimp	---	---	---	---
d) Sales :				
- Head on Shrimp	---	---	---	---
- Shrimp Seed	---	---	---	---
e) Opening stock				
- Head Less Shrimp	---	---	---	---
- Shrimp Seed	---	---	---	---
f) Closing Stock				
- Head Less Shrimp	---	---	---	---
- Shrimp Seed	---	---	---	---

II. Value of Raw materials Components are spares parts Consumed

	CURRENT YEAR				PREVIOUS YEAR			
	Raw Materials	%	Components & spare parts	%	Raw Materials	%	Components & spare parts	%
Imported	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Indigenous	Nil	Nil	25,105	100	Nil	100	83,268	100
Total	Nil	Nil	25,105	100	Nil	100	83,268	100

NCC BLUEWATER PRODUCTS LIMITED

- III. Earnings in Foreign currency
- Export of Goods on FOB basis Nil. (Previous Year Nil)
9. Previous year figures have been regrouped/reclassified wherever necessary to conform to current year classification.

As per our report attached
for M.BHASKARA RAO & CO.
CHARTERED ACCOUNTANTS

for and on behalf of the Board

B. Radha Krishna
Partner

G. Subba Rao
Director

J.S.N.Raju
Wholetime Director

PLACE: Hyderabad
DATE: 30-06-2009

NCC BLUEWATER PRODUCTS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2009

Particulars	Year ended 31.03.2009		Year ended 31.03.2008	
	Rupees	Rupees	Rupees	Rupees
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and extraordinary items	(5,695,140)		(7,162,166)	
Add: Prior period Adjust ments	-		-	
Add: Extra ordinary items (O.T.S)	-		-	
Net Profit/(Loss) after extraordinary items		(5,695,140)		(7,162,166)
Adjustments for				
Depreciation	4,093,193		4,308,190	
(Profit)/Loss on sale of fixed assets	1,218,420		1,625,366	
Interest	-		-	
Miscellaneous Expenditure written off	-		-	
Prior Period adjustments (non-cash)	-		-	
Excess Interest Provision Written back (non-cash)	-	5,311,613	-	5,933,556
		(383,527)		(1,228,610)
Operating profit before working capital change adjustments for:				
Trade and Other Receivables	-		105	
Loans and Advances	10,574		10,521	
Inventories	-		-	
Trade Payables	332,920	343,494	1,265,940	1,276,566
Cash generated from operations		(40,033)		47,956
Interest paid		(40,033)		47,956
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	-		-	
Sale of Fixed Assets	1,000	1,000	-	
C CASH FLOW FROM FINANCE ACTIVITIES				
Repayment of Secured Loans				
Proceeds from short term borrowings				
Net increase or (decrease) in cash and cash equivalents (A+B+C)		(39,033)		47,956
Opening balance of cash and cash equivalents		145,319		97,363
Closing balance of cash and cash equivalents		106,286		145,319

NCC BLUEWATER PRODUCTS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I REGISTRATION DETAILS :

CIN No. L 0 5 0 0 5 A P 1 9 9 2 P L C 0 1 4 6 7 8

Balance Sheet Date 3 1 - 0 3 - 2 0 0 9 State Code 0 1

II Capital Raised During the Year (Amount in Rs. Thousands)

Public Issue NIL Rights Issue NIL

Bonus Issue NIL Private Placement / Others NIL

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities 8 0 0 0 0 Total Assets 8 0 0 0 0

Sources of Funds

Paid- Up Capital 7 7 5 0 0 Reserves & Surplus 2 5 0 0

Secured Loans NIL Unsecured Loans NIL

Application of Funds

Net Fixed Assets 4 4 3 1 7 Investments NIL

Net Current Assets (6 1 7 6 8) Misc. Expenditure NIL

Accumulated Losses 9 7 4 5 2

IV Performance of Company (Amount in Rs. Thousands)

Turnover 5 0 Total Expenditure 5 7 4 5

Loss Before Tax 5 6 9 5 Loss After Tax 5 6 9 5

Earning per Share Rs. NIL Dividend Rate % NIL

V Generic Names of three Principal Products / Services of Company (as per monetary terms) :

Item Code No. ITC Code 0 3 3 6 1 3

Product Description P R A W N S

Item Code No. ITC Code 2 3 0 9 9 0

Product Description P R A W N F E E D

Item Code No. ITC Code 1 6 0 5 2 0

Product Description P R A W N P R E P A R A T I O N

NCC BLUEWATER PRODUCTS LIMITED



NCC BLUEWATER PRODUCTS LIMITED

41, Nagarjuna Hills, Hyderabad – 500 082.

PROXY FORM 16TH Annual General Meeting

Folio No :

I/We of in the district of being a member/members of the above named Company, hereby appoint Mr./Ms in the district of as my/our proxy to attend and vote for me/us on my/our behalf at the 16th Annual General Meeting of the Company to be held at Sri Sagi Ramakrishnam Raju Community Hall, Madhuranagar, Hyderabad-500 038, on Tuesday, the 29th September, 2009, at 11.30 Noon and at any adjournment thereof.

Signed this Day of September, 2009

Address.....

Signature

Note : The Proxy form duly completed must be deposited at Registered Office of the Company at 41, Nagarjuna Hills, Hyderabad – 500 082, not less than 48 hours before the time fixed for holding the meeting, Proxy need not be a member.

Affix
Re.1/-
Revenue
Stamp



NCC BLUEWATER PRODUCTS LIMITED

41, Nagarjuna Hills, Hyderabad – 500 082.

ATTENDANCE SLIP

I hereby record my presence at the 16th Annual General Meeting of the Company held on Tuesday, the 29th September, 2009 at 11.30 A.M. at Sri Sagi Ramakrishnam Raju Community Hall, Madhuranagar, Hyderabad-500 038.

.....
Full Name of the Shareholder (in block letters)

.....
Signature

Folio No.....

.....
No of shares held

.....
Full name of the Proxy (in block letters)
(To be filled if the Proxy attends instead of the member)

.....
Signature

Note : Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

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NCC BLUEWATER PRODUCTS LIMITED
Regd. Office : 41, Nagarjuna Hills, Hyderabad - 500 082.