



Oil & Gas



Power



Pharmaceutical



Infrastructure

enabling
global
businesses

Aqua Logistics Limited

12th Annual General Meeting

Day & Date : Friday, September 30, 2011

Time : 10.00 a.m

Venue : VITS Hotel Crystal Hall,
Andheri - Kurla Road,
Andheri (E), Mumbai - 59

Contents Inside

Corporate Information	1
Statement From the desk of Chairman	2
Notice	3
Director's Report	8
Management Discussion & Analysis	12
Report on Corporate Governance	16
Auditor's Report	26
Balance Sheet	30
Profit and Loss Account	31
Cash Flow Statement	32
Schedules	33
Notes to Accounts	38
Balance Sheet Extract	45

CORPORATE INFORMATION

Board of Directors

Mr. Rajesh G. Uchil	Chairman
Mr. M. S. Sayad	Vice-Chairman
Mr. Harish G. Uchil	Managing Director & Chief Executive Officer
Mr. B. S. Radhakrishnan	Independent Director
Mr. V. S. Narayanan	Independent Director
Mr. Ravi Sharma	Independent Director

Chief Financial Officer

Mr. C. R. Karikal Valavan

Company Secretary & Compliance Officer

Mr. Bhupendra N. Shah

STATUTORY AUDITORS

M/S. Anil Nair & Associates,
Chartered Accountants
"Casablanca", 6 Casa Major Road,
Egmore, Chennai - 600 008.

Secretarial Auditor

M/S. Pankaj & Associates
Company Secretaries
505/panchsheel-4/B, Raheja Township,
Malad (East), Mumbai - 400 097.

Bankers

Bank of India

Registered Office & Corporate Office

5th Floor, B-Wing, Trade Star,
Andheri-Kurla Road, Andheri (E),
Mumbai – 400059, Maharashtra

Mumbai Office

5th Floor, A-Wing, Trade Star,
Andheri-Kurla Road, Andheri (E),
Mumbai – 400059, Maharashtra

Bangalore Office

305/A, 7th main, HAL, 3rd stage,
Bangalore – 560075

Delhi Office

RZ-B-IA, Ground floor & 1st Floor
Masoodpur village, Vasant Kunj,
New Delhi – 110070

Chennai Office

Office Unit B, 9th floor, EGA Trade Centre,
809, Poonamallee High road, Kilpauk,
Chennai - 600010

Kolkata Office

M.A. Business Centre, 113, Ground Floor,
Poddar Point, Park street, Kolkata – 700 016

Wholly-owned Subsidiary Companies Hong Kong Office

Aqua logistics HK Pvt. Ltd.
6/F Alexandra House, 18 Charter Road,
Central Hong Kong

Sharjah Office

Aqua Logistics, FZE
P.O. Box: 122421,
SAIF-Zone, Sharjah, U.A.E

Malaysia Office

Aqua Logistics (M) SDN.BHD.
No. 78A, 1st Floor, Jalan Ipoh,
51200 Kuala Lumpur.

Registrar And Transfer Agents

M/s Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai 400078

Website: www.aqualogistics.com

E-mail: investor@aqualogistics.com

Corporate Identity Number (CIN)

L63090MH1999PLC121803

Demat ISIN NSDL and CDSL

INE544K01026

Listing

Bombay Stock Exchange | National Stock Exchange
Luxembourg Stock Exchange

Scrip Code

BSE: 533159 Bloomberg: AQUA:IN
NSE: AQUA Reuters: AQUA.NS
Luxembourg : US03837W1027 (GDR)

From Chairman's Desk

Dear Shareholders,

I am very happy to present before you the annual performance summary along with major milestones achieved by your company in the Year 2010-11.

As the fiscal 2011 year came to a close, we looked toward the horizon and saw a broader and brighter future taking shape for Aqua Logistics.

Navigating through another challenging year in which the recession held on longer than expected and the economic recovery sputtered, we continue to diligently focus on those factors over which we have control. While slow growth conditions during most of the year offered little impetus, we seized the opportunity to intentionally broaden our horizons.

We broadened our horizons by

- *Expanding our presence*
- *Reaching out to new customers*
- *Creating an industry focus*
- *Developing our next generation of leaders.*

Knowing that our future is brighter in end to end logistics services, we took important steps to strategically acquire companies that fit into our scheme of plans and add immense value to our entire portfolio. Among these acquisitions was Aqua Star Distribution Logistics Pvt. Ltd., which offer organized last mile distribution services.

We also added Aqua Nikkos Logistics Pvt. Ltd., a 3rd Party Logistics provider that strives to deliver the highest standards in the global logistics solutions provider industry, to our portfolio.

This makes us the only truly end-to-end player in the country with proven expertise in the following areas – Project Logistics, Logistics Sourcing & Procurement, Distribution Management, Technology Solutions and Logistics Management & Supply Chain Consulting.

As our horizons broadened, they began to brighten as well. While we have not yet returned to the level of financial performance that all of our stakeholders desire, top line trends were positive as the year progressed. During the year Income from Operations improved to ₹ 380.88 Crores in FY 2011 from ₹ 322 Crores in FY 2010, an increase of 19% year on year, and the Net Profits increase by 9% to ₹ 22.39 from ₹ 20.54 in FY 2010.

The economic outlook for the current business year is favorable, although potential for a setback is still present, considering the turbulent economy, rising commodity prices and slower international trade.

We have proven our capabilities, even under the most difficult economic conditions, thus we are very confident of a future of growth which is above par.

I thank all members of the management and all employees for their committed and valuable contributions to the Group's development and the very good results achieved. I also thank all customers and partners for their confidence in Aqua Logistics and good business relations the Group enjoyed with them.

Rajesh G. Uchil
Chairman

Notice

NOTICE is hereby given that the 12th Annual General Meeting of the Members of Aqua Logistics Limited will be held on Friday September 30, 2011 at 10.00 A.M. at Crystal Hall, VITS Hotel, Andheri Kurla Road, Andheri (E), Mumbai 400059 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2011 and the Profit & Loss Account for the financial year ended on that date together with the Report of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr.B.S.Radhakrishnan who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Anil Nair & Associates, Chartered Accountants, as Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit to pass with or without modification/s the following as an Special Resolution:
“**RESOLVED THAT** pursuant to the provisions of Section 198, 309, 317 and all other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII thereto, approval be and are hereby accorded for the enhancement in the salary, perquisites, allowances payable to Mr. Rajesh G. Uchil, Chairman & Whole Time Director, Mr. M.S.Sayad, Vice Chairman & Whole Time Director & Mr. Harish G. Uchil, Managing Director & Chief Executive Officer, with the effect from 1st April, 2011, for the remainder of the tenure of their respective terms and extension of appointment for a further period of 3 years w.e.f 1st June, 2012 on the above said enhancement of remuneration.

RESOLVED FURTHER THAT where in any financial year closing after 31st March, 2011, the Company has no profit or its profit are inadequate, the Company do pay to Mr. Rajesh G. Uchil, Chairman & Whole Time Director, Mr. M.S.Sayad, Vice Chairman & Whole Time Director & Mr. Harish G. Uchil, Managing Director & Chief Executive Officer, remuneration by way of salary, perquisites and allowances not exceeding the ceiling limit specified under Part B of Section II of Part II of Schedule XIII to the Companies Act, 1956;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be considered by it to be necessary, expedient or desirable in this regard.”

**By Order of the Board of Directors
For Aqua Logistics Limited**

**Place: Mumbai
Date: 23rd August, 2011**

**Bhupendra N. Shah
Company Secretary**

Reg Office:
5th Floor, B-Wing,
Trade Star Building,
Andheri Kurla Road,
Andheri (East),
Mumbai – 400 059

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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The Instrument appointing a proxy must be deposited with the Company at its Registered Office, not less than 48 hours before the time for holding the Annual General Meeting.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Members are requested to bring their attendance slip along with their copy of annual report to the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Transfer Agents, M/s Link Intime India Private Limited.
7. Non-Resident Indian Members are requested to inform M/s. Link Intime India Private Limited, immediately of Change in their residential status on return to India for permanent settlement.
8. The notice of the Annual General Meeting will be sent to those members whose names appear on the register of members as on 26th August, 2011.
9. Annual Report is available at the website of the Company at www.aqualogistics.com in the Investor Relations Section.
10. The Register of Members of the Company will remain closed from 23rd September 2011 to 30th September, 2011 (both days inclusive).
11. Members are requested to:
 - (a) Notify the change in address if any, with Pin Code numbers immediately to the Company / Registrar and Transfer Agents, M/s Link Intime India Private Limited. (In case of shares held in physical mode):
 - (b) Bring their copy of the Annual Report and Attendance Slip with them at the Annual General Meeting.
 - (c) Quote their Regd. Folio Number/DP and Client ID Nos. in all their correspondence With the Company or its Registrar and Share Transfer Agent.
12. Consequent upon the introduction of Section 109A of the Companies Act, 1956, Shareholders desirous of making a nomination are requested to send their requests in Form 2B in duplicate (Which will be made available on request) to the Registrar and Share Transfer Agent of the Company.
13. Members having any questions on accounts are requested to send their queries at least 10 days in advance to the Company at its registered office address to enable the Company to collect the relevant information.
14. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting and the same will be available for inspection at the Annual General Meeting.
15. Explanatory Statement relating to the Special Business under item no.4 as required under Section 173 (2) of the Companies Act 1956 is annexed hereto.

16. The Ministry of Corporate Affairs has announced a “Green Initiative in Corporate Governance” thereby allowing paperless compliance through electronic mode. The Company supports this environment friendly initiative of the Government of India and proposes to send Notices for General Meetings/Annual Reports/ Other Shareholder Communication through electronic mode to the e-mail addresses which are registered for the purpose from time to time. The Company has sent inland letters to the members whose e-mail id were not registered either with registrar and transfer agents or with the depository and send e-mail to those members whose e-mail registered with depository.

In view of the above, members are once again requested to register their e-mail id with

- (i) the Registrar and Transfer Agent for shares held in physical form
- (ii) their Depository Participants for shares held in the electronic form

**By Order of the Board of Directors
For Aqua Logistics Limited**

Place: Mumbai
Date: 23rd August, 2011

Bhupendra N. Shah
Company Secretary

Reg Office:
5th Floor, B-Wing,
Trade Star Building,
Andheri Kurla Road,
Andheri (East),
Mumbai – 400 059

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

ITEM NO.4

The present term of appointment and remuneration payable to Mr. Rajesh G. Uchil, Chairman & Whole Time Director, Mr. M.S.Sayad, Vice Chairman & Whole Time Director & Mr. Harish G. Uchil, Managing Director & Chief Executive Officer is expiring on 31st May 2012.

It is proposed that remuneration of Mr. Rajesh G. Uchil, Chariman and Mr. M.S.Sayad, Vice Chariman and Mr. Harish G. Uchil, Managing Director & Chief Executive Officer be increased to ₹ 2,50,000 per month and Perquisites and Allowances of ₹ 2,50,000 per month respectively. It is also proposed to extend the terms of appointment for a further period of 3 years w.e.f 1st June, 2012 on the above said enhancement of remuneration.

Minimum Remuneration: Notwithstanding anything to the contrary, where in any financial year the Company has no profits or its profits are inadequate, the remuneration payable by the Company to Mr. Rajesh G. Uchil, Chairman, Mr. M.S.Sayad, Vice Chariman and Mr. Harish G. Uchil, Managing Director & Chief Executive Officer to be subject to Part B of Section II of Part II of Schedule XIII to the Act or any other law or enactment for the time being or from time to time, in force.

The approval of Members is being sought for enhancement of remuneration and extension of appointment for a further period of 3 years w.e.f. 1st June, 2012 of Mr. Rajesh G. Uchil, Chariman and Mr. M.S.Sayad, Vice Chariman and Mr. Harish G. Uchil, Managing Director & Chief Executive Officer.

Material terms of remuneration:

SALARY: ₹ 2,50,000 per month.

PERQUISTITES: Within the overall ceilings of 100% of the annual salary, Mr. Rajesh G. Uchil, Chariman, Mr. M.S.Sayad, Vice Chariman and Mr. Harish G. Uchil, Managing Director & Chief Executive Officer will be entitled to such perquisites in such form and manner as the Company may decide, including but not restricted to the following:

- a) House rent Allowance and house maintenance with expenditure on gas, electricity, water and furnishings ₹ 1,25,000/- per month
- b) Leave Travel Allowance for self & family ₹ 65,000/-
- c) Medical Expenses and Medical insurance for self & family ₹ 1,250/-
- d) Special Allowance ₹ 58,750/- Per month

For the purpose of calculating the ceiling of 100% as mentioned above, perquisites shall be evaluated as per the Income Tax Rules, 1962, wherever applicable, and in the absence of any such Rules, perquisites shall be evaluated at actual cost.

Provision for use of Company's car and telephone at residence (including payment of local calls and long distance calls) shall not be included in the computation of perquisites for the purpose of calculating such ceiling.

Note: 'Family' for the purpose shall mean the spouse, the dependent children and the dependent parents of all the above said Directors.

MINIMUM REMUNERATION: Notwithstanding the above, where in any financial year during the currency of term of office of Mr. Rajesh G. Uchil, Chairman & Whole Time Director, Mr. M.S.Sayad, Vice Chairman & Whole Time Director & Mr. Harish G. Uchil, Managing Director & Chief Executive Officer the Company has made no profits or its profits are inadequate, the Company shall pay salary & perquisites and allowances subject to Part B of Section II of Part II of Schedule XIII to the Act or any other law or enactment for the time being or from time to time, in force.

COMPENSATION FOR LOSS OF OFFICE: In the event of loss of office of the Managing Director, he shall be paid compensation in the manner and to the extent permissible under the provisions of Section 318 of the Companies Act, 1956.

Mr. Harish G. Uchil, subject to the superintendence, control and direction of the Board of Directors, as Managing Director, is entrusted with all the powers of the management vested in the Board, which are not specifically required by the law to be exercised by the company in its general meeting or by the Board of Directors or Committee thereof.

In terms of the Articles & Association of the Company, Mr. Rajesh G. Uchil, Chairman & Whole Time Director, Mr. M.S.Sayad, Vice Chairman & Whole Time Director & Mr. Harish G. Uchil, Managing Director & Chief Executive Officer shall not be subject to retirement by rotation during their tenure as Whole Time Director and Managing Director."

Mr. Rajesh G. Uchil, Mr. M.S. Sayad and Mr. Harish G. Uchil are interested in the resolution as it pertains to remuneration payable to each of them. Further Mr. Rajesh G. Uchil and Mr. Harish G. Uchil may be also deemed to be concerned interested in the resolution pertaining to the remuneration payable to each other, as they are related to one another. Save and except the above, none of the other Directors of the Company is, in any way, concerned or interested in the resolution.

**By Order of the Board of Directors
For Aqua Logistics Limited**

**Place: Mumbai
Date: 23rd August, 2011**

**Bhupendra N. Shah
Company Secretary**

Reg Office:
5th Floor, B-Wing,
Trade Star Building,
Andheri Kurla Road,
Andheri (East),
Mumbai – 400 059

Particulars of the Directors seeking Appointment/Re-appointment at the ensuing Annual General Meeting pursuant to Clause 49 of the Listing Agreement.

Name	Mr. B.S. Radhakrishnan
Age	48
Date of appointment	March 05, 2009
Expertise in functional areas	Long standing experience in the field of media and entertainment industry.
Name of the companies in which he holds Directorship /Committee Memberships	White Colour Entertainment Private Limited. Multi Story Media Private Limited

Aqua Logistics Limited

Director's Report

To,
The Members of Aqua Logistics Limited

Your Directors are pleased to present the Twelfth Annual Report of the Company along with Audited Statement of Accounts for the period ended on 31st March, 2011.

FINANCIAL HIGHLIGHTS

Your Company's performance during the year under review is summarized below:

(₹. in Lacs)

Particulars	For the year ended 31-03-2011	For the year ended 31-03-2010
Sales & Other Income	38217.73	32238.42
Profit Before Depreciation, Interest and Taxes	3661.76	3279.79
Interest and Financial Charges	725.00	516.65
Depreciation	388.37	149.03
Profit before Tax	2548.39	2614.11
Provision For Tax	375.00	473.00
Deferred Tax Liability	120.13	207.00
Adjustment for MAT	-233.44	-120.00
Profit after Tax Before Prior Period Item (NET)	2286.70	2054.12
Prior Period Items (NET)	47.70	0.00
Profit After Tax	2239.00	2054.12
Profit brought forward from Previous Year	3,799.37	1745.25
Profit carried to Balance Sheet	6038.37	3,799.37

REVIEW OF OPERATIONS

During the year, your Company has registered a quantum jump in Sales. Income from operations is ₹ 38,087.93 lacs as compared to ₹ 32,201.21 lacs in the previous year showing increase of 18.28%. The increase in revenue is mainly due to increase in revenue from freight forwarding services and project logistics. This increase is mainly attributable to the capability build-up by our company in the previous years, addition of new clients and the capital infusion to increase our operations.

Profit before Depreciation, Interest and Tax (PBDIT) has increased from ₹ 3279.79 lacs for the year ended March 31, 2010 to ₹ 3661.76 lacs showing the increase of 11.65%, mainly on account of increase in operations. During FY 2011, your Company has recorded PBDIT of 9.58% of the income from operations as against 10.17% during FY 2010. The reduction in operating margin is due to increase in operating cost.

During the year, Profit after Tax (PAT) has increased from ₹ 2054.12 lacs for the FY 2010 to ₹ 2239.01 lacs in FY 2011 due to increase in income from operations. During FY 2011 your Company recorded PAT margin of 9% as against 6.37% for FY 2010.

The Directors of your company are hopeful of earning higher profits margin in the next year.

BUSINESS & FUTURE OUTLOOK

Supply Chain management is a topic of importance among the logistic managers and researchers because it is a consider with the competitive edge. Supply chain management is a topic of importance among the logistics and supply

chain management deals with the management of materials, information and financial flows in a net work consisting of suppliers, manufactures, distributors and customers. As an integrated supply chain services company, your company is providing end to end logistics and supply chain solutions to across the various industrial vertical. The logistics business contributes around 13% to India's GDP.

Yours company is well equipped to take benefit of the growing potential in logistics industry and is hopeful of registering better performance in terms of Sales & Profitability for the Year 2011-2012.

Statement pursuant to Section 212(1)(e) of the Companies Act, 1956.

Particulars	Aqua Logistics HK Private Limited	Aqua Logistics (FZE)	Aqua Logistics (M) SDN.BHD
1. Financial Year of the subsidiary company ended on	30th June, 2011	30th June, 2011	30th June, 2011
2. Date from which it becomes subsidiary company	18th March, 2010	22nd March, 2010	5th March, 2010
3. Country of in-corporation	Hong Kong	U.A.E.	Malaysia
4. No. of shares held by the Company and Face Value	55,01,000 Equity Shares of HK\$ 10.00 each	1 Equity Share of AED 150,000 each	18,57,200 Equity Shares RM 1.00 each
5. Extent of interest in subsidiary companies	100%	100%	100%
6. Net aggregate amount of the profits			
i) Dealt with in the company's accounts			
a) For the financial year of the subsidiary company	Nil	Nil	Nil
b) For the previous financial year of the subsidiary company	NA	NA	NA
ii) Not dealt with in the company's accounts			
a) For the financial year of the subsidiary company	Nil	Nil	Nil
b) For the previous financial year of the subsidiary company	NA	NA	NA

SIGNIFICANT DEVELOPMENTS

Your Company has acquired two Companies having logistics business, namely Star Distribution Logistics Private Limited and changed its name as Aqua Star Distribution Logistics Private Limited, Chennai based Company and Nikkos Logistics Private Limited and changed its name as Aqua Nikkos Logistics Private Limited Bangalore based company as group companies.

CHANGE IN CAPITAL STRUCTURE

1. Face Value of the Equity Share of the Company was splitted from ₹ 10 to Re.1 w.e.f. 4th October, 2010
2. During the year, the Company allotted 41,12,000 Global Depository Receipt (GDR) (on pari-passu basis) representing 9,45,76,000 Equity Shares of Re.1/- each with each GDR representing 23 Equity Shares at US\$ 15.17 per GDR on February 10, 2011.

DIVIDENDS

In order to conserve the profits of the business of the company, to meet the growing funding requirements, your Directors have not recommended any dividend for the year under report.

PUBLIC DEPOSITS

Your Company has neither invited nor accepted any deposits from public, within the meaning of section 58A of the Companies Act, 1956 and Rules made thereunder.

AMOUNT TO BE CARRIED TO RESERVES

Since it is not proposed to declare any dividend, the entire amount of ₹ 22,39,00,524 is proposed to be transferred to the Reserves of the Company.

AUDITORS

M/s. Anil Nair & Associates, Chartered Accountants, Chennai, the Statutory Auditors of the Company, retires at the conclusion of this Annual General Meeting. They have furnished a certificate stating that their appointment if made will be within the limits laid down u/s 224 (1B) of the Companies Act, 1956. The Board recommends re-appointment of M/s. Anil Nair & Associates as Statutory Auditors of the Company for the current financial year and to fix their remuneration.

AUDITORS' REPORT

The notes to the Annual Accounts of the Company, referred to in the Auditor's Report are self – explanatory and do not require any clarification from the Board.

DIRECTORS

Pursuant to the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. B.S.Radhakrishnan is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, have offered himself for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2AA) of the Companies (Amendment) Act, 2000, with respect to Directors' responsibility statement, it is hereby confirmed:

1. that in the preparation of the accounts for the financial year ended 31st March, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. that the directors have selected such accounting policies and applied them consistently and made judgments and estimates 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 or loss of the Company for the period under review;
3. that the directors 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;
4. that the Directors have prepared the accounts for the financial year ended 31st March, 2011 on a going concern basis.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

PARTICULARS UNDER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956

Conservation of Energy

The Operations of the Company do not consume high levels of energy. Adequate measures have been taken to conserve energy everywhere. Your Company uses latest technology and energy efficient equipments. As energy cost forms a very small part of the total costs, the impact on cost is not material.

Technology Absorption, Adaptation and Innovation

Your Company is in an Industry, which demands absorption of emerging technologies and trends so as to cater to the

needs of its esteemed Clients. Your Company has developed methods for absorption and adaptation of new / emerging / developing technologies, in consonance with the needs of its Clients and its own requirements.

Foreign Exchange Earnings and Outgo

The Earnings in Foreign Exchange were ₹ 25,165.23 lacs (Previous Year ₹ 19,483.62 lacs) as against Expenditure incurred in Foreign Currency of ₹ 23064.68 (Previous Year ₹ 18,806.57 lacs). Since the Company does not own any manufacturing facilities, the other particulars under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the Company did not have employee whose salary exceed ₹ 5,00,000 per month or was in excess of ₹ 60,00,000 per annum and therefore, no details are given as required u/s 217 (2A) of the Companies Act, 1956. Details of Remuneration paid to Directors are covered under Notes to Accounts.

ACKNOWLEDGEMENTS

Your Directors hereby wish to place on record their appreciation of the significant contribution made by each and every employee of the Company. The Directors also thank all other stakeholders for their support and encouragement. Your Directors look forward to your continued support in the years to come.

For and on behalf of the Board of Directors

Place: Mumbai
Dated: 23rd August, 2011

Chairman

Management Discussion and Analysis

Economic Outlook

The global economic and financial situation in the last year recovered slowly. The large fiscal deficits and high debt ratios coupled with slow economic growth, created unsettling conditions for businesses and had the potential for causing great volatility in financial markets. GDP growth figures for Q4, 2010-11, highlight an unmistakable downward trend. While in Q1, 2010-11, GDP grew by 9.3 percent, in Q4, 2010-11, GDP growth came down to 7.8 percent. While consumption demand still held, a sharp decline in growth of investments was seen. Growth in Gross Fixed Capital Formation [GFCF] had dipped from 17.4 percent in Q1, 2010-11 to 0.4 percent in Q4, 2010-11.

Outlook 2011 -2012

Economy is expected to develop at 8.2 percent in 2011-12. Industry grew at 7.9 percent in 2010-11, likely to nurture at 7.1 percent in 2011-12. The global economic and financial situation is not likely to improve according to the outlook. The expected growth rate of 8.2 percent, although inferior to the earlier year, must be treated as high and respectable, given the current world situation.

Indian Logistics Industry

Structure & Size

Logistics in India involves a complex chain of activities, spread across multiple modes of transportation and infrastructure points. The complexity of the logistics network is further exacerbated by the fact that the industry is highly fragmented, with several small and mid-sized players dispersed across multiple regional pockets, asset types and services, and with very few if any, players in India able to offer customers true end to end services.

Also, in many key logistics-intensive sectors such as agriculture, oil & gas, engineering, consumer products, retail – the source and destination points for cargo are often multiple and located in regions with poor access by any mode of transport.

Globally, the logistics industry is valued at US\$ 3.5 trillion. The U.S., which contributes to over 25% of the global industry value, spends close to 9% of its GDP on logistic services. The Indian logistics Industry is presently estimated at US\$ 90 billion. (CII) The industry has generated employment for 45 million people in the country in comparison with the IT and ITeS sector which employs approximately 4.3 million people. It is forecast to grow at a Compound Annual Growth Rate (CAGR) of approximately 8% over the next three to five years. Third Party Logistics (3PL) Solutions, is slated to grow at a compound annual growth rate (CAGR) of over 16% from 2007-10.

Consequently, 3PL service providers are expected to corner an increased share of the Indian Logistics pie, from 6% in FY06 to 13% in FY11, at a CAGR of 25% (CII).

Growth Drivers

The primary growth drivers of this industry are as under:

- **Investments in the Power & infrastructure sector** – There are planned investments of upto US\$ 350 billion in these sectors which mean an increase in the logistics business.
- **Streamlining of the indirect tax structure** - The introduction of Value Added Tax (VAT) and the proposed introduction of a singular Goods and Services Tax (GST) are expected to significantly reduce the number of warehouses that manufacturers are required to maintain in different states. This will result in a substantial increase in demand for integrated logistics solutions.
- **Good trade growth** - Strong economic growth and liberalization have led to considerable increase in domestic and international trade volumes over the past five years. Consequently, the requirement for transportation, handling and warehousing is growing at a good pace and is driving the demand for integrated logistics solutions.

- **Globalization of manufacturing systems** - Globalization of manufacturing systems added to the advancements in technology are increasingly compelling companies across verticals to concentrate on their core competencies and thus avail the cost saving potential of outsourcing. This is expected to contribute to an increase in the need for integrated logistic solutions, which is the niche of every Third Party Logistics service (3PL Services) provider.

Governing Regulations

The industry has been valued at US\$ 125 billion in 2010. A snapshot of the FDI regulations governing the industry is as under:

1. 100% FDI under the automatic route is permitted for almost all logistic services.
2. FDI up to 100% subject to FIPB approval is permitted for courier services.
3. FDI up to 49% under the automatic route is permitted for air transport services, including air cargo services. It is pertinent to mention in this context, that Press Note 1 (2007) that is expected to be imminently notified by the DIPP proposes to increase the limit of FDI on air cargo services in 74%.

Growth Opportunities and future industry prospects

Growth in Indian economy, key logistics sectors and exports – imports (EXIM)

The growth in India's GDP directly translated into the growth in the Logistics sector, there being a 2x relation between the growth in GDP and the logistics industry. The post recession resurgence of domestic sectors like retail and manufacturing is expected to drive volume growth again.

Rising outsourcing and consolidation

Companies in India currently outsource an estimated 52% of logistics, but many more companies are increasingly considering outsourcing and third party logistics (3PL) models as they seek to reduce costs and focus on their core businesses.

Rapid supply side changes are helping to drive awareness and demand

Considerable private investments in modern warehousing and a significant improvement in transportation systems – along with the widespread adoption of warehouse management systems, GPS-enabled trucks and other technology – is leading to many more logistics end users moving away from 'store and transport' mindsets to true supply chain management with a focus on cost and efficiency. As more multinational companies and logistics service providers increase their scale of operations in India, there is a rising demand for world class logistics infrastructure and services – even among domestic corporate.

Regulatory changes are helping to drive private participation and efficiency improvements

Key regulatory changes in recent years are creating an enabling environment for growth in logistics industry. The impending introduction of goods and service tax (GST) aimed at bringing in a uniform tax regime across all India's states, is expected to lead to widespread rationalization of warehousing space in India and is likely to result in fundamental structural changes in the industry. Government incentives to infrastructure developers – in the form of tax breaks and incentives – are expected to further improve supply-side efficiencies. The privatization of the container rail segment and private –public partnership programs in key sectors have opened up new logistics segments for private participation.

Threats - Key Challenges faced by the Indian Logistics Sector

The challenges faced have not changed much in the past one year as we see below –

1. Logistics has historically been a high-cost, low-margin business. The problem of organized players is compounded by unfair competition with unorganized players, who can get away without paying taxes and

following operating norms stipulated in the Motor Vehicles Act such as quality of drivers and vehicles, volume and weight restrictions, etc.

2. Economies of scale are absent in the Indian logistics industry. Even the organized sector that contributes slightly more than 1% of the logistics cost, is highly fragmented. Existence of the differential sales tax structure has brought in diseconomies of scale. Though VAT (Value Added Tax) has been implemented since April 1, 2005, failure in implementation of a uniform VAT structure across different states has let the problem persist even today.
3. Apart from the non-uniform tax structure, Indian LSPs have to pay numerous other taxes, octroi, and face multiple check posts and harassment from authorities. High costs of operation and delays involved in compliance with varying documentation requirements of different states make the business unattractive. It is assumed that on an average, a vehicle on Indian roads loses 24-48 hours in complying with paperwork and formalities at different checkpoints en route to a destination and also precious fuel is spent waiting at checkpoints.
4. There is lack of trust and awareness among Indian shippers with regard to outsourcing logistics. The volume of outsourcing by Indian shippers is presently very low (~ 10%) compared to the same for the developed countries (> 50%, sometimes as high as 80%). The unwillingness to outsource logistics on part of Indian shippers may be attributed to skepticism about the possible benefits, perceived risk, and losing control, of sensitive organizational information, and vested interests in keeping logistics activities in-house.
5. Indian shippers expect LSPs to own quality assets, provide more value-added services and act as an integrated service provider, and institute world-class information systems for more visibility and real-time tracking of shipments. However, they are unwilling to match the same with increased billings; even pay little attention to timely payments that leave LSPs short of adequate working capital.
6. Indian freight forwarders face stiff competition from multi-national freight forwarders for international freight movement. MNCs, because of their size and operations in many countries, are able to offer low freight rates and extend credit for long periods. Indian freight forwarders, on the other hand, because of their smaller size and lack of access to cheap capital, are not able to match the same.
7. Poor physical and communications infrastructure is another deterrent to attracting investments in the logistics sector. Road transportation accounts for more than 60% of inland transportation of goods, and highways that constitute 1.4% of the total road network, carry 40% of the freight movement by roadways. Slow movement of cargo due to bad road conditions, multiple check posts and documentation requirements, congestion at seaports due to inadequate infrastructure, bureaucracy, red-tapism and delay in government clearances, coupled with unreliable power supply and slow banking transactions, make it difficult for exporters to meet the deadlines for their international customers. To expedite shipments, they have to book as air freight, rather than sea freight, which adds to the costs of shipments making them uncompetitive in international markets.
8. Low penetration of IT and lack of proper communications infrastructure also result in delays, and lack of visibility and real-time tracking ability. Unavailability and absence of a seamless flow of information among the constituents of LSPs creates a lot of uncertainty, unnecessary paperwork and delays, and lack of transparency in terms of cost structures and service delivery.
9. Shippers would like LSPs to offer more value-added services and a single-stop solution to all their logistical problems. The inability of service providers to go beyond basic services and provide value-added services such as small repair work, kitting/de-kitting, packaging/labeling, order processing, distribution, customer support, etc. has not been able to motivate shippers to go for outsourcing in a big way.

Our Cause – What we believe in.

We believe in safety in Logistics. And also that every corporate has a social responsibility too. Our cause is to spread awareness and bring change so that logistics is not treated as just another truck to be hired, but as a professional service where knowledge and expertise can go a long way, be it in saving costs to help a corporate gain cost efficiencies, curbing inefficiencies that have the potential to slowdown a country's progress, bring increased focus to help organizations concentrate on core competencies or save innocent lives in the cargo accidents which happen with surprising frequencies on our highways due to reasons ranging from an untrained driver, ill-maintained truck to overloading of the vehicle etc.

Risks and Concerns

Adequate measures have been adopted by your Company to combat various risks, including business risks (competition, consumer preferences, technology changes), financial risks (cost, credit, liquidity, foreign exchange), operational risks (system, process, people) and regulatory and compliance risks.

CORPORATE GOVERNANCE REPORT

I. MANDATORY REQUIEMENTS

1. Company's Philosophy on code of governance:

Corporate Governance is one of the most important aspects for building a sustainable organization. The Company believes that implementation of Corporate Governance Practices, maintaining transparency and dissemination of maximum information to stakeholders is healthy for the Company and its stakeholders.

The Company believes in and has consistently practiced good Corporate Governance. The Company continuously endeavors to create an environment for efficient conduct of the business and to enable management to meet with its obligations towards its stakeholders, including Shareholders, Customers, Employees and the community in which the Company operates.

The requisite standards of corporate governance have been fully complied with by the Company.

2. Board of Directors:

The Board of Directors provides strategic direction and thrust to the operations of the Company. The Board is headed by Executive Chairman, Mr. Rajesh G. Uchil, and comprises eminent persons with considerable professional experience in varied fields. The present strength of the Board is Six Directors. Of these, three are Executive Directors and three are Non-Executive Directors. Half of the Board consists of Independent Directors. The size and composition of the Board therefore complies with the requirements of corporate governance under the Listing Agreements with the Stock Exchanges, the Articles of Association of the Company and applicable laws.

During the period under review, the Company held Twelve Board Meetings as under:

Sr.No.	Board Meeting Date	Sr.No.	Board Meeting Date
1.	5 th April 2010	7.	12 th November, 2010
2.	29 th May 2010	8.	25 th November, 2010
3.	28 th June, 2010	9.	13 th January, 2011
4.	7 th August 2010	10.	5 th February, 2011
5.	14 th August 2010	11.	10 th February, 2011
6.	9 th September, 2010	12.	14 th February, 2011

The names of the Directors, the number of Board Meeting held, their attendance thereat and at the last Annual General Meeting ("AGM"), and the number of other Directorships, Memberships and/or Chairmanships held by each Director of the Board as on 31st March, 2011 are set out below:

Name of the Director	Category of Directorship#	No. of Board Meetings attended out of Twelve held	Attendance at last AGM held on 3rd September, 2010.	No. of Directorships in Companies incorporated in India including Aqua Logistics Limited (excluding Private Companies)
Mr. Rajesh G. Uchil	WTD	12	YES	1
Mr. M.S.Sayad	WTD	12	YES	1
Mr. Harish G.Uchil	MD	12	YES	1
Mr.V.S.Narayanan	NED – I	09	NO	1
Mr.B.S.Radhakrishnan	NED – I	06	NO	1
Mr. Ravi Sharma	NED – I	09	YES	1

WTD – Whole Time Director

NED -I– Non Executive Director – Independent

3. REAPPOINTMENT OF DIRECTORS:**MR. B.S.RADHA KRISHNAN:**

Mr.B.S.Radhakrishnan holds a Bachelors degree in Science from the University of Madras. He has a long standing experience of over two decades in the media and entertainment industry. Currently, he is the Director in White Colour Entertainment Private Limited, Multi Story Media Private Limited. He is also the founder – partner of Chennai based “Trinity Communications,” a video production and post production facility and “Illusions”, a computer graphics imaging facility. Further, he also founded Truevision Communications Private Limited, a company specializing in digital media products and services.

Mr. B.S.Radha Krishnan does not hold any equity shares in the Company.

COMMITTEE MEMBERSHIPS:**1. Aqua Logistics Limited:**

Remuneration Committee	Chairman
Audit Committee	Member
Shareholders’/Investors’ Grievances Committee /Share Transfer Committee	Member

4. AUDIT COMMITTEE:

- During the period under review, the Audit Committee held Four Meeting, the dates being as follows:
 - 29th May, 2010
 - 14th August, 2010
 - 12th November, 2010
 - 14th February, 2011
- The details of the composition of the Audit Committee and the attendance of Audit Committee Meetings by each member are as follows:

NAME	No. of Meeting Attended
Mr. Ravi Sharma, Chariman	4
Mr.B.S.Radhakrishnan	2
Mr. Harish G. Uchil	4

- The terms of reference of the Audit Committee cover the matters specified for Audit Committees under Clause 49 of the Listing Agreements with the Stock Exchanges and also as required under Section 292A of the Companies Act, 1956.
- The Chief Financial Officer, along with the Statutory Auditors of the Company are invited to the Meetings of the Audit Committee. The Company Secretary acts as Secretary to the Committee.
- The Board of Directors notes the Minutes of the Audit Committee Meetings at Board Meeting.

5. REMUNERATION COMMITTEE/REMUNERATION OF DIRECTORS:

- During the period under review, the Remuneration Committee has not held any Meeting.
- The details of the remuneration paid/payable to the Directors during the period ended 31st March, 2011 are set out below:

Directors	Salary and Perquisites (₹)	Commission	Sitting fees	Total (₹)
Mr.Rajesh G. Uchil	36,00,000	--	NA	36,00,000
Mr.M.S.Sayad	36,00,000	--	NA	36,00,000
Mr. Harish G. Uchil	30,00,000	--	NA	30,00,000
Mr. B.S.Radhakrishnan	--	--	15,000	15,000
Mr. V. S.Narayanan	--	--	22,500	22,500
Mr. Ravi Sharma	--	--	22,500	22,500

6. SHAREHOLDERS' COMMITTEES:

(a) INVESTORS'/SHAREHOLDERS' GRIEVANCE COMMITTEE / SHARE TRANSFER COMMITTEE:

- The Shareholders'/Investors' Grievance and Transfer Committee has been constituted as per the provisions set out in the Listing Agreement. The terms of reference include –
 - Approve transfers, transmissions, issue of duplicate certificates, transpositions, change of name etc., and to do all such acts, deeds, matters and things as connected therein.
 - Review complaints of the shareholders and action taken by the Company.
- During the period under review, the Shareholders Grievance Committee/Share Transfer Committee held Four Meeting, the dates being as follows:
 - 29th May, 2010
 - 14th August, 2010
 - 12th November, 2010
 - 14th February, 2011
- The details of the composition of Investors'/Shareholders' Grievance Committee/Share Transfer Committee and the attendance of the Investors'/Shareholders' Grievance Committee Meetings by each member, are as follows:

Name	No. of meeting attended
Mr. V.S.Narayanan, Chariman	4
Mr. B.S. Radhakrishnan	2
Mr. Ravi Sharma	4

The term of reference of the Investors'/Shareholders' Grievance Committee/Share Transfer Committee cover the matters specified under Clause 49 of the Listing Agreements with the Stock Exchange.

- Mr. Bhupendra N. Shah, the Company Secretary has been designated Compliance Officer. The Company has designated investor@aqualogistics.com as the email id on which investors may register their complaints.
- The Board of Directors notes the Minutes of the Investors'/Shareholders' Grievance Committee Meeting at Board Meetings.

- Summary of Investor Complaints for the period from 01.04.2010 to 31.03.2011 are given below:-

Description of Investor Grievances for the period from 01.04.2010 to 31.03.2011:

Nature of Complaint	No.Of Grievances
N/R of Refund Order	3
N/R of Demat Credit	2
Correction in Refund Instrument	4
N.S.E.	0
B.S.E.	1
S E B I	7
Total Grievances attended	17
Total Grievances Pending at the end of the year	0

7. GENERAL BODY MEETINGS:

The details of the last three Annual General Meetings of the Company and summary of the Special Resolution passed thereat are as follows:

Date of AGM	Location	Time	Summary of special resolution
22nd September, 2008	Trade Star, 5th floor, B-Wing, Andheri kurla Road, Andheri (E), Mumbai – 400 059.	11.00 a.m	Nil
3rd September, 2009	Trade Star, 5th floor, B-Wing, Andheri kurla Road, Andheri (E), Mumbai – 400 059.	11.00 a.m	Nil
3rd September, 2010	VITS Hotel, Crystal Hall, Andheri - Kurla Road, Andheri (E), Mumbai – 400 059	10.00 a.m	Approval for issue of ADR/ GDR/QIP/FCCB

All Resolutions set out in the respective Notices for the previous three Annual General Meeting of the Company were passed by the requisite majority of members present thereat and entitled to vote.

During the period ended 31st March, 2011, no Resolution was passed through postal ballot. At the forthcoming Annual General Meeting there is no item on the agenda that needs approval by postal ballot.

8 DISCLOSURES:

- The details of transactions with related parties are disclosed in Note no.8 of Schedule 17- Notes to the Financial Statements.
- The Company has put in place a mechanism for employees to report to the Management, concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct or Ethics Policy. The said policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the higher levels of supervisors including the Audit Committee.

The Audit Committee has reviewed the related party transactions as mandatorily required under Clause 49C of the Listing Agreement and found them to be not materially significant.

- The Board has adopted Code of Conduct including a Business Ethics Policy for its Designated Persons. Designated Persons mean Directors and Officers in Management Cadre – functional heads and above.

The Company has for the period ended 31st March, 2011, received from all Designated Persons, a declaration of compliance with the code. A certificate from Mr. Harish G. Uchil, Managing Director, to this effect forms part of this Report.

- (iv) The Company follows the Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of the financial statements, the Company has not adopted a treatment different from that prescribed by any Accounting Standard.
- (v) The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreements with Stock Exchanges. The adoption of non-mandatory requirements has been dealt with further on in this Report.

9. COMPLIANCES:

The Company has completed one year of its listing and its has complied and complying with the Stock Exchanges all the Regulations and Guidelines prescribed by the Securities and Exchange Board of India.

10. MEANS OF COMMUNICATION:

The Company regularly intimates unaudited as well as audited financial results to the Stock Exchanges immediately after these are taken on record by the Board. These financial results are normally published in the Business Standard and Mumbai Lakshadweep and are displayed on the website of the Company www.aqualogistics.com.

The official news release and the presentations made to the investors/analysts are also displayed on the Company's website.

11. CHIEF EXECUTIVE OFFICER (CEO) / CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION:

The Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49. The Managing Director and the Chief Financial Officer also give quarterly certification on financial results before the Board in terms Clause 41.

12. GENERAL SHAREHOLDER INFORMATION:

● Annual General Meeting

Date and Time	: Friday, September 30, 2011 @ 10.00 a.m.
Venue	: Crystal Hall, VITS Hotel, Andheri Kurla Road Andheri (E), Mumbai 400059

● Financial Calendar

Adoption of Quarterly Results for the Quarter Ending	Tentative Schedule
June 30, 2011	2nd week of August, 2011
September 30, 2011	2nd week of November, 2011
December 31, 2011	2nd week of February, 2012
March 31, 2012	2nd week of May, 2012
Book Closure Dates	: September 23, 2011 to September 30, 2011 (Both days inclusive)
Listing of equity shares on Stock Exchanges and Stock Code	: The Bombay Stock Exchange Limited, Stock Code – 533159 The National Stock Exchange of India Symbol - AQUA
Listing of GDR	: Luxembourg Stock Exchange
Stock Code	: US03837W1027

Demat ISIN for NSDL & CDSL : INE544K01026

24,88,32,940 Equity shares, representing 82.95% of the total Equity Capital were held in the Dematerialized form as on 31st March, 2011.

Outstanding GDRs as on March 31, 2011 represent 9,45,76,000 Equity Shares constituting 31.53% of the paid-up Equity Share Capital of the Company. Each GDR represents twenty three underlying equity shares in the Company. GDR is not a specific time- bound instrument and can be surrendered any time and converted into the underlying equity shares in the Company. The shares so released in favor of the investors upon surrender of GDRs can either be held by the investors concerned in their name or sold off in the Indian Secondary Markets for cash. To the extent of the shares so sold in Indian Markets. GDRs can be reissued under the available head room.

- **Market Price Data (High/Low) on Bombay Stock Exchange during each month:**

Month	High (₹)	Low (₹)
April – 2010	370.70	261.20
May – 2010	472.00	346.00
June – 2010	557.20	424.05
July – 2010	573.70	456.90
August – 2010	655.00	465.65
September – 2010	675.30	578.40
October – 2010*	67.30	45.95
November – 2010	62.30	41.05
December – 2010	53.00	32.35
January – 2011	43.50	25.25
February – 2011	30.10	16.80
March – 2011	18.45	14.90

* Face Value of the Equity Share of the Company was splitted from ₹ 10 to Re.1 w.e.f. 4th October, 2010

- **Market Price Data (High/Low) on National Stock Exchange during each month:**

Month	High (₹)	Low (₹)
April – 2010	370.25	362.15
May – 2010	455.90	436.10
June – 2010	550.00	534.00
July – 2010	560.45	544.00
August – 2010	656.05	552.70
September – 2010	675.90	628.60
October – 2010*	62.75	57.60
November – 2010	51.50	47.50
December – 2010	41.20	40.20
January – 2011	30.35	25.10
February – 2011	17.65	16.95
March – 2011	17.70	17.40

* Face Value of the Equity Share of the Company was splitted from ₹ 10 to Re.1 w.e.f. 4th October, 2010

- DISTRIBUTION OF SHARE HOLDING AS ON 31ST MARCH, 2011:**

No. of equity shares held	No. of Shareholders	%	No.of Shares	%
Up to 500	7101	74.4496	1250170	0.4167
501 to 1000	1047	10.9771	875422	0.2918
1001 to 2000	558	5.8502	858772	0.2863
2001 to 3000	193	2.0226	498503	0.1662
3001 to 4000	88	0.9226	317587	0.1059
4001 to 5000	73	0.7654	346270	0.1154
5001 to 10000	136	1.4259	1004934	0.3350
10001 and above	342	3.5857	294839292	98.2827
Total	9538	100.00	299990950	100.0000

- PATTERN AS ON 31ST MARCH, 2011:**

Category	No. Of Shares	%
Promoters	75233000	25.07
Relatives Of Director	11500000	3.83
Corporate Bodies(Promoter Co)	2666670	0.89
Other Bodies Corporate	70342457	23.45
Financial Institutions	150430	0.05
Foreign Institutional Investor	20644000	6.88
Non Resident Indians	118290	0.04
Non Resident (Non Repatriable)	48231	0.02
Officer Bearers	1651000	0.55
Clearing Member	2191023	0.73
Public	20869849	6.96
Global Depository Receipts	94576000	31.53
Total	299990950	100

- Share Registrar and Transfer Agents : **LINK INTIME INDIA PVT.LTD.**
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W), Mumbai – 400 078
Telephone: 25946970 | Fax: 25946969
E-mail ID: rnt.helpdesk@linkintime.co.in
Unit: Aqua Logistics
- Share Transfer System : All transfer received are processed and approved by the Share Transfer Committee which meets depending upon the volume of transfer.
- Company's Address for Correspondence : Mr. Bhupendra N. Shah
Company Secretary & Compliance Officer
Aqua Logistics Limited
5th Floor, B-Wing, Trade Star Building, Andheri Kurla
Road, Andheri (East), Mumbai – 400 059.

- **NON-MANDATORY REQUIREMENTS:**

The Company has implemented the following Non-Mandatory requirements recommended under clause 49 of the Listing Agreements with the Stock Exchanges:

- **REMUNERATION COMMITTEE:**

A Remuneration Committee comprising three Non-Executive Directors reviews and takes decisions on compensation of Executive Directors of the Company. The Chairman of the Remuneration Committee is an Independent Director.

- Financial results of the Company as published in the newspapers are made available to the members on request and are also available on the Company website.

Declaration by the Managing Director under Clause 49 of the Listing Agreement Regarding Compliance with the Code of Conduct

In accordance with Clause 49 I (D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all Designated Persons of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the period ended 31st March, 2011.

For the purpose of this declaration, Designated Persons mean Directors and Officers in Management Cadre and above.

On behalf of the Board of Directors

Place: Mumbai
Date: 23rd August, 2011

Harish G. Uchil
Managing Director & Chief Executive Officer

CEO / CFO CERTIFICATION

To,
The Board of Directors
Aqua Logistics Limited

Compliance Certificate by Chief Executive Officer(CEO) & Chief Financial Officer (CFO) under Corporate Governance pursuant to the revised Clause 49 of Listing Agreement.

We, Harish G. Uchil, MD & CEO and C. R. Karikal Valavan, CFO, certify to the Board that:

- a) We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) We accept 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 we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit committee
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which they 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 over financial reporting.

C. R. Karikal Valavan
CFO

Harish G. Uchil
MD & CEO

Place: Mumbai
Date: 23rd August, 2011

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

**To,
The Members of
Aqua Logistics Limited
Mumbai**

We have examined the Compliance of conditions of corporate governance by AQUA LOGISTICS LIMITED for the year ended March 31, 2011 as stipulated in Clause 49 of the listing Agreements of the said Company with stock exchanges in India.

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 Corporate Governance. 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 explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

On the basis of representation received from Registrars and Share Transfer agents and as per the records maintained by the Company which are presented to the Share Transfer Committee, we state that during the year ended March 31, 2011 no investor grievances are pending for a period exceeding one month.

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 **Pankaj & Associates,**
Company Secretaries

**Place: Mumbai
Dated: 23rd August, 2011**

**Pankaj Desai
COP.NO.4098**

FINANCIALS Auditors' Report

To
The Members of Aqua Logistics Limited

1. We have audited the attached Balance Sheet of Aqua Logistics Limited ("the company") as at 31st March 2011, the Profit and Loss account and the Cash Flow statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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 the 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 (Auditors Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure hereto, a statement on the matters specified in Paragraphs 4 & 5 of the said order to the extent applicable to the company.
4. Further to our comments in the Annexure referred to in paragraph 3 above we report that:
 - a) We have obtained all the information & 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 and proper returns adequate have been received from branches not visited by us;
 - c) The Balance Sheet and the Profit & Loss account dealt with by this report are in agreement with the books of account;
 - d) **In our opinion and subject to accounting policy on deferred revenue expenditure, the Balance Sheet, Profit & Loss Account and the Cash flow statement dealt with by this report comply with the Accounting Standards referred in Section 211(3C) of the Companies Act, 1956.**
 - e) On the basis of written representations received from the Directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is *prima facie* disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us and subject to;
 - a) *Note - 11 on accounting for advertisement expenditure incurred in current year and earlier years and amortization of the same,*
And
 - b) *Note - 15 regarding confirmation of balances in parties' accounts and the consequential effects of the same on the profits, assets and liabilities of the company which are not ascertainable, the said*

Balance Sheet and the Profit and Loss Account and the Cash Flow Statement read together with the Schedules and notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the 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 2011.*
- ii. In the case of the Profit and Loss Account, of the Profit for the year ended on that date*
- iii. In the case of the Cash Flow Statement, of the Cash flows for the year ended on that date.*

For **ANIL NAIR & ASSOCIATES**
Chartered Accountants
(Registration No. 000175S)

Place: Mumbai
Date: 23rd August, 2011

R. MOHAN
Partner
Membership No: 23022

Annexure To The Auditors' Report

Referred to in the paragraph 3 of our report of even date on the accounts for the year ended 31st March, 2011 of Aqua Logistics Limited.

1. In respect of its fixed assets:
 - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. As explained to us, the management during the year has physically verified all the fixed assets in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.
 - c. As per the information and explanations given to us, during the year, the Company has not disposed off any substantial part of the fixed assets that would affect the going concern status of the company.
2. The Company does not have any tangible inventory and accordingly the provisions of clause 4 (ii) of the order are not applicable.
3. According to the information and explanations given to us the Company has neither granted loans nor taken any loans (except advances in the course of business not in the nature of loans) secured or unsecured, to or from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956 during the year under review.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and receiving and rendering of services. Further, on the basis of our examination of the books and records of the Company, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control systems.
5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956;
 - a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b. In respect of transactions with parties with whom transactions exceeding value of Rupees Five Lakhs have been entered into during the financial year, for which no comments are being made owing to the unique and specialized nature of the items involved and absence of any comparable prices. For price justification, reliance is placed on the information and explanation given by the management.
6. The company has not accepted any deposits from public and hence directives issued by the Reserve Bank of India and the provisions of the sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable for the year under audit.
7. In our opinion, the internal audit system commensurate with the size and nature of its business needs to be strengthened.
8. In our opinion and according the information and explanations given to us the Central Government has not prescribed the maintenance of cost records by the company under section 209(1) (d) of the Companies Act, 1956.
9. According to the information and explanations given to us and;
 - a. Based on the records of the company examined by us the company has generally in regular in depositing undisputed dues including Income Tax, Service Tax and other applicable statutory dues with the appropriate authorities except in the case of Provident fund where there has been a delay in depositing the same in few instances with the appropriate authorities. However there are no arrears of Provident fund as on 31st March, 2011.

- b. According to the information and explanations given to us and the records of the company examined by us the Income tax demand for the assessment year 2008-2009 amounting to ₹ 27,23,490 is outstanding as on 31st March 2011 for a period of more than six months from the date they became payable. Besides the above there are no undisputed amounts payable of Income Tax, Service Tax and other applicable statutory dues.
- c. According to the information and explanations given to us, there are no dues in respect of Service tax, Income tax, or other statutory dues that have not been deposited with the authorities on account of any dispute.
10. The company does not have any accumulated losses as at 31st March, 2011. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on the information and explanations given to us the company has not defaulted in repayment of dues to any financial institution or bank.
12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and to the best of our information and according to the explanations provided by the management we are of the opinion that the company is neither a Chit Fund nor a Nidhi / Mutual Benefit Fund/ Society. Therefore in our opinion the requirements of Clause 4(xiii) of the Companies (Auditors Report) Order 2003 do not apply to the company.
14. As per the records of the Company examined by us and the information and explanations given to us by the management, the company is not dealing or trading in shares, securities, debentures and other investments, therefore in our opinion Clause 4(xiv) of the Companies (Auditors Report) Order 2003 is not applicable to the company.
15. According to the information and explanations given to us, the company has extended guarantees for loans taken by a company under the same management from a bank. We are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interests of the company.
16. According to the information and explanations given to us and in our opinion, the term loans have been applied for the purposes for which they were obtained.
17. According to the information and explanations given to us and 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.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
19. During the period covered by our audit report the company has not issued any debentures.
20. The company has not put to use the money raised by a GDR issue except issue expenses and we are therefore not commenting on the end use of money from the GDR issue.
21. Based upon the audit, procedures performed and information and explanation given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

For **ANIL NAIR & ASSOCIATES**
Chartered Accountants
(Registration No. 000175S)

Place: Mumbai
Date: 23rd August, 2011

R. MOHAN
Partner
Membership No: 23022

Aqua Logistics Limited

BALANCE SHEET

	Schedule	As at 31 March 2011 ₹	As at 31 March 2010 ₹
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	299,990,950	205,414,950
Reserves and Surplus	2	4,936,057,591	2,064,670,688
		5,236,048,541	2,270,085,638
LOAN FUNDS:			
Secured Loans	3	397,092,311	296,990,744
Unsecured Loans	4	303,694,521	108,413
		700,786,832	297,099,157
Deferred Tax Liability		63,660,085	51,647,554
TOTAL		6,000,495,458	2,618,832,349
APPLICATION OF FUNDS			
FIXED ASSETS			
	5		
Gross Block		588,109,628	487,963,731
Less: Depreciation		71,403,614	34,089,241
Net Block		516,706,014	453,874,490
INVESTMENTS	6	456,075,857	98,937,500
CURRENT ASSETS, LOANS AND ADVANCES			
Sundry Debtors	7	1,556,318,066	1,032,393,765
Cash & Bank Balances	8	2,950,872,367	813,654,816
Loans & Advances	9	653,522,611	338,198,221
		5,160,713,044	2,184,246,802
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	10	138,641,471	110,943,267
Provisions	11	34,329,646	46,664,834
		172,971,117	157,608,101
NET CURRENT ASSETS		4,987,741,927	2,026,638,701
Miscellaneous Expenditure (to the extent not written off or adjusted)			
Deferred Revenue Expenditure (Refer Note 11)		39,971,660	39,381,658
TOTAL		6,000,495,458	2,618,832,349
Significant Accounting Policies	16		
Notes to Accounts	17		
The schedules referred above form an integral part of the Balance sheet			

As per our report of even date

For Anil Nair & Associates

Chartered Accountants
(Regn No. : 000175S)

R Mohan

Partner M.No 23022

Place: Mumbai

Date: 23rd August, 2011

For and on behalf of the Board of Directors

Rajesh G. Uchil
Chairman

M. S. Sayad
Vice Chairman

Harish G. Uchil
Managing Director & CEO

Bhupendra N. Shah
Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	For the year ended March 31, 2011 ₹	For the year ended March 31, 2010 ₹
INCOME			
Income from Operations		3,808,793,447	3,220,120,981
Other Income	12	12,979,747	3,721,442
		3,821,773,194	3,223,842,423
EXPENDITURE			
Freight & Other Direct Expenses		3,267,881,762	2,724,242,007
Personnel Cost	13	83,322,736	109,185,983
Administrative Expenses	14	104,392,351	62,435,001
Interest & Financial Charges	15	72,500,339	51,664,387
Depreciation	5	38,837,255	14,903,293
		3,566,934,443	2,962,430,671
Profit before taxation and prior period items		254,838,751	261,411,752
Less:			
Provision for Taxation including MAT		37,500,000	47,300,000
Provision for taxation relating to earlier years		4,769,826	-
MAT Credit Entitlement		(23,344,130)	(12,000,000)
Provision for Deferred Tax		12,012,531	20,700,000
		30,938,227	56,000,000
Profit after Tax carried over to Balance Sheet		223,900,524	205,411,752
Earnings per Share (Refer Note 10) (Calculated on Weighted Average basis)			
Basic		1.02	14.35
Diluted		1.02	14.35
Significant Accounting Policies	16		
Notes to Accounts	17		

As per our report of even date

For Anil Nair & AssociatesChartered Accountants
(Regn No. : 000175S)**R Mohan**

Partner M.No 23022

Place: Mumbai**Date: 23rd August, 2011****For and on behalf of the Board of Directors****Rajesh G. Uchil**
Chairman**M. S. Sayad**
Vice Chairman**Harish G. Uchil**
Managing Director & CEO**Bhupendra N. Shah**
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

	For the Year ended 31-03-2011 ₹	For the Year ended 31-03-2010 ₹
(A) Cashflow from operating activities		
Net profit/(loss) before tax and extraordinary items	254,838,751	261,411,752
Adjustments for		
Depreciation	38,837,255	14,903,293
Interest Income	(12,708,916)	(3,714,862)
Profit on Sale of Asset	(243,596)	-
Dividend Income	(27,235)	(6,580)
Interest on borrowings	67,559,723	46,764,489
Operating profit before working capital changes	348,255,982	319,358,092
Changes in working capital		
(Increase)/Decrease in Trade and other receivables	(523,924,301)	(435,134,538)
(Increase)/Decrease in Loans and Advances	(315,324,390)	(182,306,900)
Increase/(Decrease) in Trade and other payables	28,484,302	41,090,257
Net changes in working capital	(810,764,389)	(576,351,181)
Cash generated from operations	(462,508,407)	(256,993,089)
Direct taxes paid	(32,046,982)	(33,701,157)
Net cash from operating activities(A)	(494,555,389)	(290,694,246)
(B) Cashflow from investing activities		
Purchase of fixed assets / change in capital work in progress	(101,425,183)	(341,277,150)
Deferred Revenue Expenditure	(590,002)	(25,202,360)
Interest received	12,708,916	3,714,862
Net cash used in investing activities(B)	(89,306,269)	(362,764,648)
(C) Cashflow from financing activities		
Interest paid on borrowings	(67,559,723)	(46,764,489)
Proceeds from long term borrowings	403,687,675	(100,287,683)
(Increase)/Decrease in Investments	(357,138,357)	9,530,345
Dividend Income Received	27,235	6,580
Repayment of borrowings	-	(508,868)
Issue of Equity Shares and Securities premium there on	2,742,062,379	1,490,191,612
Net cash used in financing activities (C)	2,721,079,209	1,352,167,497
Net increase/(decrease) in cash and cash equivalents (A+B+C)	2,137,217,551	698,708,603
Cash and cash equivalents at the beginning of the year	813,654,816	114,946,213
Cash and cash equivalents at the close of the year	2,950,872,367	813,654,816
Cash and cash equivalents comprise of		
Cash balance	404,437	555,947
Bank balance	2,950,467,930	813,098,869
	2,950,872,367	813,654,816

As per our report of even date

For Anil Nair & Associates

Chartered Accountants

(Regn No. : 000175S)

R Mohan

Partner M.No 23022

Place: Mumbai

Date: 23rd August, 2011

For and on behalf of the Board of Directors

Rajesh G. Uchil

Chairman

M. S. Sayad

Vice Chairman

Harish G. Uchil

Managing Director & CEO

Bhupendra N. Shah

Company Secretary

	As at 31 March 2011 ₹	As at 31 March 2010 ₹
SCHEDULE - 7		
SUNDRY DEBTORS		
Debts outstanding for a period exceeding six months, unsecured and considered good	40,575,945	50,618,904
Other Debts, Unsecured and considered good	1,515,742,121	981,774,861
	1,556,318,066	1,032,393,765
SCHEDULE - 8		
CASH & BANK BALANCES		
Cash on hand	404,437	555,947
Balances with Scheduled Banks		
In Deposit Account	188,209,601	759,065,000
In Current Account	16,560,632	47,501,452
Interest Accrued	1,882,237	6,532,417
	206,652,470	813,098,869
Balances with Non-Scheduled Banks		
In Deposit Account	2,739,859,082	-
In Current Account	3,956,378	-
(Euram Bank Limited, Luxembourg), Maximum balance outstanding during the year ₹ 282,48,59,778 (Previous year NIL)	-	-
	2,743,815,460	-
	2,950,872,367	813,654,816
SCHEDULE - 9		
LOANS & ADVANCES		
(Unsecured & considered good)		
Advance Receivable in Cash or in Kind or Value to be received	303,208,667	100,270,791
Deposits		
With Govt Bodies	22,000	14,017
With Others	13,690,500	12,013,551
Inter-Corporate	329,100,000	193,000,000
Due from subsidiaries	29,906	-
Income Tax Refund Due	-	3,536,704
Advance Income Tax & Tax Deducted at Source	7,471,538	29,363,158
	653,522,611	338,198,221

NOTES FORMING PART OF THE ACCOUNTS

SCHEDULE – 16 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1. System of Accounting

a) The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act 1956.

b) The financial statements have been prepared under the historical cost convention on accrual basis of accounting. The accounting policies have been consistently applied by the Company and are in line with those used last year.

2. Fixed Assets

Fixed assets are stated at historical cost less accumulated depreciation and impairment losses if any. Cost comprises of the purchase price and any cost attributable bringing the asset to its working condition for its intended use. Capital work in progress is stated at cost.

3. Depreciation/ Amortization/ Impairment

a) Depreciation is provided on fixed assets on straight line basis in accordance with the rates prescribed in Schedule XIV of the Companies Act 1956.

b) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal and external factors. An impairment loss is recognized wherever the carrying amount of assets exceeds its recoverable amount. The recoverable amount is the greater of the assets' net selling price and the value in use. In assessing value in use the estimated future cash flows are discounted to their present value at the weighted average cost of capital

4. Investments

Investments are classified into long-term investments and current investments. Long term investments are carried at cost. Provision for diminution in value of such investments is made only if such a decline is other than temporary. Current investments are valued at cost.

5. Inventories

The company is in the business of rendering services and hence does not hold any inventories.

6. Foreign Currency Transactions

a) Transactions in foreign currency are recorded at the rates prevailing on the date of the transaction. Gain/ loss on exchange due to fluctuation in exchange a rate arising out of payment / realization during the year has been dealt with in the Profit and Loss account

b) Monetary assets and liabilities denominated in foreign currency as at the balance sheet date are translated at the exchange rates prevailing at the year end; the resultant exchange differences are recognized in the profit and loss account except in case of exchange differences arising on translation of non monetary items which form part of Company's net investment which is accumulated in a 'Foreign Currency translation reserve' until its disposal.

7. Employee Benefits

Contributions to defined contribution schemes such as provident fund are charged to profit and loss account as incurred. Provision for Gratuity is made based on estimated accrued liability as at the Balance Sheet date. Bonus and Leave encashment are provided on accrual basis.

8. Deferred Revenue Expenditure

The Company has incurred expenditure towards advertisement and publicity to build the brand of the company in logistics space. In the opinion of the management, the benefit of this exercise is expected to accrue over an extended period and is not exhausted during the period covered by the Profit and Loss Account and such major expenditure has been treated as deferred revenue expenditure and would be charged to profit and loss account over a period of five years commencing from the current accounting year 2010-2011.

9. Share Issue Expenses

The company successfully completed issue of Global Depository Receipts (GDRs) during the year and the expenses incurred in connection with the said issue are adjusted against securities premium account.

10. Intangible Asset

Depreciation on Customs House Agency License is not being provided. Since the company has the intention of being in business, well beyond 10 years, and the logistics business cannot be carried on without the C.H.A. license, the useful life of the asset will exceed the rebuttable presumption of 10 years under AS 26 on Intangible Assets.

11. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be readily measured. Income from operations mainly comprises of Income from the following heads namely International Freight Forwarding, Customs House Agency works, Warehousing etc. representing the gross value of services rendered by the company to its customers. It also includes income from foreign branches which are based on the statement of accounts received from the agents. Income is accounted when services are completed in accordance with the contracts entered into with the customers.

12. Accounting for taxes on income

- a) Provision for current tax is made based on the tax payable under the current provisions of the tax laws applicable in the jurisdiction where the income is assessable and after considering the Double Taxation Avoidance Agreement with the respective countries.
- b) Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and tax laws enacted as on the Balance Sheet date.

13. Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as a 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 revenue.

14. Provisions

- a) A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which reliable estimates can be made.
- b) Provisions are not discounted to its present value and are determined based on best management estimates required to settle the obligations at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best management estimates.

15. Segment Reporting

The company is engaged in only one segment of business which is International Freight Forwarding and Customs House Agency work the risk and returns of which are similar.

16. Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known/materialized.

17. Contingencies

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of Notes to financial statements.

18. Earnings Per Share

The company reports basic and diluted earnings per share in accordance with Accounting Standard 20. Basic earnings per share are computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

SCHEDULE – 17 NOTES TO ACCOUNTS

1. Secured Loans from banks comprise of

- Secured Overdraft of ₹ 29,96,78,668 from Bank of India is secured by a first charge by way of equitable mortgage on company's immovable properties comprising land and buildings and other structures now or hereafter to be erected and fixed machinery and plant, fixtures and fittings now or hereafter to be erected or installed thereon and personal guarantees of the directors.
- Secured Overdraft from Yes Bank of ₹ 2,00,29,397 is secured by fixed deposits.
- Vehicle loans from banks amounting to ₹ 7,09,77,088 are secured by the respective assets acquired under their assistance and personal guarantees of the directors.

2. Unsecured Loan

Unsecured Loan from others includes amount due for not more than one year of ₹ 30Crore (Previous Year Nil) due to SICOM Limited which is guaranteed by three Directors of the Company.

3. Earnings & Expenditure incurred in foreign Currency during the year

- Earnings in Foreign Exchange

(₹ In Lakhs)

Particulars	2010 – 11	2009 – 10
Service Income	25,165.23	19,483.62

- Expenditure in Foreign Currency

(₹ In Lakhs)

Particulars	2010 – 11	2009 – 10
Cost of Services	21,190.92	18,795.10
Professional Charges (including Issue Related Expenses)	844.57	-
Travelling	29.19	11.47

4. Auditors Remuneratio

(₹ In Lakhs)

Particulars	2010 – 11	2009 – 10
As Auditors	7.50	6.00
For Other Services	0.45	-

5. Managerial Remuneration paid

(₹ In Lakhs)

Particulars	2010 – 11	2009 – 10
Salary and other allowances	102.00	98.60
Perquisites	1.18	1.18
Sitting Fees	0.65	-
Total	103.18	99.78

6. Loans and advances include a sum of ₹ 1,735.14 lakhs advances towards share subscription and advance for services (maximum amount outstanding during the year ₹ 1,735.14 Lakhs).

7. Contingent liability not provided for:-

- Claims against the company not acknowledged as debts ₹ 89 lakhs (Previous Year – ₹ 89 lakhs)
- Bills discounted and purchased as ₹ 1,580 lakhs.
(Previous Year – ₹ 960 lakhs)
- In respect of counter guarantees given to Bankers ₹ 310 lakhs
(Previous Year – Nil)

8. Disclosure of Related Party Transactions as per AS 18

During the year, the Company entered into transactions with the following related parties. Those transactions along with the related balances as at 31st March 2011 and for the year ended are given in the following table:

a) Enterprises in which Key Managerial Personnel have significant influence:

Harapa International Private Limited
Aqua Specialized Transport Private Limited
Aqua Management Consulting Group Private Limited
Trikon Electronics Private Limited
Lefworld Private Limited
Aqua PCW Private Limited
Aqua Star Distribution Logistics Private Limited

b) Key Management Personnel:

Mr. Harish G Uchil – Managing Director & Chief Executive Officer
Mr. Rajesh. G. Uchil – Whole Time Director
Mr. M S Sayad – Whole Time Director

c) Relatives of Key Management Personnel:

Mr. Gopalakrishna G Uchil
Mrs. Parvathi Uchil

Aqua Logistics Limited

Transactions with related parties are as follows

(₹ in Lakhs)

Name of the Party	Relationship	Nature of Transaction	Transactions during the year	Balance as on 31/03/2011
Harapa International Private Limited	Enterprises in which Key Managerial Personnel have significant influence	Advance towards Share Capital	139.97	170.00
		Advance towards services	3.73	3.73
Aqua Specialised Transport Private Limited	Enterprises in which Key Managerial Personnel have significant influence	Advance towards Share Capital	497.30	580.00
		Advance towards services	7.42	7.42
Aqua Management Consulting Group Private Limited	Enterprises in which Key Managerial Personnel have significant influence	Advance towards Share Capital	357.98	700.00
		Advance towards services	6.88	6.88
Lefworld Private Limited	Enterprises in which Key Managerial Personnel have significant influence	Advance towards Share Capital	40.00	40.00
		Advance towards services	1.16	1.16
Aqua PCW Private Limited	Enterprises in which Key Managerial Personnel have significant influence	Advance towards services	0.11	0.11
Aqua Star Distribution Logistics Private Limited	Enterprises in which Key Managerial Personnel have significant influence	Subscription Towards Share Capital	40.00	40.00
		Advance towards Share Capital	225.00	225.00
		Advance towards services	0.84	0.84
Aqua Logistics (M) SDN BHD	Wholly owned subsidiary	Subscription towards Share Capital	277.71	277.71
Aqua Logistics HK Pvt Ltd	Wholly owned subsidiary	Subscription towards Share Capital	3,196.08	3,196.08
Aqua Logistics FZE	Wholly owned subsidiary	Subscription towards Share Capital	18.49	18.49
		Advance towards Share Capital	902.72	902.72
Mr. Rajesh. G. Uchil	Key Management Personnel	Rent Paid	4.86	-
		Remuneration	36.00	-
Mr. Harish. G. Uchil	Key Management Personnel	Rent Paid	4.86	-
		Remuneration	30.00	-
Mr. M. S. Sayad	Key Management Personnel	Rent Paid	13.57	-
		Remuneration	36.00	-
Mr. Gopalakrishna. G. Uchil	Relative of Key Management Personnel	Rent Paid	3.78	-
Mrs. Parvathi Uchil	Relative of Key Management Personnel	Rent Paid	4.32	-

9. The deferred tax liability comprises the following:

	Deferred Tax (Asset)/ Liability as at 01.04.2010	Current Year Charge /(Credit) ₹	Deferred Tax (Asset)/ Liability as at 31.03.2011
Deferred Tax Liabilities			
i) Difference between book and tax depreciation	5,16,47,554	1,20,12,531	6,36,60,085
Deferred Tax Assets			
i) Difference between book and tax depreciation	-	-	-
Total	51,647,554	1,20,12,531	6,36,60,085

10. Earnings Per Share

Earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year. The face value of the shares has been reduced during the year from ₹10/- per share to ₹1 per share. Hence EPS for the years ended 31.3.2010 and 31.3.2011 are not comparable.

Particulars	2010-2011	2009-2010
Profit after tax	21,73,38,751	20,54,11,765
Weighted Average number of equity shares outstanding during the year	2,18,62,979	1,43,13,443
Earnings Per Share	1.02	14.35

11. Deferred Revenue Expenditure

The company embarked on an advertisement campaign and has spent ₹ 4,99,64,575 as at the year ended 31st March 2011. In the opinion of the management, the benefit of this exercise is expected to accrue over an extended period and is not exhausted during the period covered by the Profit and Loss Account and such major expenditure has been treated as deferred revenue expenditure and the same would be charged to profit and loss account over a period of five years commencing from accounting year 2010-11. Accordingly a sum of ₹ 99,92,915 was written off to profit and loss account during the year and the balance of ₹ 3,99,71,660 would be charged to profit and loss account in the subsequent years.

12. In respect of hire purchase transactions, the details of installments payable in future are as follows :

PARTICULARS	Not later than 1 year (₹ in Lakhs)	Later than 1 year not later than 5 years (₹ in Lakhs)
Minimum installment payable	301.12	449.41
Present Value of installment payable	274.23	361.53

13. In the opinion of the directors, all the current assets Loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated except as expressly stated otherwise

14. The Company has not received any memorandum (as required to be filed by the Supplier with the notified

Aqua Logistics Limited

authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March 2011 as Micro, Small or Medium Enterprises. Consequently the amount paid / payable to these parties during the year is NIL.

15. Parties account balances are subject to confirmation and reconciliation. However, the management does not expect any material variation.
16. Figures have been rounded off to the nearest rupee.
17. Previous year figures have been regrouped, reworked, re arranged and reclassified wherever necessary to conform to current year's classification.
18. Schedules '1 to 17' form an integral part of the Balance sheet as at March 31, 2011 and Profit and loss account for the year ended March 31, 2011 and have been duly authenticated.

As per our report of even date

For Anil Nair & Associates

Chartered Accountants
(Regn No. : 000175S)

R Mohan

Partner M.No 23022

Place: Mumbai

Date: 23rd August, 2011

For and on behalf of the Board of Directors

Rajesh G. Uchil
Chairman

M. S. Sayad
Vice Chairman

Harish G. Uchil
Managing Director & CEO

Bhupendra N. Shah
Company Secretary

Balance Sheet Abstract and Company's General Business Profile**I. Registration Details:**

Registration No. 1 2 1 8 0 3 State Code 1 1

Balance Sheet Date 3 1 0 3 2 0 1 1

II. Capital Raised during the year (amount in Rs. Thousand)

Public Issue N I L Rights Issue N I L

Bonus Issue N I L Private Placement N I L

GDR Issue: 9 4 5 7 6

III. Position of Mobilisation and deployments of funds (amount in Rs. Thousand)

Total Liabilities 6 0 0 0 4 9 5 Total Assets 6 0 0 0 4 9 5

Sources of Funds

Paid-up Capital 2 9 9 9 9 1 Reserves & surplus 4 9 3 6 0 5 7

Secured Loans 3 9 7 0 9 2 Unsecured Loans 3 0 3 6 9 5

Deferred Tax Liability 6 3 6 6 0

Application of Funds

Net Fixed Assets 5 1 6 7 0 6 Investments 4 5 6 0 7 6

Net Current Assets 4 9 8 7 7 4 2 Miscellaneous Expenditure 3 9 9 7 1

Accumulated Losses N I L

IV. Performance of the Company (amount in Rs. Thousand)

Turnover 3 8 2 1 7 7 3 Total Expenditure 3 5 6 6 9 3 4

+ (-)Profit / (Loss) before tax 2 5 4 8 3 9 + (-)Profit / (Loss) after tax 2 2 3 9 0 1

Earning Per share 1 . 0 2 Dividend (%) N I L

V. Generic Names of two principal Services of Company (as per monetary terms)

Freight Forwarding
Project Logistics

Rajesh G Uchil
Chairman

M. S. Sayad
Vice Chairman

Harish G. Uchil
MD & CEO

Bhupendra Shah
Company Secretary

Registered & Corporate Office: 5th Floor, B-Wing, Trade Star, Andheri-Kurla Road, Andheri (E), Mumbai – 400059

ATTENDANCE SLIP

Reg. Folio / DP ID & Client ID	
Name and Address of the Shareholder	

- I hereby record my presence at the TWELFTH ANNUAL GENERAL MEETING of the company being held on Friday, September 30, 2011 at 10.00 a.m. at Crystal Hall, VITS Hotel, Andheri Kurla Road, Andheri (E), Mumbai 400059.
- Signature of the Shareholder / Proxy Present
- Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.
- Shareholder/Proxy holder desiring to attend the meeting may bring his/her copy of the Annual Report for reference at the meeting.

NOTE: PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING

Aqua Logistics Limited

Registered & Corporate Office: 5th Floor, B-Wing, Trade Star, Andheri-Kurla Road, Andheri (E), Mumbai – 400059

PROXY FORM

FOR OFFICE USE ONLY	
REGD. FOLIO / DP ID & CLIENT ID.	
PROXY NO.	
NO. OF SHARES	

I/We _____ of _____ in the district of _____ being a member / members of Aqua Logistics Limited, hereby appoint _____ of _____ in the _____ or falling him _____ of _____ in the district of _____ or falling _____ of _____ in the district of _____ as my / our proxy to attend and vote for me / us on my/ our behalf at the TWELFTH ANNUAL GENERAL MEETING of the company being held on Friday, September 30, 2011 at 10.00 a.m. at Crystal Hall, VITS Hotel, Andheri Kurla Road, Andheri (E), Mumbai 400059 and any adjournment thereof.

Signed this _____ day of _____ 2011.

Signature _____



NOTE: The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.



Aqua Logistics Limited

Registered Office & Corporate Office

5th Floor, B-Wing, Trade Star, Andheri-Kurla Road,

Andheri (E), Mumbai - 400059, Maharashtra

www.aqualogistics.com