



Enabling
Global
Businesses

Aqua Logistics Limited

13th Annual General Meeting

Day & Date : Saturday, September 29, 2012

Time : 10.00 a.m

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

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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. S. S. Balakrishnan	Independent Director
Mr. Ravi Sharma	Independent Director

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

5/14, Malad CHS,

Poddar Road, Opp. Saraf Hall,

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

Delhi Office

Khasra No. 616 (4-3)Rangapuri,
Mahipalpur,
New Delhi – 110037

Chennai Office

31, VGP Murphy Square,
GST Road, St. Thomas Mount,
Chennai - 600016

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)

Aqua Logistics Limited

Notice

NOTICE is hereby given that the 13th Annual General Meeting of the Members of Aqua Logistics Limited will be held on Saturday September 29, 2012 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, 2012 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.S.S.Balakrishnan 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.

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

**Place: Mumbai
Date: 4th September, 2012**

**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 details 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 31st August, 2012.
 9. Annual Report is available in the Investor Relations Section of our company website www.aqualogistics.com
 10. The Register of Members of the Company will remain closed from 22nd day September 2012 to 29th day September, 2012 (both days inclusive).
 11. Members are requested to:
 - (a) Notify the change in address if any, with Pin Code immediately to the Company. (In case of shares held in physical mode)
 - (b) Bring their copy of the Annual Report and Attendance Slip with them to 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 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. 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
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Communication through electronic mode to the e-mail addresses, which are registered for the purpose from time to time. The Company requested 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.

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

**Place: Mumbai
Date: 4th September, 2012**

**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. S.S.Balakrishnan
Age	58
Date of appointment	December 05, 2011
Expertise in functional areas	Long standing experience in the field of Arbitration.
Name of the companies in which he holds Directorship /Committee Memberships	NIL

Director's Report

To,
The Members of Aqua Logistics Limited

Your Directors are pleased to present the Thirteenth Annual Report of the Company along with Audited Statement of Accounts for the period ended on 31st March, 2012.

FINANCIAL HIGHLIGHTS

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

(₹. in Lacs)

Particulars	For the year ended 31-03-2012	For the year ended 31-03-2011
Sales & Other Income	31298.97	38215.29
Profit Before Depreciation, Interest and Taxes	1735.95	3661.76
Interest and Financial Charges	1178.27	725.00
Depreciation	386.84	388.37
Profit before Tax	170.84	2548.39
Provision For Tax	40.00	141.56
Deferred Tax Liability	15.47	120.13
Profit after Tax Before Prior Period Item (NET)	115.37	2286.70
Prior Period Items (NET)	0.00	47.70
Profit After Tax	115.37	2239.00
Profit brought forward from Previous Year	6038.37	3,799.37
Profit carried to Balance Sheet	6153.74	6038.37

REVIEW OF OPERATIONS

During the year, your Company has registered Income from operations of Rs.31,035.01 lacs as compared to Rs. 38,087.93 lacs in the previous year.

Profit before Depreciation, Interest and Tax (PBDIT) has decreased from Rs. 3661.76 lacs for the year ended March 31, 2011 to Rs. 1735.95 lacs showing the decrease of 52.59%. During FY 2012, your Company has recorded PBDIT of 5.55% of the income from operations as against 9.58% during FY 2011. The reduction in operating margin is due to decrease in income from operation..

During the year, Profit after Tax (PAT) has decreased from Rs. 2239.00 lacs for the FY 2011 to Rs. 115.37 lacs in FY 2012 due to decrease in income from operations. During FY 2012 your Company recorded PAT margin of 0.37% as against 5.86% for FY 2011.

The Directors of your Company are currently doing their best to improve the Company's earning and the results show up in the ensuing quarters.

BUSINESS & FUTURE OUTLOOK

Business is not usual due to the changing trends and volatile market conditions. Your Company is making enormous efforts to streamline all its business verticals; be it Distribution of Resources to various verticals or the strategy itself. Allocation of resources is currently being done based on the latest information and purely based on cash-flows. The expected effect is to increase in our clientele base and to improve customer satisfaction, trust and collaborate more with

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clients on their specific demands and requirement. This is truly a differentiator at Aqua Logistics Limited.

Changes are taking place as you are reading this on Strategic Level, Operational & Tactical Levels. Aqua Logistics has gone through all the different eras starting from just being a logistics support provider on to becoming a truly world class SCM Company. Aqua Logistics understands the need to specialize and is poised to becoming a fully integrated SCM Company so that more and more clients stay focused on their core competencies and let the SCM handled by Aqua Logistics. More focus being laid on understanding Customer's manufacturing, installation and service management processes. So, the focus for the future shall be on controlling cost and improving services of customers. Special Focus shall be laid on productivity measures to utilize more of our capacities and all the above with unmatched speed and efficiency is assured to our clients and investors.

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.

SUBSIDIARY COMPANIES

In accordance with the General Circular no. 2/2011 File no. 51/12/2007-CL-III dated 8th February, 2011 issued by the Ministry of Corporate Affairs, Government of India, granting general exemption to the Companies Under Section 212 (8) of the Companies Act, 1956 the Balance Sheet, Profit and Loss Account and other Reports and statement of the Subsidiary Companies are not being attached with the Balance Sheet of the Company. A summary of the financial information of the subsidiary companies is also attached to the Annual Report of the Company.

AMOUNT TO BE CARRIED TO RESERVES

Since it is not proposed to declare any dividend, the entire amount of Rs. 115.37 lacs 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. S.S. Balakrishnan who has appointed to fill the casual vacancy which was arising out of resignation of Mr. V.S. Narayanan is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, have offered himself for reappointment.

Mr. V. S. Narayanan resigned as Director with effect from 5th December, 2011 due to his personal works. The Board placed on record appreciation of his service to the Company during his tenure of directorship.

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, 2012, 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, 2012 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 ₹ 278.96 lacs (Previous Year ₹ 61.87 lacs) as against Expenditure incurred in Foreign Currency of ₹ 238.05 Lacs (Previous Year ₹ 936.17 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

None of employees has received remuneration/salary exceeding the limit as stated in Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

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: 4th September, 2012

Chairman

Management Discussion and Analysis

1. Economic Outlook

The growth prospects of the logistics industry are linked to the macro-economic indicators of the country such as GDP, domestic consumption, exports, and imports. With the Indian economy aiming to achieve a GDP growth rate of 9 %, which in turn would augment the growth of its international trade, the logistics industry in the country will grow further in importance. India's Gross Domestic Product at constant prices has almost quadrupled in the last two decades. From a slower average annual growth rate of 5.6% in the 1990s to a moderately faster average annual growth rate of 7.7% in the first decade of 2000, the growth journey has excited many investors both in India and abroad. The latter part of 2000s particularly in the period 2008-09 to 2010-11 recorded an average annual growth of 8.3%

The slowdown we witnessed in 2011-12 is expected to be temporary as the fundamentals of Indian economy are evaluated to be strong with high investment rate of 36% and growing domestic demand. IMF Economic Outlook forecasts the Indian GDP to be growing at 8.1% till 2016.

Indian Logistics Industry

Logistics cost in India is estimated to be 13% of GDP, which is much higher than the developed economies like USA which spends around 10% of its GDP as logistics cost and Japan which spends 11% of its GDP for the same. The reason for this high spending is attributed to poor infrastructure facilities, lack of implementation of IT in logistics and unnecessary check points at the National highways which wastefully increases the transportation costs. India can save upto US\$ 7.13 Billion each year in the event of a reduction in logistics cost by 1%.

Indian logistics industry is approx. 3% of the global logistics and is highly fragmented so far. Logistics industry comprises of three major segments - transportation, storage and value added services. Based on the analysis of various sub - segments in the Indian context on various comparative factors, Companies in the storage and the value added service segments are well - placed to capitalize on growing Indian economy.

Growth Drivers

The evolving business landscape and increasing competition across industries, is creating the need for more efficient and reliable logistics services than what exists today. The growth drivers for the Industry can be summarized as follows –

- **GDP growth and rise of 3PL services** – Most companies across industries like automotive, electronics, FMCG and pharmaceutical sectors are increasingly opting to outsource their logistics requirements to specialized 3PLs. This has created a demand for a range of logistics services which will benefit the productivity and efficiency of the customers supply chains.
- **Investments in infrastructure** – Given the current thrust on infrastructure investments, the growth and efficiency of Logistics Service Providers as well as their customers will be positively impacted. The government has planned investments in infrastructure development amounting Rs 20,00,000 Crore in the next 5 years. This will prove to be a major benefit for the logistics industry.
- **Qualified work force** – There has been a sudden transformation in the scale and scope of activities within the logistics sector. This growth rate needs to be supported with a parallel growth of skilled and trained manpower. Attracting and retaining talent is a major problem faced by Companies in the logistics business. There is a need to incorporate a high degree of professionalism in the functioning and approach of the Companies in this business.
- **GST Implementation to Accelerate India's growth on Logistics front** - Goods & Services Tax (GST) to be implemented in FY13 would do away with multiple taxations and other complexities that the logistics providers have

to deal with in different states of India. This will boost investments in large warehouses with latest technologies thereby gaining economies of scale. This in turn will increase the attractiveness of integrated logistics companies, which can provide end - to - end logistics solutions.

- **Emergence of new Storage Models** – Several players in India such as Multimodal Logistics Park (MMLP), Mega Food Parks (MFP) and Free Trade Warehousing Zones (FTWZ), have announced next generation storage models. These large scale projects are expected to significantly improve the quality of warehousing and storage space in the Country, while allowing the Customers to reduce costs through economies of scale, government incentives offered and optimal usage of multiple modes of transportation.

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.

Your Company has a well-established risk management framework which covers aspects of financial and operational controls. Risks are identified through formal Risk management discussions with the active involvement of functional managers and senior management personnel at both operational and corporate level.

Internal Control Systems and their adequacy

Your Company has appropriate internal control system for business processes, with regards to efficiency of operations, financial reporting, compliance with applicable laws and regulations.

Clearly defined roles and responsibilities down the line for all managerial positions have been institutionalised. All operating parameters are monitored and controlled. The Company has also put in place a well - defined organisation structure, clear authority levels and detailed internal guidelines for conducting business transactions.

Material developments in Human Resources

People are one of your Company's biggest strength. Your Company has been able to fine-tune talent with modern technologies and ever changing corporate environment. Your Company firmly believes that people make the organisation and that a sense of belonging would inculcate the spirit of dedication and loyalty amongst them. Your Company recruits professionals of high academic achievement, experience and behavioural competencies across operations, supply chain consulting and marketing functions.

Cautionary Statement

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates and other issues may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections, and so on, whether express or implied. Several factors could make a significant difference to the Company's operations. Important development that could affect your Company's operations include climatic conditions, macro-economic conditions affecting demand and supply, government regulations, taxation, natural calamities and so on, over which the Company does not have any direct control.

Aqua Logistics Limited

CORPORATE GOVERNANCE REPORT

I. MANDATORY REQUIREMENTS

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 Eight Board Meetings as under:

Sr.No.	Board Meeting Date
1.	21 st April 2011
2.	14 th May 2011
3.	13 th August 2011
4.	23 rd August 2011
5.	14 th November 2011
6.	5 th December, 2011
7.	6 th January, 2012
8.	14 th February 2012

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, 2012 are set out below:

Name of the Director	Category of Directorship#	No. of Board Meetings attended out of Eight held	Attendance at last AGM held on 30 September, 2011.	No. of Directorships in Companies incorporated in India including Aqua Logistics Limited (excluding Private Companies)
Mr. Rajesh G. Uchil	WTD	07	YES	1
Mr. M.S.Sayad	WTD	08	YES	1
Mr. Harish G.Uchil	MD	08	YES	1
Mr.V.S.Narayanan	NED – I Resigned w.e.f.05.12.2011	03	NO	1

Mr.B.S.Radhakrishnan	NED – I	03	NO	1
Mr. Ravi Sharma	NED – I	05	YES	1
Mr. S.S. Balakrishnan	NED – I Appointed on Board on 05.12.2011	01	NO	1

WTD – Whole Time Director

NED -I– Non Executive Director – Independent

3. REAPPOINTMENT OF DIRECTORS:

MR. S.S. BALAKRISHANAN:

Mr. S.S. Balakrishnan was appointed as a Director in casual vacancy who retire by rotation and being eligible offers himself for re-appointment in accordance with the Companies Act, 1956 and the Companies's Article of Association.

Mr.S.S.Balakrishnan holds a Bachelors degree in commerce and is also qualified Chartered Accountant. Currently, he is practicing independently .He has long standing experience in the field of Arbitration.

Mr.S.S.Balakrishnan does not hold any equity shares in the Company.

COMMITTEE MEMBERSHIPS:

1. Aqua Logistics Limited:

Shareholders'/Investors' Grievances Committee

/Share Transfer Committee

Remuneration Committee

Chairman

Member

4. AUDIT COMMITTEE:

- During the period under review, the Audit Committee held Five Meeting, the dates being as follows:
 - 14th May, 2011
 - 13th August, 2011
 - 23rd August, 2011
 - 14th November, 2011
 - 14th February, 2012
- 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	5
Mr.B.S.Radhakrishnan	4
Mr. Harish G. Uchil	5

- 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.

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- 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 Financial Year Ended 31st March, 2012 the Remuneration Committee held one meeting on 13th August, 2011.
- The details of composition of the Remuneration Committee and the attendance of Remuneration Committee Meeting by each member, are as follows:

NAME	DESIGNATION	CATEGORY	ATTENDANCE AT MEETING
Mr. B.S. Radhakrishnan	Chairman	Independent Director	Yes
Mr. V.S. Narayanan	Member	Independent Director	Yes
Mr. Ravi Sharma	Member	Independent Director	Yes

- The details of the remuneration paid/payable to the Directors during the period ended 31st March, 2012 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	--	--	10,000	10,000
Mr. V. S.Narayanan	--	--	7,500	7,500
Mr. Ravi Sharma	--	--	12,500	12,500
Mr. S.S. Balakrishnan	--	--	2,500	2,500

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 –
 - (i) 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.
 - (ii) Review complaints of the shareholders and action taken by the Company.
- During the period under review, the Shareholders Grievance Committee/Share Transfer Committee held Three Meeting, the dates being as follows:
 - (i) 13th August, 2011
 - (ii) 14th November, 2011
 - (iii) 14th February, 2012

- 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	2
Mr. B.S. Radhakrishnan	3
Mr. Ravi Sharma	3
Mr. S.S. Balakrishnan	1

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 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 01.04.2011 to 31.03.2012 are give below:-

Description of Investor Grievances for the period from 01.04.2011 to 31.03.2012:

Nature of Complaint	No.Of Grievances
N/R of Refund Order	0
N/R of Demat Credit	1
N/R of Share Certificate	1
Correction in Refund Instrument	0
N.S.E.	0
B.S.E.	0
S E B I	0
Total Grievances attended	2
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
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

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30th September, 2011	VITS Hotel, Crystal Hall, Andheri - Kurla Road, Andheri (E), Mumbai – 400 059	10.00 a.m	Approval for Appointment & Remuneration of Whole-time Director/Managing Director
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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, 2012, 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:

- (i) The details of transactions with related parties are disclosed in Note no.35 of Notes to the Financial Statements.
- (ii) 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.
- (iii) 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, 2012, 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 two years 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, if any to the investors/analysts are also displayed on the Company's website.

11. CHIEF EXECUTIVE OFFICER (CEO) CERTIFICATION:

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

12. GENERAL SHAREHOLDER INFORMATION:

- **Annual General Meeting**

Date and Time	:	September 29, 2012 @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

June 30, 2012
September 30, 2012
December 31, 2012
March 31, 2013
Book Closure Dates

Tentative Schedule

2nd week of August, 2012
2nd week of November, 2012
2nd week of February, 2013
2nd week of May, 2013
September 22, 2012 to September 29, 2012 (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

29,93,32,600 Equity shares, representing 99.78% of the total Equity Capital were held in the Dematerialized form as on 31st March, 2012.

Outstanding GDRs as on March 31, 2012 represent 8,34,32,500 Equity Shares constituting 27.81% 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 – 2011	21.00	16.90
May – 2011	18.60	14.65
June – 2011	17.70	14.75
July – 2011	17.00	14.00
August – 2011	16.50	13.50
September – 2011	15.15	11.50
October – 2011	16.00	12.00
November – 2011	17.95	13.05
December – 2011	14.55	7.85
January – 2012	13.60	8.25

Aqua Logistics Limited

February – 2012	14.15	11.00
March – 2012	15.10	11.66

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

Month	High (₹)	Low (₹)
April – 2011	20.90	16.15
May – 2011	18.65	12.45
June – 2011	17.65	14.55
July – 2011	16.50	14.45
August – 2011	17.50	11.85
September – 2011	15.10	12.00
October – 2011	14.90	12.05
November – 2011	17.95	12.50
December – 2011	15.00	7.95
January – 2012	13.65	8.00
February – 2012	14.15	11.10
March – 2012	15.20	11.35

- **DISTRIBUTION OF SHARE HOLDING AS ON 31ST MARCH, 2012:**

No. of equity shares held	No. of Shareholders	%	No.of Shares	%
Up to 500	6842	72.6790	1233928	0.4113
501 to 1000	1112	11.8122	953338	0.3178
1001 to 2000	605	6.4266	950756	0.3169
2001 to 3000	206	2.1882	540708	0.1802
3001 to 4000	87	0.9242	316564	0.1055
4001 to 5000	90	0.9560	433221	0.1444
5001 to 10000	153	1.6252	1151196	0.3837
10001 and above	319	3.3886	294411239	98.1400
Total	9414	100.0000	299990950	100.0000

- **PATTERN AS ON 31ST MARCH, 2012:**

Category	No. Of Shares	%
Promoters	65233000	21.74
Relatives Of Director	11500000	3.83
Corporate Bodies(Promoter Co)	2666670	0.89
Other Bodies Corporate	63929233	21.31
Financial Institutions	9865430	3.29
Foreign Institutional Investor	30198618	10.07
Non Resident Indians	146058	0.05
Non Resident (Non Repatriable)	50450	0.02
Officer Bearers	690964	0.23

Clearing Member	3386405	1.13
Public	28891622	9.63
Global Depository Receipts	83432500	27.81
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, 2012.

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: 4th Sept., 2012

Harish G. Uchil
Managing Director & Chief Executive Officer

Aqua Logistics Limited

CEO CERTIFICATION

To,
The Board of Directors
Aqua Logistics Limited

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

I, Harish G. Uchil, MD & CEO certify to the Board that:

- a) I have reviewed financial statements and the cash flow statement for the year and that to the best of my 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 my 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) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d) I 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.

Harish G. Uchil
MD & CEO

Place: Mumbai
Date: 4th September, 2012

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, 2012 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, 2012 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: 4th September, 2012**

**Pankaj Desai
COP.NO.4098**

Aqua Logistics Limited

Auditors' Report

To
The Members of Aqua Logistics Limited
Mumbai

1. We have audited the attached Balance Sheet of Aqua Logistics Limited ("the company") as at 31st March 2012, Statement of Profit and Loss 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. *Without qualifying our opinion we state that no provision for employee benefits in accordance with AS 15 on Employee Benefits issued by the Institute of Chartered Accountants of India was made in the financial year as the existing provision at the beginning of the current year was adequate to cover the liabilities as at the year end.*
5.
 - a) *The company has not restated the bank balances in foreign currency held outside India in accordance with AS-11 on The Effects Of Foreign Exchange Rates issued by the ICAI as a result of which, the profit after tax for the year has been understated by Rs 919.92 lakhs, the bank balance has been understated by Rs 1361.74 lakhs and the EPS has been understated by Re. 0.31. Further, attention is drawn to point i(iii) of note 1 regarding non-recognition of foreign exchange gain / loss arising on account of transactions in the nature of advances towards acquisition of overseas capital assets. In our opinion, the said non-recognition does not have a bearing on the profits of the company.*
 - B) *We draw attention to Point (I) forming part of Note 1 to the financial statements regarding the accounting policy followed for treatment of advertisement expenditure as Deferred Revenue Expenditure, which is not in accordance with AS-26 on Intangible Assets issued by the ICAI. Consequently, the profit for the year has been understated by Rs 99.93 lakhs.*
 - C) *Parties' Account Balances are subject to confirmation and reconciliation and the consequential effects of the same on the profits, assets and liabilities of the company are not determinable.*
6. Further to our comments in the Annexure referred to in point 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 Statement of Profit & Loss dealt with by this report are in agreement with the books of account;
- d) *Except for the comments on non-compliance of AS 11 on Effects of Changes in Foreign Exchange rates and AS 26 on Intangible Assets as stated in point 5 above*, in our opinion, the Balance Sheet, Statement Profit & Loss 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, 2012 and taken on record by the Board of Directors, we report that none of the directors is prima facie disqualified as on 31st March 2012 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 our *comments in point 5 above and the consequential effects of the same on the financial statements of the Company which are not determinable*, the said Balance Sheet and the Statement of Profit and Loss 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 2012.*
 - ii) *In the case of the Statement Profit and Loss, 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: 04th September, 2012

R. MOHAN
Partner
Membership No: 23022

Aqua Logistics Limited

Annexure To The Auditors' Report

Referred to in the paragraph 3 of our report of even date on the accounts for the year ended ended 31st March, 2012 of Aqua Logistics Limited

1.
 - 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. In respect of statutory Dues, we report as under;
 - a. Based on the records of the company examined by us, the company has generally been regular in depositing undisputed taxes like Service Tax and all other applicable statutory dues except Tax Deducted At Source and Provident Fund where there has been a delay in depositing the same with the appropriate authorities as on 31st March 2012. However there are no arrears of Provident Fund as on 31st March 2012.
 - b. According to the information and explanations given to us and based on our examination of the company's books, the following dues are outstanding as on 31st March 2012 for a period of more than six months from the date they became payable.

Sr. No	Nature of Due	Amount Due (Rs)
1	Tax Deducted at Source	35.61 Lakhs

- c. According to the information and explanations given to us, there is a disputed amount of Rs. 291.02 Lakhs with respect to Income Tax payable for the Assessment Year 2009-10 pending with the Income Tax Appellate Tribunal. Besides the above there are no other statutory dues which have not been deposited on account of any dispute.
10. The company does not have any accumulated losses as at 31st March, 2012. 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 explanation given to us the company has defaulted in repayment of dues amounting to Rs. 2,983.41 lakhs to SICOM Ltd which fell due during November 2011 and the said default continues as on date.
 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 disclosed the end use of capital raised by way of issue of Global Depository Receipts during the financial year 2010-11 and the same has been verified by us with the information and explanation given to us.
 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: 04th September, 2012

R. MOHAN
Partner
Membership No: 23022

Aqua Logistics Limited

BALANCE SHEET AS AT MARCH 31, 2012

EQUITY AND LIABILITIES	Note	As at 31 March 2012	As at 31 March 2011
		₹ in Lacs	₹ in Lacs
SHAREHOLDERS' FUNDS			
Share Capital	2	2,999.91	2,999.91
Reserves and Surplus	3	49,155.80	48,960.87
Non-Current Liabilities			
Long Term Borrowings	4	308.98	519.51
Deferred Tax Liabilities (Net)	5	652.07	636.61
Current Liabilities			
Short-Term Borrowings	6	8,132.73	6,197.08
Trade Payables	7	1,436.28	1,354.14
Other Current Liabilities	8	444.80	323.55
Short-Term Provisions	9	327.29	343.30
TOTAL		63,457.86	61,334.97
ASSETS			
Non-Current Assets			
Fixed Assets	10		
Tangible Assets		4,093.61	4,036.28
Intangible Assets		399.47	399.47
Capital Work-in-progress		1,345.05	731.31
Non-Current Investments	11	5,440.89	4,508.65
Long-Term Loans and Advances	12	23,830.28	3,515.93
CURRENT ASSETS			
Current Investments	13	-	52.10
Trade Receivables	14	14,679.53	15,563.48
Cash and Cash Equivalents	15	9,436.94	29,508.72
Short-Term Loans and Advances	16	4,232.09	3,019.03
TOTAL		63,457.86	61,334.97

Significant Accounting Policies
Notes on Financial Statements 1 to 36
The accompanying Notes are an integral part of the financial statements

As per our report of even date

For Anil Nair & Associates
Chartered Accountants
Firm's Regn No. : 000175S

For and on behalf of the Board of Directors

Rajesh G. Uchil
Chairman

M. S. Sayad
Vice Chairman

R Mohan
Partner M.No 23022
Place: Mumbai
Date: 04th September, 2012

Harish G. Uchil
Managing Director & CEO

Bhupendra N. Shah
Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2012

		2011-2012 ₹ in Lacs	2010-2011 ₹ in Lacs
INCOME			
	Note		
Revenue from Operations	17	31,035.01	38,087.93
Other Income	18	263.96	127.36
Total Revenue (A)		31,298.97	38,215.29
EXPENDITURE			
Freight and Handling Expenses		28,243.34	32,678.82
Employee Benefit Expenses	19	618.58	833.22
Finance Costs	20	1,178.27	725.01
Depreciation and Amortization Expense	10	386.84	388.37
Other Expenses	21	595.48	939.40
Total Expenditure (B)		31,022.51	35,564.82
Profit Before Exceptional, Extraordinary Items and Tax (A-B)		276.46	2650.47
Exceptional Items :-			
Amortization of Advertisement expenses incurred in Prior period			
		99.93	99.93
Profit Before Extraordinary Items and Tax		176.53	2,550.54
Extraordinary Items :-			
Profit/(Loss) on Sale of Assets			
		(0.43)	2.44
Profit/(Loss) on Sale of Investments			
		(5.26)	(4.58)
Profit Before Tax		170.84	2,548.40
Tax expenses :-			
Current Tax			
		40.00	141.56
Deferred Tax			
		15.47	120.13
Provision for Taxation relating to earlier years			
		-	47.70
Profit after tax		115.37	2,239.01
Earnings Per Equity Share:			
Basic and Diluted (in Rs.)			
	31	0.04	1.02
Significant Accounting Policies			
Notes on Financial Statements			
	1 to 36		
The accompanying Notes are an integral part of the financial statements			

As per our report of even date

For Anil Nair & Associates

Chartered Accountants

Firm's Regn No. : 000175S

R Mohan

Partner M.No 23022

Place: Mumbai**Date: 04th September, 2012****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

Aqua Logistics Limited

CASH FLOW STATEMENT FOR THE YEAR 2011 - 2012

	As At March 31, 2012 ₹ in Lacs	As At March 31, 2011 ₹ in Lacs
(A) Cashflow from operating activities		
Profit Before Tax	170.83	2,548.39
Adjustments to reconcile profit before tax to cash provided by operating activities		
Depreciation	386.84	388.37
(Profit)/Loss on Sale of Assets	0.43	(2.44)
Finance Costs	1,147.33	675.60
Interest Income	(134.79)	(127.09)
Loss on Sale of Shares	5.26	4.58
Dividend Received	(0.13)	(0.27)
Amortized Advertised Expenses Charged to P & L	99.93	-
Operating Profit before Working Capital Changes	1,675.70	3,487.14
Changes in working Capital		
Trade and Other Receivables	883.95	(5,239.24)
Loans and Advances	(21,527.43)	(3,153.24)
Trade and Other Payables	203.38	284.84
Cash generated from Operations	(18,764.40)	(4,620.50)
Direct Taxes Paid	(56.01)	(320.47)
Net Cash from Operating Activities	(18,820.41)	(4,940.97)
(B) Cashflow from investing activities		
Purchase of Fixed Assets/ Change in Capital Work in Progress	(1,078.70)	(1,014.25)
Purchase of Investments	(885.39)	(3,575.96)
Deferred Revenue Expenditure	-	(5.90)
Interest Received	134.79	127.09
Dividend Received	0.13	0.27
Net cash used in investing activities	(1,829.17)	(4,468.76)
(C) Cashflow from financing activities		
Short Term Bank Borrowings/(Repayment)	1,725.13	4,036.88
Interest paid	(1,147.33)	(675.60)
Issue of Equity Shares	-	27,420.62
Net cash Used in Financing Activities	577.80	30,781.90
Net increase/(decrease) in Cash & Cash Equivalents	(20,071.79)	21,372.18
Opening Cash & Cash Equivalents	29,508.72	8,136.55
Closing Cash & Cash Equivalents	9,436.94	29,508.72

Note to the cash flow statement

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 on Cash Flow Statements.
- Figures in bracket indicate Cash outgo.

The accompanying Notes are an integral part of the financial statements

As per our report of even date

For Anil Nair & Associates

Chartered Accountants

Firm's Regn No. : 000175S

For and on behalf of the Board of Directors

Rajesh G. Uchil

Chairman

M. S. Sayad

Vice Chairman

R Mohan

Partner M.No 23022

Place: Mumbai

Date: 04th September, 2012

Harish G. Uchil

Managing Director & CEO

Bhupendra N. Shah

Company Secretary

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**Company overview**

Aqua Logistics Limited ("the Company") is a leading international freight forwarding Company. The Company provides end to end logistics services and has emerged as one of the strongest process driven logistics companies in India.

1. Significant Accounting Policies**a. Basis of preparation of financial statements:**

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act 1956. The Financial Statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in reporting and disclosure policies explained hereunder.

b. Change in Financial reporting Format under revised Schedule VI of the Companies Act, 1956:

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company for the preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

c. Use of Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material their effects are disclosed in the notes to the financial statements.

d. 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 service is completed in accordance with the contracts entered into with the customers.

Interest is recognised using time proportion method based on the rates implicit in the transaction. Interest income is included under the head "Other Income" in the Statement of Profit and Loss.

e. Fixed Assets:

Fixed Assets are stated at acquisition cost less accumulated depreciation and impairment losses if any. Direct costs are capitalized until the fixed assets are ready for use. Computer equipment includes bought out software.

Capital work in Progress is stated as Cost.

f. Depreciation and amortization:

Depreciation on fixed assets is provided under the straight line method. The depreciation rates prescribed

Aqua Logistics Limited

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

in Schedule XIV to the Companies Act, 1956 are considered as the minimum rates. Depreciation on additions to fixed assets has been calculated on pro-rata basis. Individual low cost assets (acquired for Rs. 5,000/= or less) are fully depreciated in the year of acquisition. The Company has used the following rates to provide depreciation

	Rates (SLM)	
Office Premises	1.63	%
Plant & Machinery	4.75	%
Office Equipment	4.75.	%
Furniture and fixtures	6.33	%
Vehicles -		
Motor Cars	9.50	%
Motor Trucks	11.31	%
Computer & Software	16.21	%

g. Impairment of Assets:

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

h. Inventories:

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

i. Foreign Currency Transactions:

- i. 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 rate arising out of payment / realization during the year has been dealt with in the Statement of Profit and Loss.
- ii. Monetary assets and liabilities denominated in foreign currency other than Bank balances with Euram bank held in U.S. Dollars as at the balance sheet date are translated at the exchange rates prevailing at the year-end. As a matter of prudence exchange gain on restatement of Bank balances in Euram bank has not been recognized due to subsequent and anticipated deployment in the same currency. All other fluctuation gains/losses on monetary assets and liabilities and the resultant exchange differences are recognized in the Statement of Profit and Loss.
- iii. In respect of advances paid in foreign currency out of bank balances held in overseas bank accounts towards advances for acquisition of capital assets outside India, the Company has not recognized exchange differences arising on account of the same to be accumulated in long term foreign currency Monetary Items Translation Reserve Pending completion of the acquisition of the capital asset in accordance with the notification no GSR 913(E) dated December 29, 2011 issued by the Ministry of Corporate Affairs. The company would reinstate the exchange gain or loss on completion of the capital asset acquisition in the coming financial year. The same does not have an impact of the profits of the company for the current year.

j. Investments:

Trade investments are the investments made to enhance the Company's business interests. Investments are either classified as current or long term based on Management's intention at the time of purchase. Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. Current investments are carried at the lower of cost and fair value of each investment individually. Long term investments are carried at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment. On disposal of an investment, the difference between it's carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**k. Employee Benefits:**

Contributions to defined contribution scheme such as Provident Fund are charged to Statement of Profit and Loss 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.

l. Deferred Revenue Expenditure

The company had 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 in the period in which the same was incurred. Such major expenditure has been treated as deferred revenue expenditure and is being charged to Statement of Profit and Loss over a period of 5 years commencing from the accounting year 2010-11. Accordingly, one fifth of the amount held under Unamortised Deferred Revenue Expenditure has been charged to Statement of Profit and Loss during the year.

m. Intangible Assets:

Depreciation on Custom House Agency Licence 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 licence, the useful life of the asset will exceed the rebuttable presumption of 10 years under Accounting Standard 26 on Intangible Assets.

n. Borrowing costs:

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.

o. Taxation:

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. 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.

p. Cash and cash equivalents:

Cash and cash equivalents comprise of Cash in hand, Balances in Current account and deposit accounts (including interest accrued on deposits) with Banks. The Company considers all highly liquid investments with a remaining maturity, at the date of purchase, of three months or less and that are readily convertible to known amounts of cash, to be cash equivalents.

q. Provisions:

Provisions are recognized when the Company has a present obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

r. Contingencies:

Liabilities which are material and whose future outcomes cannot be ascertained with reasonable certainty are treated as contingent. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent Assets are neither recognized nor disclosed in the Financial Statements.

s. Earnings Per Share:

The Company reports basic and diluted earnings per share in accordance with the Accounting Standard 20 issued by the Institute of Chartered Accountants of India. 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 share outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

Aqua Logistics Limited

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	As at 31 March 2012 ₹ in lacs	As at 31 March 2011 ₹ in lacs
2. SHARE CAPITAL		
Authorized		
Equity Shares of Rs. 1 par value 30,00,00,000 (31 March, 2011 : 30,00,00,000)	3,000.00	3,000.00
Issued, Subscribed and paid up		
Equity Shares of Rs. 1 par value, fully paid up 29,99,90,950 (31 March, 2011 : 29,99,90,950)	2,999.91	2,999.91
	2,999.91	2,999.91
2.1 The reconciliation of number of shares outstanding and the amount of share capital as at March 31, 2012 and March 31, 2011 is set out below	No. of Shares in lacs	No. of Shares in lacs
Equity shares of Rs. 1 par value, fully paid up		
At the beginning of the year	2999.91	2054.15
Add: Issued during the year	-	945.76
At the end of the year	2999.91	2999.91
The Company has only one class of shares referred to as equity shares having a par value of Rs. 1/-. Each holder of equity shares is entitled to one vote per share.		
2.2 The details of share holders holding more than 5 % shares in the company		
Name of the shareholder	No. of Shares % held in lacs	No. of Shares % held in lacs
Equity shares of Rs. 1 par value, fully paid up		
i) Deutsche Bank Trust Company Americas (8,34,32,500 equity Shares of Rs. 1 par value)	834.33 27.81%	945.76 31.53%
ii) Mr. Gopalkrishna G. Uchil (2,07,53,320 equity Shares of Rs. 1 par value)	207.53 6.92%	207.53 6.92%
iii) Mr. Rajesh G. Uchil (1,73,11,110 equity Shares of Rs. 1 par value)	1,73.11 5.77%	195.06 6.50%
iv) Mr. Harish G. Uchil (1,27,60,570 equity Shares of Rs. 1 par value)	127.61 4.25%	205.65 6.86%
3. RESERVES AND SURPLUS	₹ in lacs	₹ in lacs
Securities Premium Reserve		
Opening Balance	43,301.85	16,847.34
Add: Premium on Issue of Shares	-	27,427.04
Less: Issue Related Expenses	-	(972.53)
Total (A)	43,301.85	43,301.85
Foreign Currency Translation Reserve		
Opening Balance	20.36	-
Less: Adjusted during the year	(20.36)	20.36
Total (B)	-	20.36
Surplus		
Opening Balance	6,038.37	3,799.37
Add: Net profit after tax transferred from Statement of Profit & Loss	115.37	2,239.01
Total (C)	6,153.74	6,038.38

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	As at 31 March 2012 ₹ in lacs	As at 31 March 2011 ₹ in lacs
Unamortized Deferred Revenue Expenditure		
Opening Balance	(399.72)	(393.82)
Add: Expenditure during the year	-	(105.83)
Less: Adjusted during the year	99.93	99.93
Total (D)	(299.79)	(399.72)
Total (A+B+C+D)	49,155.8	48,960.87

4. LONG-TERM BORROWINGS**Secured**

Term Loans - from Banks	294.72	482.39
Term Loans - from Others	14.26	37.12
	308.98	519.51

Secured Term Loans from Banks comprise of vehicle loans from HDFC Bank Ltd, ICICI Bank Ltd and Axis Bank Ltd. The aforesaid loans are secured by hypothecation of the motor vehicles purchased through their assistance.

Secured Term Loans from others comprise of vehicle loans from Tata Capital Ltd and Volkswagen Finance Ltd. The aforesaid loans are secured by hypothecation of the motor vehicles purchased through their assistance.

5. DEFERRED TAX LIABILITIES (NET)

Opening Balance	636.60	516.48
Add: Net Tax effect of timing differences	15.47	120.13
Closing Balance of Deferred Tax Liabilities	652.07	636.61

6. SHORT TERM BORROWINGS**Secured**

Working Capital Loans from Banks	5,009.32	3,197.08
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Unsecured

Short Term Loans	3123.41	3000.00
	8,132.73	6,197.08

6.1 Secured Working Capital loans from bank comprise of Working Capital facility availed from M/s. Bank of India which is secured by a first charge by way of equitable mortgage on the office premises situated at No. 3, 5th floor, B-Wing Trade Star Building, Andheri - Kurla Road, Marol, Andheri (East), Mumbai owned by the Company.

The aforesaid facility is further secured by immovable property belonging to one of the directors, pledge of shares and personal guarantees of two of the directors of the Company

6.2 Unsecured Short Term loans from others include Short Term Loan from Sicom Ltd secured by pledge of shares belonging to all the promoters of the Company and further secured by way of Personal Guarantees by two directors of the Company.

6.3 The Company has defaulted in repayment of Short Term Loan to Sicom Ltd as below
Period of Default - Since November 2011

Aqua Logistics Limited

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	As at 31 March 2012 ₹ in lacs	As at 31 March 2011 ₹ in lacs
Principal in Default - Rs. 2,983.41 lakhs		
7. TRADE PAYABLES		
Due to Others	1,436.28	1,354.14
	1,436.28	1,354.14
7.1 The Company has not received any Memorandum (as required to be filed by the Supplier with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March 2012 as Micro, Small or Medium Enterprises.		
7.2 Trade Payables include a sum of Rs. 17.73 lakhs (March 31, 2011 Rs. 37.84 lakhs) as due to Companies/Firms where the Directors are interested.		
8. OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debt (Refer Note No. 4 for details of security)		
- Secured	309.42	254.66
Interest Accrued but not due	14.53	36.95
Withholding and other taxes payable	73.88	26.34
Other Liabilities	46.97	5.62
	444.80	323.57
8.1 Other Liabilities includes Rs. 43.44 lakhs (March 31, 2011 Rs. 4.41 lakhs) due to the Directors		
9. SHORT TERM PROVISIONS		
Provision for employee benefits -		
- Leave Encashment	11.23	11.23
- Gratuity	58.47	58.47
Others		
Provision for Income Tax	257.59	273.60
	327.29	343.30

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

10. Fixed Assets

₹ in lacs

Particulars	ORIGINAL COST				DEPRECIATION				NET BOOK VALUE		
	As at April 1, 2011	Additions/ Adjustments during the year	Deductions/ Retirement during the year	As at March 31, 2012	As at April 1, 2011	Opening Balance	Additions For the year	Deductions/ Retirement during the year	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011
Tangible Assets:-											
Office Premises	35.49	-	-	35.49	4.00	0.58	-	-	4.58	30.91	31.49
Plant & Machinery	3,120.21	-	-	3,120.21	227.39	148.21	-	-	375.60	2,744.61	2,892.82
Computer & Software	740.98	-	-	740.98	380.77	120.11	-	-	500.88	240.10	360.22
Office Equipments	54.22	1.00	-	55.22	10.73	2.58	0.04	-	13.35	41.88	43.49
Furniture & Fixtures	266.89	-	-	266.89	36.36	16.89	-	-	53.26	213.63	230.53
Vehicles	532.52	446.56	8.04	971.04	54.79	55.44	42.99	4.66	148.55	822.48	477.73
Total (A)	4,750.31	447.56	8.04	5,189.83	714.04	343.81	43.03	4.66	1,096.22	4,093.61	4,036.28
Intangible Assets:-											
C.H.A. Licence	399.47	-	-	399.47	-	-	-	-	-	399.47	399.47
Total (B)	399.47	-	-	399.47	-	-	-	-	-	399.47	399.47
Capital Work In Progress (C)	731.31	1,003.93	390.20	1,345.05	-	-	-	-	-	1,345.05	731.31
TOTAL (A + B + C)	5,881.09	1,451.49	398.24	6,934.35	714.04	343.81	43.03	4.66	1,096.22	5,838.13	5,167.06

Aqua Logistics Limited

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	As at 31 March 2012 ₹ in lacs	As at 31 March 2011 ₹ in lacs
11. NON-CURRENT INVESTMENTS (AT COST)		
(Long Term Investments)		
Trade (Unquoted)		
<u>Investment in Subsidiaries</u>		
In Equity shares - Fully paid up		
18,57,200 shares in Aqua Logistics (M) SDN BHD of MYR 1/- each (March 31, 2011: 18,57,200 shares) (Wholly owned Subsidiary)	270.45	277.71
55,01,000 shares in Aqua Logistics HK Pvt Ltd of HKD 10/- each (March 31, 2011: 55,01,000 shares) (Wholly owned Subsidiary)	3,183.14	3,196.08
1 share in Aqua Logistics FZE (March 31, 2011: 1 share) (Wholly owned Subsidiary)	953.62	18.49
<u>Investment in Associate Companies</u>		
In Equity shares - Fully paid up		
18,40,000 shares in Aqua Management Consultancy Group Pvt Ltd of FV Rs. 10/- each (March 31, 2011: 18,40,000 shares)	500.00	500.00
7,50,000 shares in Aqua Specialized Transport Pvt. Ltd. of FV Rs. 10/- each (March 31, 2011: 7,50,000 shares)	375.00	375.00
4,00,000 shares in Aqua Star Logistics Pvt Ltd of FV Rs. 10/- each (March 31, 2011: 10 shares)	40.00	40.00
94,800 shares in Aqua Nikkos Logistics Pvt. Ltd of FV Rs. 10/- each (March 31, 2011: NIL)	17.30	-
Other Investments		
In Equity shares - Fully paid up		
13,750 shares in Abhyudaya Bank Ltd of Rs. 10/- each (March 31, 2011: 13,750 shares)	1.38	1.38
50,000 shares in Maryada Barter Pvt Ltd of Rs. 10/- each (March 31, 2011: 50,000 shares)	100.00	100.00
	5,440.89	4,508.66
12. LONG-TERM LOANS AND ADVANCES		
(Unsecured and Considered Good)		
Security Deposits		
- with Government Bodies	0.58	0.22
- with Others	117.47	136.96
Advance Income Tax	106.08	74.72
Others Loans and Long Term Advances		
- Due from Subsidiaries	1,8191.15	-
- Due from Others	5,415.00	3,304.03
	23,830.28	3,515.93

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	As at 31 March 2012 ₹ in lacs	As at 31 March 2011 ₹ in lacs
13. CURRENT INVESTMENTS		
In Equity shares - Quoted fully paid up		
40,900 shares in Jindal Cotex of Rs. 10/- each (Disposed of during the year)	-	52.10
(March 31, 2011: 40,900 shares)		
	<u>-</u>	<u>52.10</u>
14. TRADE RECEIVABLES		
(Unsecured and Considered Good)		
Debts outstanding for a period exceeding six months	391.12	405.76
Others	14,288.41	15,157.72
	<u>14,679.53</u>	<u>15,563.48</u>
14.1 Trade Receivables includes a sum of Rs. 6.75 lakhs (March 31, 2011 Rs. 0.30 lakhs) due from Companies where the Directors are interested.		
15. CASH AND CASH EQUIVALENTS		
Balances with Banks		
In Current Account	38.57	205.17
In Fixed Deposit	9,391.56	29,299.51
Cash on hand	6.81	4.04
	<u>9,436.94</u>	<u>29,508.72</u>
16. SHORT-TERM LOANS AND ADVANCES		
(Unsecured and considered good)		
Others		
Advances :		
For rendering services	2,330.77	1,283.89
Loans and Advances due from companies in which Director is a Member/Director	1,871.32	1,735.14
Income Tax paid under Dispute	30.00	-
	<u>4,232.09</u>	<u>3,019.03</u>
17. REVENUE FROM OPERATIONS		
Freight and Handling Incomett	31,035.01	38,087.93
	<u>31,035.01</u>	<u>38,087.93</u>
18. OTHER INCOME		
Interest Income	134.79	127.09
Net Gain on Foreign Currency	2.10	-
Dividend Income	0.13	0.27
Consultancy Income	110.22	-
Creditors Forfeited	16.70	-
	<u>263.96</u>	<u>127.36</u>

Aqua Logistics Limited

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	As at 31 March 2012 ₹ in lacs	As at 31 March 2011 ₹ in lacs
19. EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages	604.07	820.07
Contributions to Provident Fund	4.24	3.86
Staff Welfare Expenses	10.27	9.29
	618.58	833.22
20. FINANCE COSTS		
Interest Expenses	1147.33	675.60
Others - Bank Charges	30.94	49.41
	1,178.27	725.01
21 OTHER EXPENSES		
Rent	106.73	173.38
Office Expenses	12.31	14.57
General Expenses	5.06	4.03
Repairs and Maintenance		
- Buildings	4.49	6.08
- Vehicles	29.83	18.87
- Others	14.17	7.23
Loss on exchange fluctuations	-	39.56
Rates & Taxes	9.88	2.88
Power & Fuel	24.33	27.44
Travelling & Conveyance Expenses	60.03	154.76
Communication Expenses	20.81	25.79
Printing & Stationery	8.63	9.38
Legal and Professional Fees	79.51	286.42
Business Development Expenses	30.24	65.95
Payment to Auditors	11.79	9.50
Bad debts and Irrecoverable Balances Written Off	177.34	92.91
Directors Sitting Fee	0.33	0.65
	595.48	939.40
21.1 PAYMENT TO AUDITOR TOWARDS		
Audit Fees	10.00	7.50
Other Services	0.75	0.45
Reimbursement of expenses	1.04	1.55
	11.79	9.50

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

22. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company for the preparation and presentation of its financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.
23. Parties' account balances are subject to confirmation and reconciliation. However, in the opinion of the Board of Directors, Current Assets are expected to realize the stated values if realized in the ordinary course of business.
24. Contingent liability not provided for in the accounts -
- Claims against the company not acknowledged as debts - Rs. 291.02 Lakhs
(Previous Year - Rs. 89 lakhs)
 - Bills discounted and purchased -Rs. Nil (Previous year - Rs. 1,580 Lakhs)
 - Counter Guarantees in respect of guarantees given by Banks -Rs. 100 lakhs (previous year - Rs. 310 lakhs)
25. The Company has not received any Memorandum (as required to be filed by the Supplier with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March 2012 as Micro, Small or Medium Enterprises. Consequently the amount paid / payable to these parties during the year is Rs. NIL.
26. No amount is paid / payable by the Company under Section 441A of the Companies Act, 1956 (cess on turnover) since the rules specifying the manner in which the cess shall be paid has not yet been notified by the Central Government.
27. Directors Remuneration comprises of:

(In ₹. lacs)

Particulars	For the Year ended 31st March, 2012	For the Year ended 31st March, 2011
Salary and other allowance	102.00	102.00
Perquisites	1.18	1.18
Sitting Fees	0.33	0.65
Total	103.51	103.83

28. Expenditure in Foreign Currency

(In ₹. lacs)

Particulars	For the Year ended 31st March, 2012	For the Year ended 31st March, 2011
Freight and Handling Expenses*	235.47	62.41
Fees for Technical Services	-	844.57
Traveling Expenses	2.58	29.19
Total	238.05	936.17

*Does not include expenditure incurred in overseas branches met out of earnings in branches

29. Earnings in Foreign Currency

(In ₹. lacs)

Particulars	For the Year ended 31st March, 2012	For the Year ended 31st March, 2011
Freight and Handling Income*	155.62	61.87
Interest	123.34	-
Total	278.96	61.87

*Includes net income from overseas branches

Aqua Logistics Limited

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

30. The Deferred Tax Liability comprises of the following:

Particulars	Rs. in Lakhs
Net Opening balance of Deferred Tax (Assets) /Liability	636.60
Tax effect on timing differences arising out of tax assessments of earlier years and differences arising during the year:	
Net Deferred Tax (Assets)/Liabilities	15.47
Net Closing balance of Deferred Tax (Assets)/Liabilities	652.07

31. Earnings per Share :

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

(In ₹. lacs)

Particulars	For the Year ended 31st March, 2012	For the Year ended 31st March, 2011
Net Profit after Tax for the year	115.36	2,239.01
Weighted Average Number of Equity Shares outstanding during the year	2,999.91	2186.30
Basic and Diluted EPS in ₹	0.04	1.02

32. Deferred Revenue Expenditure

The Company embarked on an advertisement Campaign and had incurred a sum of Rs. 499.64 lakhs 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. This expenditure has been treated as Deferred Revenue Expenditure. The same is being charged to the Statement of Profit and Loss over a period of five years, commencing from the accounting year 2010-11. Accordingly a sum of Rs. 99.93 lakhs was written off to the Statement of Profit and Loss during the year and the balance of Rs. 299.79 lakhs is to be charged to Statement of Profit and Loss in the subsequent years.

33. No provision has been made in the accounts for the demands raised by the Income Tax Department pertaining to the Assessment Year 2009-10 amounting to Rs.291.02 lakhs (March 31, 2011 Rs.Nil/-). The same has been disputed by the Company before the Appellate Authorities and the concerned Assessing Officer respectively. Based on the decisions of the Appellate Authorities and the interpretations of the relevant provisions of the Income Tax Act, 1961, the Company is of the opinion that the demands raised are most likely to be deleted. Accordingly no provision has been made for this demand.

34. 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. Hence there is no requirement of Segment Reporting in accordance with Accounting Standard 17.

35. 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 party balances as at 31st March 2012 are given in the following table.

1) Related Parties where Control Exists:

a) Subsidiaries:

- i) Aqua Logistics (M) SDN BHD
- ii) Aqua Logistics HK Private Limited
- iii) Aqua Logistics FZE

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

- b) Step-down Subsidiaries:
- i) AGI Logistics Limited
 - ii) CIT Logistics Limited
 - iii) TAG Logistics Limited
- 2) Key Management Personnel:
- a) Mr. Harish G.Uchil - Managing Director & Chief Executive Officer
 - b) Mr. Rajesh G.Uchil - Whole Time Director
 - c) Mr. M. S.Sayad - Whole Time Director
- 3) Enterprises where Key Management Personnel exercise significant influence
- a) Harapa International Private Limited
 - b) Aqua Specialized Transport Private Limited
 - c) Aqua Management Consulting Group Private Limited
 - d) Trikon Electronics Private Limited
 - e) Lefworld Private Limited
 - f) Aqua PCW Private Limited
 - g) Aqua Star Distribution Logistics Private Limited
 - h) Aqua Nikkos Logistics Private Limited
- 4) Relatives of Key Management Personnel
- a) Mr. Gopalkrishna G. Uchil
 - b) Mrs. ParvathiUchil
- 5) Transactions with Related Parties

Name of the Party	Relationship	Nature of the Transaction	Transactions during the year (₹ in lakhs)	Balance as on 31/03/2012 (₹ in lakhs)
Harapa International Private Limited	Enterprises where Key Management Personnel exercise significant influence	Advances given for Services	(7.02)	166.71
Aqua Specialised Transport Private Limited	Enterprises where Key Management Personnel exercise significant influence	Advances given for working Capital	42.15	628.81
		Service Provided	12.25	
		Service Received	(182.47)	
Aqua Management Consulting Group Private Limited	Enterprises where Key Management Personnel exercise significant influence	Advances given for Share Capital	12.58	719.47
Lefworld Private Limited	Enterprises where Key Management Personnel exercise significant influence	Advances given for Share Capital	29.14	30.31
Aqua PCW Private Limited	Enterprises where Key Management Personnel exercise significant influence	Advances given for Services	-	0.11

Aqua Logistics Limited

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

Aqua Star Distribution Private Limited	Enterprises where Key Management Personnel exercise significant influence	Advances towards Share Capital	98.98	325.83
Aqua Nikkos Logistics Private Limited	Enterprises where Key Management Personnel exercise significant influence	Amount invested in Share Capital	17.30	17.30
		Amount given for Services	0.08	0.08
Aqua Logistics HK Private Limited	Related Parties where Control Exists	Advance towards Share Capital	18,191.15	18,191.15
Aqua Logistics FZE	Related Parties where Control Exists	Subscription towards Share Capital	32.56	953.62
Mr. Rajesh G. Uchil	Key Management Personnel	Rent Paid	5.40	-
		Remuneration	36.00	
Mr. Harish G. Uchil	Key Management Personnel	Rent Paid	5.40	-
		Remuneration	30.00	
Mr. M. S. Sayad	Key Management Personnel	Rent Paid	15.08	(43.44)
		Remuneration	36.00	
Mr. Gopalakrishna G. Uchil	Relative of Key Management Personnel	Rent Paid	4.20	(0.83)
Mrs. Parvathi Uchil	Relative of Key Management Personnel	Rent Paid	4.80	(2.16)

36 Figures presented are in rupees-lakhs except Share data and Earnings per Share.

To be read with our report of even date

For Anil Nair & Associates
Chartered Accountants
Firm's Regn No. : 000175S

R Mohan
Partner M.No 23022
Place: Mumbai
Date: 04th September, 2012

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

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

₹ in Lacs

Particulars	Aqua Logistics HK Private Limited	Aqua Logistics (FZE)	Aqua Logistics (M) SDN.BHD
1. Financial Year of the subsidiary company ended on	31st March, 2012	31st March, 2012	31st March, 2012
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. Turn Over	2,475.70	3,141.76	163.83
7. Net aggregate amount of the profits	69.69	346.58	16.12
8. Total Assets	25,736.61	1,515.43	266.93
9. Total Liabilities	25,736.61	1515.43	266.93

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 THIRTEEN ANNUAL GENERAL MEETING of the company being held on Saturday, September 29, 2012 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 district of _____ 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 THIRTEEN ANNUAL GENERAL MEETING of the company being held on Saturday, September 29, 2012 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 _____ 2012.

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