

14th Annual Report
2012-13



Enabling
Global
Businesses

Aqua Logistics Limited

14th Annual General Meeting

Day & Date : Monday, September 30, 2013

Time : 10:00 a.m

Venue : VITS Hotel, Emerald Hall,
Andheri - Kurla Road,
Andheri (E), Mumbai - 400 059

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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. 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

Company Secretaries
505/panchsheel-4/B, Raheja Township,
Malad (East), Mumbai - 400 097.

Bankers

Bank of India

Registered Office & Corporate Office

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

Wholly-owned Subsidiary Company

Sharjah Office

Aqua Logistics, FZE

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

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 14th Annual General Meeting of the Members of Aqua Logistics Limited will be held on Monday September 30, 2013 at 10.00 A.M. at Emerald 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, 2013 and the Profit & Loss Account for the financial year ended on that date together with the Report of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. B. S. Radhakrishnan who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Anil Nair & Associates, Chartered Accountants, as Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

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

**Place: Mumbai
Date: 14th August, 2013**

**Harish G. Uchil
Managing Director**

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 their behalf at the Meeting.
4. Members are requested to bring their attendance slip along with their copy of annual report to the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Transfer Agents, M/s Link Intime India Private Limited.
7. Non-Resident Indian Members are requested to inform M/s. Link Intime India Private Limited, immediately of Change in their residential status on return to India for permanent settlement.
8. The notice of the Annual General Meeting will be sent to those members whose names appear on the register of members as on 30th August, 2013.
9. Annual Report is available at the website of the Company at www.aqualogistics.com in the Investor Relations Section.
10. The Register of Members of the Company will remain closed from Saturday, 21st day September 2013 to Monday, 30th day September, 2013 (both days inclusive).
11. Members are requested to:
 - (a) Notify the change in address if any, with Pin Code numbers 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 at the Annual General Meeting.
 - (c) Quote their Regd. Folio Number/DP and Client ID Nos. in all their correspondence With the Company or its Registrar and Share Transfer Agent.
12. Consequent upon the introduction of Section 109A of the Companies Act, 1956, Shareholders desirous of making a nomination are requested to send their requests in Form 2B in duplicate (Which will be made available on request) to the Registrar and Share Transfer Agent of the Company.
13. Members having any questions on accounts are requested to send their queries at least 10 days in advance to the Company at its registered office address to enable the Company to collect the relevant information.
14. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting and the same will be available for inspection at the Annual General Meeting.
15. 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: 14th August, 2013**

**Harish G. Uchil
Managing Director**

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

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

NAME	Mr. B. S. Radhakrishnan
AGE	50
DATE OF APPOINTMENT	March 05, 2009
EXPERTISE IN FUNCTIONAL AREAS	Long Standing experience in the field of media and entertainment
NAME OF THE COMPANIES IN WHICH HE HOLDS DIRECTORSHIP/ COMMITTEE MEMBERSHIPS	White Color Entertainment (P) Ltd. Eastmen Ventures Singapore Pte. Ltd.

Director's Report

To,
The Members of Aqua Logistics Limited

Your Directors are pleased to present the Fourteenth Annual Report of the Company along with Audited Statement of Accounts for the period ended on 31st March, 2013.

FINANCIAL HIGHLIGHTS

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

(₹ in Lacs)

Particulars	For the year ended 31-03-2013	For the year ended 31-03-2012
Sales & Other Income	26067.98	31298.97
Profit Before Depreciation, Interest, Exceptional, Extraordinary Items and Taxes	1915.65	1841.57
Interest and Financial Charges	1265.92	1178.27
Depreciation	392.11	386.84
Profit Before Exceptional, Extraordinary Items and Taxes	257.62	276.46
Exceptional Items	99.93	99.93
Extraordinary Items	2908.59	5.69
Profit / (Loss) Before Tax	(2750.90)	170.83
Provision For Tax	0.00	40.00
Deferred Tax Liabilities	89.81	15.47
Profit / (Loss) After Tax	(2840.70)	115.36
Profit brought forward from Previous Year	6153.73	6038.37
Profit carried to Balance Sheet	3313.04	6153.74

REVIEW OF OPERATIONS

During the year, your Company has registered a significant volatility and thereby a lower growth in its overall performance, entirely due to the extreme weak economic fundamentals within the country and in overseas market. The broad spectrum of industries in India has gone through a very bad patch during this fiscal, with top line of operations and margins shrinking. Logistics industry has been no exception to this, as its performance largely depends on the GDP growth within the various segment of industry. Income from operations is Rs 26067.98 lacs as compared to Rs. 31298.97 lacs in the previous year showing decrease of 16.71%. The decrease in revenue is mainly due to decrease in revenue from freight forwarding services and largely in project logistics. However, in spite of all odds and adversities your Company has achieved reasonable level of sales targets, which is grossly attributable to Company's customer-centric approach and its ability to provide customer specific solutions, customer centric focus on pricing and innovative marketing strategy, timely project executions and better control over cost.

Profit before Depreciation, Interest and Tax (PBDIT) has increased from Rs. 1841.57 lacs for the year ended March 31, 2012 to Rs. 1915.65 lacs showing a slight growth of operations this fiscal. During FY 2013, your Company has recorded Net Loss after Tax to Rs. 2840.70 lacs from a PAT level of Rs. 115.37 lacs in FY 2012 due to loss on sale of Investments in subsidiary companies.

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

BUSINESS & FUTURE OUTLOOK

According to the World Bank's 2012 Logistics Performance Indicator, India is ranked 46th and is behind countries such as Japan, the United States, Germany and China. Logistics costs account for around 6-10% of average retail prices in India as against the global average of 4-5%. Therefore, there is a clear scope to improve margins by 3-5% by improving the efficiency of the supply chain and logistics processes. India is the second largest producer of fruits and vegetables in the world but, according to the India Tribune, due to inadequate supply chain and logistics infrastructure and management, two-thirds of the produce, worth US\$ 65 billion in revenue, is wasted or lost in transit every year. In the last few years, India has also been crippled by rising food inflation rates, predominantly due to

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high supply chain costs in the Indian food and grocery industry, estimated at US\$ 24 billion. When it comes to temperature-sensitive transportation and storage, the gap is more glaring. According to industry analysts, improving the back-end processes in the supply chain and integrating cold chains can save US\$ 15 billion annually while reducing the wastage of perishable horticulture produce and ensuring additional export revenue of over US\$ 5 billion. In India, 65% of freight traffic moves on the road network. Road freight volumes have increased at a much higher rate than the growth of the road network over the last few years, creating structural issues of capacity and quality. Complex taxation and the use of different road permits/documents in different states impose additional constraints on the movement of freight by road.

Going forward Your Company intends to focus on this opportunity in creating infrastructure to cater to this segment and is already in the process of scouting for suitable partners to align with for seizing this opportunity. This segment of logistics business requires huge level of investments in infrastructure and is a short to medium term opportunity with heavy dose of top line business and fantastic bottom level business opportunity. Your Company is clearly focused on this and is making the right moves to enter this area.

As far as the existing operations are concerned, Your company is focused in reducing the lower margin business in the various segments of logistics operations and focus only on reasonable margin oriented businesses and is currently focused more in supply chain solutions and delivery to existing clientele on selective basis. Your Company wants to certainly restructure the operations from an improved margin orientation business which only can sustain operations on long term basis and can also provide value to its valued existing shareholders and other stake holders.

Your Company is also focused currently in reducing its short and long term liabilities significantly by aligning with strategic investors so that the interest burden which is erasing the margins to be retained can be restored and the operational efficiency can be brought back into black during this fiscal. Lot of efforts are under way to achieve this and Your company is confident of achieving this at a reasonable time frame.

Your Company is completely aware of the weak economic fundamentals prevailing in the domestic and overseas markets at this point in time. There is a huge negative sentiment prevailing. But Your Company feels that these are the best times to initiate and enter newer segments of logistics businesses which can provide long term value to shareholders and stake holders. Further, with the economic sentiment within the country likely to show positive results in the third quarter of this fiscal, Your Company is confident of restoring back its original glory of CAGR and PAT.

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:

The major part of the Subsidiary Companies have been hived off and sold during this fiscal to an Overseas Investor and for the balance tiny subsidiaries, 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 exception 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. The Company will make available the Annual Accounts of the Subsidiary Companies and the related detailed information to any shareholder of the seeking such information at any point of time. The Annual Accounts of the subsidiary companies also available for inspection by any shareholder at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statement of the Company and all the subsidiaries duly audited by the statutory auditor of the Company are presented in 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. (2840.70) 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 except with regard to the following:

Though there are no qualifications in the Auditors Report there are certain issues which have been highlighted viz financial stress on the Company which is reflected by statutory dues are in arrears, dues to banks and a financial institution are pending. In order to overcome the situation, Your Company is focused currently in reducing its short and long term liabilities significantly by aligning with strategic investors so that the interest burden which is erasing the margins to be retained can be restored and the operational efficiency can be brought back into black during this fiscal. Lot of efforts are under way to achieve this and Your company is confident of achieving this at a reasonable time frame.

DIRECTORS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. that in the preparation of the accounts for the financial year ended 31st March, 2013, 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, 2013 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

Conversion 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 Rs.23.15 lacs (Previous Year Rs.278.96 lacs) as against Expenditure incurred in Foreign Currency of Rs. 24.51 (Previous Year Rs. 238.05 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: 14th August, 2013

Chairman

Management Discussion and Analysis

1. Economic Outlook

India's struggling economy is likely to grow even more slowly this fiscal year than the decade low of 5 percent struck last year, as investment will stay weak due to inadequate reforms and uncertainty ahead of a looming election. The parlous state of Asia's third largest economy was reflected in the rupee's 18 percent plunge against the dollar to all time lows since May, when signals emerged that the U.S. Federal Reserve was considering winding down an easy money strategy that had benefitted emerging markets like India. Burdened with a record high current account deficit, the rupee has suffered a far steeper fall than other emerging market currencies, and investors doubt whether Prime Minister Manmohan Singh's minority government will take bold enough steps needed to remedy the economy with an election due within nine months.

India's growth slowed to 5 percent in the 2012/13 fiscal year that ended in March, its worst performance since it grew by 3.9 percent in 2002/03. However, some economists are more optimistic. They are hopeful that upbeat farm output prospects on the back of plentiful rainfall this year, benefits of a weak rupee for exports, a pick-up in investments following approvals to several large projects in recent months and improvement in the global economy, will combine to deliver more favorable outcome than anticipated.

According to the 'India 2020 - Economy Outlook' launched by Dun & Bradstreet in association with Life Insurance Company (LIC), the Indian economy is expected to recover from the current phase of slowdown by FY'14 and is expected to gather pace by FY'15.

2. 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.

3. 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.

4. 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.

5. 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.

6. 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.

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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 Five 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 Five Board Meetings as under:

Sr.No.	Board Meeting Date
1.	15th May, 2012
2.	14th August, 2012
3.	4th September, 2012
4.	12th November, 2012
5.	14th February, 2013

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, 2013 are set out below:

Name of the Director	Category of Directorship#s	No. of Board Meetings attended out of Five	Attendance at last AGM held on 29th September, 2012	No. of Directorships in Companies incorporated in India including Aqua Logistics Limited (excluding Private Companies)
Mr. Rajesh G. Uchil	WTD	05	YES	1
Mr. M.S.Sayad	WTD	05	YES	1
Mr. Harish G.Uchil	MD	05	YES	1
Mr.B.S.Radhakrishnan	NED – I	05	NO	1
Mr. Ravi Sharma	NED – I	05	NO	1
Mr. S.S. Balakrishnan	NED – I	05	NO	1

WTD – Whole Time Director

NED -I– Non Executive Director – Independent

3. REAPPOINTMENT OF DIRECTORS:

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

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

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

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

4. AUDIT COMMITTEE:

- During the period under review, the Audit Committee held Five Meeting, the dates being as follows:
 - 15th May, 2012
 - 14th August, 2012
 - 4th September, 2012
 - 12th November, 2012
 - 14th February, 2013
- 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	5
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.
- The Chief Financial Officer, along with the Statutory Auditors of the Company are invited to the Meetings of the Audit Committee. The Company Secretary acts as Secretary to the Committee.
- The Board of Directors notes the Minutes of the Audit Committee Meetings at Board Meeting.

5. REMUNERATION COMMITTEE/REMUNERATION OF DIRECTORS: -

- During the period under review, the Remuneration Meeting has not held any meeting.

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- The details of the 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. S. S. Balakrishnan	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, 2013 are set out below:

DIRECTORS	SALARY AND PERQUISITES (RS.)	COMMISSION	SITTINGFEES	TOTAL (RS.)
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	36,00,000
Mr. B. S. Radhakrishnan	--	--	12,500	--
Mr. Ravi Sharma	--	--	12,500	--
Mr. S. S. Balakrishnan	--	--	12,500	--

6. SHAREHOLDERS' COMMITTEES: -

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

- The Shareholders'/Investors' Grievance and Transfer Committee has been constituted as per the provisions set out in the Listing Agreement. The terms of reference include –
 - Approve transfers, transmissions, issue of duplicate certificates, transpositions, change of name etc., and to do all such acts, deeds, matters and things as connected therein.
 - Review complaints of the shareholders and action taken by the Company.
- During the period under review, the Shareholders Grievance Committee/Share Transfer Committee held Four Meeting, the dates being as follows:
 - 15th May, 2012
 - 14th August, 2012
 - 12th November, 2012
 - 14th February, 2013

- 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. S. S. Balakrishnan, Chariman	4
Mr. B.S.Radhakrishnan	4
Mr. Ravi Sharma	4

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

- Mr. Bhupendra N. Shah, the Company Secretary has been designated Compliance Officer. The Company has designated investor@aqualogistics.com as the email id on which investors may register their complaints.
- The Board of Directors notes the Minutes of the Investors'/Shareholders' Grievance Committee Meeting at Board Meetings.
- Summary of Investor Complaints for the period from 01.04.2012 to 31.03.2013 are give below:-

Description of Investor Grievances for the period from 01.04.2012 to 31.03.2013:

Nature of Complaint	No.Of Grievances
N/R of Refund Order	0
N/R of Demat Credit	0
N/R of Share Certificate	0
Correction in Refund Instrument	0
Non-Receipt of Dividend Warrant	1
Non-Receipt of Annual Report	3
N.S.E.	0
B.S.E.	0
S E B I	0
Total Grievances attended	4
Total Grievances Pending at the end of the quarter	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, 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
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

Aqua Logistics Limited

29th September, 2012	VITS Hotel, Crystal Hall, Andheri - Kurla Road, Andheri (E), Mumbai – 400 059	10.00 a.m.	NIL
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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, 2013, 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.36 - 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, 2013, 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 three 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 30, 2013 @10.00 a.m.
Venue : VITS Hotel, Emerald Hall, Andheri – Kurla Road, Andheri (E), Mumbai – 400 059.
- **Financial Calendar**
Adoption of Quarterly Results for the Quarter Ending
June 30, 2013 : 2nd week of August, 2013
September 30, 2013 : 2nd week of November, 2013
December 31, 2013 : 2nd week of February, 2014
March 31, 2014 : 2nd week of May, 2014
- **Book Closure Dates** : September 21, 2013 to September 30, 2013
- **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
- 29,98,40,780 Equity shares, representing 99.95% of the total Equity Capital were held in the Dematerialized form as on 31st March, 2013.
- Outstanding GDRs as on March 31, 2013 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.
- **Stock Market Price:**

Month	BSE Limited (BSE)		National Stock Exchange (NSE)	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low(Rs.)
April – 2012	14.70	10.02	13.60	11.30
May – 2012	12.55	9.55	12.00	9.55
June – 2012	10.00	8.06	10.10	8.00
July – 2012	12.12	8.90	12.15	8.80
August – 2012	12.00	9.15	12.00	9.05
September – 2012	11.25	8.05	11.25	7.90
October – 2012	11.00	9.10	10.90	9.00
November – 2012	13.91	9.05	13.95	9.05
December – 2012	16.06	13.10	16.15	13.35
January – 2013	16.64	12.80	16.60	12.80
February – 2013	13.10	5.83	13.30	5.85
March – 2013	5.25	2.60	5.30	2.70

Aqua Logistics Limited

- DISTRIBUTION OF SHARE HOLDING AS ON 31ST MARCH, 2013:**

No. of Equity Shares Held Shareholders	No. of	% Shares	No. of	%
Up to 500	6400	68.2812	1199552	0.3999
501 to 1000	1182	12.6107	1021093	0.3404
1001 to 2000	689	7.3509	1101125	0.3671
2001 to 3000	263	2.8059	692807	0.2309
3001 to 4000	113	1.2056	410202	0.1367
4001 to 5000	155	1.6537	743173	0.2477
5001 to 10000	197	2.1018	1517678	0.5059
10001 and above	374	3.9902	293305320	97.7714
Total	9373	100.0000	299990950	100.0000

- PATTERN AS ON 31ST MARCH, 2013:**

Category	No. of Shares	%
Promoters	19834560	6.61
Other Bodies Corporate	60019429	20.01
Financial Institutions/Banks	6255256	21.71
Foreign Institutional Investor	36767839	12.26
Non Resident Indians	283039	0.09
Non Resident (Non Repatriable)	103320	0.03
Officer Bearers	267739	0.09
Clearing Member	5751087	1.92
Public	28397358	9.47
Global Depository Receipts	83432500	27.81
Total	299990950	100.00

- Share Register 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 : 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, 2013.

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 : 14TH AUGUST, 2013**

**HARISH G. UCHIL
MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER**

Aqua Logistics Limited

CEO CERTIFICATE

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.

Place: Mumbai
Date: 14th August, 2013

Harish G. Uchil
MD & CEO

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, 2013 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, 2013 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: 14th August, 2013

Pankaj Desai
COP.NO.4098

INDEPENDENT AUDITOR'S REPORT

To
The Members of AQUA LOGISTICS LIMITED
Mumbai

1. Report on the Financial Statements

We have audited the accompanying financial statements of Aqua Logistics Limited ("the Company"), which comprise the Balance sheet as at 31st March 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

The management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for qualified opinion

4. We draw attention to Point (r) 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.
5. 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. Provision for interest on loan accounts with banks and financial institutions where there has been a default has been made based on contracted rates of interest without providing for penal interest, liquidated damages and other charges (if any) and the same has not been quantified.
7. We draw attention to Note – 23 of notes to financial statements on the non completion of transfer formalities for change in ownership to the company for the mines acquired outside India.

8. Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matter described in Para 4, 5, 6 and 7 of the basis for qualified opinion paragraph and the cumulative and consequential effects of the same on the financial statements of the Company which are not determinable, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (ii) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

9. Emphasis of Matter

We state that no actuarial valuation was made for the gratuity liability for the year ended 31.3.2013 and according to the information and explanations given to us and based on the estimated gratuity liability due to present employees, the existing provision carried in the books is adequate to cover the liabilities as at 31st March 2013. Our opinion is not qualified in respect of this matter.

10. Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2) As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) Except for the effects of the matter described in the basis for qualified opinion paragraph in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
 - e) On the basis of written representations received from the directors as at March 31, 2013, and taken on record by the Board of Directors, none of the directors are prima facie disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.

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

Place: Mumbai
Date: 30th May 2013

R. MOHAN
Partner
Membership No - 023022

Aqua Logistics Limited

Annexure to the Auditors' Report

The Annexure referred to in our report to the members of Aqua Logistics Limited ("the Company") for the year ended March 31, 2013. We report that:

- 1) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- 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 not taken any loans secured or unsecured from parties listed in the Register U/s.301 of the Companies Act, 1956 except short term advances not in the nature of loans arising out of disposal of collateral belonging to the Director by a financial institution.
b. The company has not granted any loans secured or unsecured to companies, firms or other parties listed in the Register maintained U/s.301 of the Companies Act, 1956 during the year under review except advances in the ordinary course of the business and not in the nature of loans.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of fixed assets, for receiving of services and for rendering of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- 5) In respect of contracts or arrangements referred to in Section 301 of 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 need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, there is no contract or agreement that needs to be entered in the register required to be maintained under section 301 of the Act. Accordingly sub clause (b) of clause 4(v) of CARO is not applicable
- 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 Company has an internal audit system commensurate with its size and nature of its business.
- 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:
 - 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 other than Income Tax Deducted at Source and Provident Fund where there has been a delay in depositing the same with the appropriate authorities and the following amounts were outstanding for a period exceeding six months as on 31st March 2013 from the date to become payable.

Name of the statute	Nature of the dues	Amount Rs. (in. lakhs)	Period to which the amount relates	Date of payment
Income Tax Act	Tax deducted at source	107.31	FY 2011-2012 & FY 2013-2014	Not paid
Provident Fund Act	Provident fund contribution	3.43	FY 2013-2014	Not paid

- b) According to the information and explanations given to us, the following sums have not been deposited on account of dispute.

Name of the statute	Nature of the dues	Amount Rs. (in. lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act	Income Tax	158.88	Assessment Year 2009-2010	Income Tax Appellate Tribunal
Income Tax Act	Income Tax	274.54	Assessment Year 2010-2011	Commissioner of Income Tax (Appeals)

- 10) The company does not have any accumulated losses as at 31st March, 2013 and even though the Company has incurred cash losses during the financial year covered by our audit and had posted profits in the immediately preceding financial year.
- 11) Based on the information and explanation given to us the company has defaulted in the repayment of the following sums in respect of loans availed from banks and financial institutions. The default occurred on various dates and was not cleared till 31st March 2013 aggregate to Rs. 3271.95 lacs. The over dues relate to the financial year 2011-2012 and 2012 – 2013.
- 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, the Company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society. Therefore the provisions of Clause 4(xiii) of the Companies (Auditors Report) Order 2003 (as amended) 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 of India. 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 company has not taken any term loans during the year.
- 17) According to the information and explanations given to us and an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on a short term basis have not been used for long term investments.
- 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) According to the information and explanations given to us company has not raised money from the public.
- 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)

R.MOHAN
Partner
Membership No - 023022

Place: Mumbai
Date: 30th May 2013

Aqua Logistics Limited

BALANCE SHEET AS AT MARCH 31, 2013

EQUITY AND LIABILITIES	Notes	As at 31 March 2013 (₹ in Lakhs)	As at 31 March 2012 (₹ in Lakhs)
Shareholders' Funds			
Share Capital	2	2,999.91	2,999.91
Reserves and Surplus	3	46,415.03	49,155.80
Non-Current Liabilities			
Long Term Borrowings	4	45.67	308.98
Long Term Provision	5	69.70	69.70
Deferred Tax Liabilities (Net)	6	741.87	652.07
Current Liabilities			
Short-Term Borrowings	7	7,938.16	8,132.73
Trade Payables	8	887.47	1,436.28
Other Current Liabilities	9	961.66	444.80
Short-Term Provisions	10	362.35	257.59
TOTAL		60,421.82	63,457.85
ASSETS			
Non-Current Assets			
Fixed Assets	11		
Tangible Assets		31,354.37	4,093.62
Intangible Assets		399.47	399.47
Capital Work-in-progress		1,345.05	1,345.05
Non-Current Investments	12	1,970.00	5,440.88
Long-Term Loans and Advances	13	6,644.45	23,830.26
Current Assets			
Trade Receivables	14	14,258.71	14,679.53
Cash and Cash Equivalents	15	123.42	9,436.94
Short-Term Loans and Advances	16	4,326.35	4,232.09
TOTAL		60,421.82	63,457.85

Significant Accounting Policies

Notes on Financial Statements 1 to 38

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 Registration Number: 000175S

For and on behalf of the Board of Directors

R. MOHAN

Partner

Membership Number: 23022

Place : Mumbai

Date : 30th May 2013

RAJESH G. UCHIL

Chairman

HARISH G. UCHIL

Managing Director

M.S. SAYAD

Vice Chairman

BHUPENDRA N. SHAH

Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2013

INCOME	Notes	2012-2013 (₹ in Lakhs)	2011-2012 (₹ in Lakhs)
Revenue from Operations	17	25,959.18	31,035.01
Other Income	18	108.81	263.94
Total Revenue (A)		26,067.99	31,298.95
EXPENDITURE			
Freight and Handling Expenses		23,348.94	28,243.34
Employee Benefit Expenses	19	410.15	618.59
Finance Costs	20	1,265.92	1,178.27
Depreciation and Amortization Expense	10	392.11	386.84
Other Expenses	21	393.24	595.46
Total Expenditure (B)		25,810.36	31,022.50
Profit Before Exceptional, Extraordinary Items and Tax	(A-B)	257.63	276.45
Exceptional Items :- Amortization of Advertisement expenses incurred in Prior period		99.93	99.93
Profit Before Extraordinary Items and Tax		157.70	176.52
Extraordinary Items :- Profit/(Loss) on Sale of Assets Profit/(Loss) on Sale of Investments		(2,908.59)	(5.26)
Profit/(Loss) Before Tax		(2,750.88)	170.83
Tax expenses :- Current Tax Deferred Tax Provision for Taxation relating to earlier years		- 89.81	40.00 15.47
Profit/(Loss) after tax		(2,840.69)	115.36
Earnings Per Equity Share: Basic and Diluted (in Rs.)	29	(0.95)	0.04
Significant Accounting Policies Notes on Financial Statements	1 to 38		

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 Registration Number: 000175S

For and on behalf of the Board of Directors

R. MOHAN

Partner

Membership Number: 23022

Place : Mumbai

Date : 30th May 2013

RAJESH G. UCHIL

Chairman

HARISH G. UCHIL

Managing Director

M.S. SAYAD

Vice Chairman

BHUPENDRA N. SHAH

Company Secretary

Aqua Logistics Limited

CASH FLOW STATEMENT FOR THE YEAR 2011-12

	As at March 31, 2013 (₹ in Lakhs)	As at March 31, 2012 (₹ in Lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	(2,750.89)	170.83
Adjustments to reconcile profit before tax to cash provided by operating activities		
Depreciation	392.11	386.84
(Profit)/Loss on Sale of Assets	-	0.43
Finance Costs	1,262.97	1,147.33
Interest Income	(4.63)	(134.79)
Loss on Sale of Shares	2,908.59	5.26
Dividend Received	-	(0.13)
Amortized Advertised Expenses Charged to P & L	99.93	99.93
Operating Profit before Working Capital Changes	1,908.07	1,675.70
Changes in working Capital		
Trade and Other Receivables	420.82	883.95
Loans and Advances	17,091.56	(21,527.43)
Trade and Other Payables	(31.95)	203.38
Cash generated from Operations	19,388.50	(18,764.40)
Direct Taxes Paid	104.77	(56.01)
Net Cash from Operating Activities	19,493.27	(18,820.41)
B. CASH FLOW FROM INVESTING ACTIVITY		
Purchase of Fixed Assets/ Change in Capital Work in Progress	(27,652.86)	(1,078.70)
Purchase of Investments	-	(885.39)
Sale of Investments	562.30	-
Deferred Revenue Expenditure	-	-
Interest Received	4.63	134.79
Dividend Received	-	0.13
Net Cash Used In Investing Activities	(27,085.93)	(1,829.17)
C. CASH FLOW FROM FINANCING ACTIVITY		
Short Term Bank Borrowings/(Repayment)	(457.88)	1,725.13
Interest paid	(1,262.97)	(1,147.33)
Issue of Equity Shares	-	-
Net cash Used in Financing Activities	(1,720.85)	577.80
Net increase/(decrease) in Cash & Cash Equivalents	(9,313.51)	(20,071.79)
Opening Cash & Cash Equivalents	9,436.94	29,508.72
Closing Cash & Cash Equivalents	123.42	9,436.94

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 Registration Number: 000175S

For and on behalf of the Board of Directors

R. MOHAN

Partner

Membership Number: 23022

Place : Mumbai

Date : 30th May 2013

RAJESH G. UCHIL

Chairman

HARISH G. UCHIL

Managing Director

M.S. SAYAD

Vice Chairman

BHUPENDRA N. SHAH

Company Secretary

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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 on a going concern concept.

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 policy explained below.

b. 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.

c. Inventories:

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

d. 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.

e. Depreciation and amortization:

Depreciation on fixed assets is provided on straight line method. The depreciation rates prescribed 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 ` 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	%

Aqua Logistics Limited

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

f. 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 comprise 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.

g. 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.

Advances paid towards acquisition of fixed assets are disclosed as Capital Advances.

h. 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 Profit and Loss account.

ii. Monetary assets and liabilities denominated in foreign currency as at the balance sheet date are translated at the exchange rates prevailing at the year end; the resultant exchange differences are recognized in the Statement of Profit and Loss account

i. 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 its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

j. 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 carried at previous year's figures as the same is considered adequate for the estimated accrued liability as at the Balance Sheet date. Bonus and leave encashment are provided on accrual basis.

k. 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.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**l. 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.

m. 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 in case of International transactions.

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.

n. 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 AS 26 on Intangible Assets.

o. 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. The 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.

p. 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

q. 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.

r. Deferred Revenue Expenditure

The company has incurred expenditure towards advertisement and publicity to the build the brand of the company in logistics space. In the opinion of the management the benefit of this exercise is expected to accrue over an extended period and is not exhausted during the period covered by the Profit and Loss Account and such major expenditure has been treated as deferred revenue expenditure is being charged to Statement of Profit and Loss over a period of 5 years commencing from the accounting year 2010-11.

Aqua Logistics Limited

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	As at 31 March 2013 (₹ in Lakhs)	As at 31 March 2012 (₹ in Lakhs)
Shareholders' Funds		
2. SHARE CAPITAL		
Authorized		
Equity Shares of Rs. 1 par value 30,00,00,000 (31 March, 2012 : 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, 2012 : 29,99,90,950)	2,999.91	2,999.91
	<u>2,999.91</u>	<u>2,999.91</u>

	No. of Shares	No. of Shares
2.1 The reconciliation of number of shares outstanding and the amount of share capital as at March 31, 2013 and March 31, 2012 is set out below		
Equity shares of Rs. 1 par value, fully paid up		
At the beginning of the year	2,999.91	2,999.91
Add: Issued during the year		
At the end of the year	<u>2,999.91</u>	<u>2,999.91</u>

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 Lakhs)	No of Shares % held (in Lakhs)
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%	834.33 27.81%
ii) Sicom limited (6,14,71,936 equity Shares of Rs. 1 par value)	6,14.72 20.49%	- -
iii) Mr. Gopalkrishna G. Uchil (2,07,53,320 equity Shares of Rs. 1 par value)	- -	207.53 6.92%
iv) Mr. Rajesh G. Uchil (1,73,11,110 equity Shares of Rs. 1 par value)	- -	1,73.11 5.77%

	₹ in Lakhs	₹ in Lakhs
3. RESERVES AND SURPLUS		
Securities Premium Reserve	43,301.85	43,301.85
Total (A)	43,301.85	43,301.85
Foreign Currency Translation Reserve		
Opening Balance	-	20.36
Less: Adjusted during the year	-	(20.36)
Total (B)	-	-
Surplus		
Opening Balance	6,153.73	6,038.37
Add: Net profit/(Loss) after tax transferred from Statement of Profit and Loss	(2,840.70)	115.36
Total (C)	3,313.04	6,153.73

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	As at 31 March 2013 (₹ in Lakhs)	As at 31 March 2012 (₹ in Lakhs)
Unamortized Deferred Revenue Expenditure		
Opening Balance	(299.79)	(399.72)
Add: Expenditure during the year	-	-
Less: Adjusted during the year	99.93	99.93
Total (D)	(199.86)	(299.79)
Total (A+B+C+D)	46,415.03	49,155.80

4. LONG-TERM BORROWINGS**Secured**

Term Loans - from Banks	45.67	294.72
Term Loans - from Others	-	14.26
	45.67	308.98

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.

4.1 The Maturity profile and Rate of interest of Term loans from banks are as follows-

(in Rs. lakhs)

Rate of Interest	2014-2015	2015-16	2016-2017
9.19%	17.47	19.25	-
8.45%	2.63	2.87	1.01
10.41%	16.50	-	-
8.59%	0.52	0.29	0.05
7.40%	20.68	8.01	-
9.25%	29.32	14.18	-
7.79%	5.33	-	-
17.26%	1.14	-	-
6.54%	3.29	-	-
8.22%	0.74	-	-
7.70%	11.09	-	-
6.60%	0.66	-	-
	109.38	44.60	1.07

4.2 Period and amount of default as on the balance sheet date in respect of loans and interest

	Amount	Period
Loans, Interest on Loans	278.93	2012 - 2013

	As at 31 March 2013 (₹ in Lakhs)	As at 31 March 2012 (₹ in Lakhs)
5. LONG-TERM PROVISION		
Provision for employee benefits -		
- Leave Encashment	11.23	11.23
- Gratuity	58.47	58.47
	69.70	69.70

Aqua Logistics Limited

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	As at 31 March 2013 (₹ in Lakhs)	As at 31 March 2012 (₹ in Lakhs)
6. DEFERRED TAX LIABILITIES (NET)		
Opening Balance	652.07	636.60
Add: Net Tax effect of timing differences	89.81	15.47
Closing Balance of Deferred Tax Liabilities	741.87	652.07
7. SHORT TERM BORROWINGS		
Secured		
Working Capital Loans from Banks	4,945.13	5,009.32
Unsecured		
Short Term Loans	2,993.02	3,123.41
	7,938.16	8,132.73
7.1 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		
7.2 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.		
7.3 Period and amount of default as on the balance sheet date in respect of loans and interest		
	Amount	Period
Loans, Interest on Loans	2,993.02	Nov'2011 to March'2013
	As at 31 March 2013 (₹ in Lakhs)	As at 31 March 2012 (₹ in Lakhs)
8. TRADE PAYABLES		
Due to Others	887.47	1,436.28
	887.47	1,436.28
8.1 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 2013 as Micro, Small or Medium Enterprises.		
8.2 Trade Payables include a sum of Rs. 17.46 lakhs (March 31, 2012 Rs. 17.73 lakhs) as due to Companies/Firms where the Directors are interested.		
9. OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debt (Refer Note No. 4 for details of security)		
- Secured	499.91	309.42
Interest Accrued but not due	-	14.53
Withholding and other taxes payable	128.42	73.88
Other Liabilities	333.34	46.97
	961.66	444.80
9.1 Other Liabilities includes Rs.328.01 lakhs (March 31, 2012 Rs.43.44 lakhs) due to the Directors		
10. SHORT TERM PROVISIONS		
Others		
Provision for Income Tax	257.59	257.59
Other Provision	104.77	-
	362.35	257.59

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

11. Fixed Assets

(Rs. in lakhs)

Particulars	ORIGINAL COST					DEPRECIATION					NET BOOK VALUE	
	As at April 1,2012	Additions/ Adjustments during the year	Deductions/ Retirement during the year	As at March 31,2013	As at April 1,2012	Opening Balance	Additions	For the year	Deductions/ Retirement during the year	As at March 31,2013	As at March 31,2013	As at March 31,2012
Tangible Assets:-												
Office Premises	35.49	-	-	35.49	4.58	0.58	-	0.58	-	5.16	30.33	30.91
Plant & Machinery	3,120.21	-	-	3,120.21	375.60	148.21	-	148.21	-	523.81	2,596.40	2,744.61
Computer & Software	740.98	-	-	740.98	500.88	120.11	-	120.11	-	620.99	119.99	240.10
Office Equipments	55.22	-	-	55.22	13.35	2.62	-	2.62	-	15.97	39.25	41.88
Furniture & Fixtures	266.89	-	-	266.89	53.26	16.89	-	16.89	-	70.15	196.74	213.63
Vehicles	971.04	-	-	971.04	148.55	103.69	-	103.69	-	252.24	718.80	822.48
Land & Mines (Note - 23)	-	27,652.86	-	27,652.86	-	-	-	-	-	-	27,652.86	-
Total (A)	5,189.83	27,652.86	-	32,842.69	1,096.21	392.11	-	392.11	-	1,488.32	31,354.37	4,093.62

Aqua Logistics Limited

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	As at 31 March 2013 (₹ in Lakhs)	As at 31 March 2012 (₹ in Lakhs)
12. 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, 2012: 18,57,200 shares) (Wholly owned Subsidiary)	-	270.45
55,01,000 shares in Aqua Logistics HKG Pvt Ltd of HKD 10/- each (March 31, 2012: 55,01,000 shares) (Wholly owned Subsidiary)	-	3,183.14
1 share in Aqua Logistics FZE (March 31, 2012: 1 share) (Wholly owned Subsidiary)	953.62	953.62
<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, 2012: 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, 2012: 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, 2012: 4,00,000 shares)	40.00	40.00
94,800 shares in Aqua Nikkos Logistics Pvt. Ltd of FV Rs. 10/- each (March 31, 2012: 94,800)	-	17.30
Other Investments		
In Equity shares - Fully paid up		
13,750 shares in Abhyudaya Bank Ltd of Rs. 10/- each (March 31, 2012: 13,750 shares)	1.38	1.38
50,000 shares in Maryada Barter Pvt Ltd of Rs. 10/- each (March 31, 2012: 50,000 shares)	100.00	100.00
	1,970.00	5,440.88
Aggregated quoted investments	Nil	Nil
Aggregated unquoted investments	1,970.00	5,440.88
Market Value of quoted investmens	Not Applicable	Not Applicable
Market Value of unquoted investmens	Not Applicable	Not Applicable
13. LONG-TERM LOANS AND ADVANCES		
(Unsecured and Considered Good)		
Security Deposits		
- with Government Bodies	-	0.57
- with Others	120.49	117.47
Advance Income Tax	218.21	106.08
Others Loans and Long Term Advances		
- Due from Subsidiaries	-	18,191.15
- Due from Others	6,305.75	5,415.00
	6,644.45	23,830.26

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	As at 31 March 2013 (₹ in Lakhs)	As at 31 March 2012 (₹ in Lakhs)
14. TRADE RECEIVABLES		
(Unsecured and Considered Good)		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	4,023.32	391.12
Others	10,235.39	14,288.41
	14,258.71	14,679.53
14.1 Trade Receivables includes a sum of Rs.3.53 lakhs (March 31, 2012 Rs. 6.75 lakhs) due from Companies where the Directors are interested.		
15. CASH AND CASH EQUIVALENTS		
Balances with Banks		
In Current Account	119.37	38.57
In Fixed Deposit	0.66	9,391.56
Cash on hand	3.39	6.81
Sundry		
	123.42	9,436.94
16. SHORT-TERM LOANS AND ADVANCES		
(Unsecured and considered good)		
Others		
Advances :		
Trade advances	3,371.69	2,330.77
Other advances - due from companies in which the directors are members	954.66	1,871.32
Income Tax paid under Dispute	-	30.00
	4,326.35	4,232.09
17. REVENUE FROM OPERATIONS		
Freight and Handling Income	25,959.18	31,035.01
	25,959.18	31,035.01
18. OTHER INCOME		
Interest Income	4.63	134.79
Net Gain on Foreign Currency	-	2.10
Dividend Income	-	0.13
Consultancy Income	104.18	110.22
Creditors Forfeited	-	16.70
	108.81	263.94
19. EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages	397.13	604.07
Contributions to Provident Fund	3.42	4.24
Staff Welfare Expenses	9.60	10.27
	410.15	618.59

Aqua Logistics Limited

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

	As at 31 March 2013 (₹ in Lakhs)	As at 31 March 2012 (₹ in Lakhs)
20. FINANCE COSTS		
Interest Expenses	1,262.97	1,147.33
Others - Bank Charges	2.95	30.94
	1,265.92	1,178.27
21. OTHER EXPENSES		
Rent	52.04	106.73
Office Expenses	5.12	12.31
General Expenses	4.59	5.06
Repairs and Maintenance		
- Buildings	1.62	4.49
- Vehicles	27.65	29.83
- Others	13.74	14.17
Loss on exchange fluctuations	0.24	-
Rates & Taxes	0.19	9.88
Power & Fuel	15.89	24.33
Travelling & Conveyance Expenses	37.45	60.03
Communication Expenses	13.18	20.81
Printing & Stationery	5.41	8.63
Legal and Professional Fees	21.79	79.51
Business Development Expenses	39.23	30.24
Payment to Auditors	11.13	11.79
Bad debts and Irrecoverable Balances Written Off	143.60	177.34
Directors Sitting Fee	0.38	0.33
	393.24	595.46
21.1 PAYMENT TO AUDITOR TOWARDS		
Audit Fees	10.00	10.00
Other Services	-	0.75
Reimbursement of expenses	1.13	1.04
	11.13	11.79

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

22. 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.
23. Land (Mines) acquired during the year by the company outside India for which the transfer formalities of title in the name of the company is pending due to non-receipt of requisite permissions from the concerned authorities.
24. Capital Work in Progress represents advance payment and expenses incurred on setting up storage infrastructure. In view of the down turn in the economy no further expenditure was incurred during the year and the management is confident that the present estimated realisable value of these assets is more than the carrying amount of the asset in the books of the company.
- 25. Contingent liability not provided for in the accounts -**
- a) Claims against the company not acknowledged as debts– Rs.433.42 Lakhs (previous year –Rs.291.02 lakhs).
- b) In respect of counter guarantees given to Banks– Rs.100 lakhs (previous year –Rs.100 lakhs).
26. 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 2013 as Micro, Small or Medium Enterprises. Consequently the amount paid / payable to these parties during the year is Rs. NIL.
27. 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.

28. Directors Remuneration comprises of:

Particulars	For the Year ended 31st March, 2013	For the Year ended 31st March, 2012
Salary and other allowance	102.00	102.00
Perquisites	1.18	1.18
Sitting Fees	0.37	0.33
Total	103.55	103.51

29. Expenditure in Foreign Currency:

Particulars	For the Year ended 31st March, 2013	For the Year ended 31st March, 2012
Freight and Handling Expenses	21.30	235.47
Traveling Expenses	3.21	2.58
Total	24.51	238.05

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

30. Earnings in Foreign Currency:

Particulars	For the Year ended 31st March, 2013	For the Year ended 31st March, 2012
Freight and Handling Income	18.65	155.62
Interest	4.50	123.34
Total	23.15	278.96

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

Aqua Logistics Limited

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

31. The Deferred Tax Liability comprises of the following:

Particulars	Rs. in Lakhs
Net Opening balance of Deferred Tax (Assets) /Liability as on 01-04-2012	652.07
Timing difference during the year :	
Net Deferred Tax (Assets)/Liabilities	89.80
Net Closing balance of Deferred Tax (Assets)/Liabilities as on 31-03-2013	741.87

32. 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 number of equity shares outstanding during the year.

Particulars	For the Year ended 31st March, 2013	For the Year ended 31st March, 2012
Net Profit after Tax for the year	(2,840.70)	115.36
Number of Equity Shares Outstanding	2,999.91	2,999.91
Basic and Diluted EPS	(0.95)	0.04

33. Deferred Revenue Expenditure:

The Company embarked on an advertisement Campaign and has spent 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 and is not exhausted during the period covered by the Statement of Profit and Loss and therefore, 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. 199.85 lakhs is to be charged to Statement of Profit and Loss in the subsequent years.

34. 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.158.88 lakhs and Assessment Year 2010-11 Rs.274.54 (March 31, 2012 Rs.291.02 lakhs/-). 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.

35. 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 return of which are similar. Hence there is no requirement of Segment Reporting in accordance with Accounting Standard 17.

36. 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 2013 are given in the following table.

- 1) Related Parties where Control Exists:
 - a) Subsidiaries:
 - i) Aqua Logistics FZE

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

- 2) Key Management Personnel:
- Mr. Harish G.Uchil - Managing Director & Chief Executive Officer
 - Mr. Rajesh G.Uchil - Whole Time Director
 - Mr. M. S.Sayad - Whole Time Director
- 3) Enterprises where Key Management Personnel exercise significant influence
- Harapa International Private Limited
 - Aqua Specialized Transport Private Limited
 - Aqua Management Consulting Group Private Limited
 - Trikon Electronics Private Limited
 - Lefworld Private Limited
 - Aqua PCW Private Limited
 - Aqua Star Distribution Logistics Private Limited
- 4) Relatives of Key Management Personnel
- Mr. Gopalkrishna G. Uchil
 - Mrs. ParvathiUchil

5) Transactions with Related Parties (Rs. in lakhs)

Name of the Party	Relationship	Nature of the Transaction	Transactions during the year	Balance as on 31/03/2013
Harapa International Private Limited	Enterprises where Key Management Personnel exercise significant influence	Advances given for Services	(17.85)	148.86
Aqua Specialised Transport Private Limited	Enterprises where Key Management Personnel exercise significant influence	Advances given for working Capital	(349.28)	279.53
		Service Received	(0.172)	
Aqua Management Consulting Group Private Limited	Enterprises where Key Management Personnel exercise significant influence	Advances given for Share Capital	(193.20)	526.27
Mr. Rajesh G. Uchil	Key Management Personnel	Remuneration	36.00	
		Advance received	283.56	-
		Advance Adjusted	279.44	
Mr. Harish G. Uchil	Key Management Personnel	Remuneration	30.00	
		Advance received	145.56	-
		Advance Adjusted	144.36	

Aqua Logistics Limited

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

Mr. M. S. Sayad	Key Management Personnel	Remuneration	36.00	(328.01)
		Advance received	283.56	
Mr. Gopalakrishna G. Uchil	Relative of Key Management Personnel	Rent Paid	0.83	-
Mrs. ParvathiUchil	Relative of Key Management Personnel	Rent Paid	1.67	(0.49)

37. Previous year figures have been regrouped and reclassified wherever necessary to conform with current year's classification.

38. 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 Registration Number: 000175S

R. MOHAN

Partner

Membership Number: 23022

Place : Mumbai

Date : 30th May 2013

For and on behalf of the Board of Directors

RAJESH G. UCHIL

Chairman

HARISH G. UCHIL

Managing Director

M.S. SAYAD

Vice Chairman

BHUPENDRA N. SHAH

Company Secretary

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

Rs. in Lacs

Particulars	Aqua Logistics (FZE)
1. Financial Year of the subsidiary company ended on	31st March, 2013
2. Date from which it becomes subsidiary company	22nd March, 2010
3. Country of in-corporation	U.A.E.
4. No. of Shares held by the Company and face value	1 Equity Shares of AED 150,000 each
5. Extents of interest in subsidiary companies	100%
6. Turn Over	4187.16
7. Net aggregate amount of the profits	456.80
8. Total Assetes	1833.05
9. Total Liabilities	1833.05

AQUA LOGISTICS LIMITED

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 FOURTEENTH ANNUAL GENERAL MEETING of the company being held on Monday, September 30, 2013 at 10.00 a.m. at Emerald 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 him _____ of _____ in the district of _____ as my / our proxy to attend and vote for me / us on my/ our behalf at the FOURTEENTH ANNUAL GENERAL MEETING of the company being held on Monday, September 30, 2013 at 10.00 a.m. at Emerald Hall, VITS Hotel, Andheri Kurla Road, Andheri (E), Mumbai – 400 059 and any adjournment thereof.

Signed this _____ day of _____ 2013.

Signature _____

Affix Revenue Stamp

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.

BOOK-POST



If undelivered, please return to:

Aqua Logistics Limited

Registered Office & Corporate Office

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

Andheri (E), Mumbai – 400059, Maharashtra

www.aqualogistics.com