

11th Annual Report
2009-10



Oil & Gas



Power



Pharmaceutical



Infrastructure

enabling
global
businesses

Aqua Logistics Limited

11th Annual General Meeting

Day & Date : Friday, September 3, 2010

Time : 10:00 a.m

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

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CORPORATE INFORMATION

Board of Directors

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

Chief Financial Officer

Mr. C. R. Karikal Valavan

Company Secretary & Compliance Officer

Mr. Bhupendra N. Shah

STATUTORY AUDITORS

M/S. Anil Nair & Associates

Chartered Accountants

“Casablanca”, 6 Casa Major Road,
Egmore, Chennai - 600 008.

Secretarial Auditor

M/S. Pankaj & Associates

Company Secretaries

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

Bankers

Bank of India

Yes Bank

HDFC Bank

Registered Office & Corporate Office

5th Floor, B-Wing, Trade Star,
Andheri-Kurla Road, Andheri (E),
Mumbai – 400059, Maharashtra
Tel No: 022-6777 0200

Mumbai Office

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

Bangalore Office

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

Delhi Office

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

Chennai Office

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

Kolkata Office

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

Wholly-owned Subsidiary Companies

Hong Kong office

Aqua Logistics HK Pvt. Ltd.

6/F Alexandra House, 18 Charter Road,
Central Hong Kong

Sharjah Office

Aqua Logistics, FZE

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

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

INE544K01018

Listing

Bombay Stock Exchange
National Stock Exchange

Scrip Code

BSE: 533159
NSE: AQUA

Bloomberg: AQUA:IN
Reuters: AQUA.NS

Aqua Logistics Limited

From Chairman's Desk

Dear Shareholders,

It's a great pleasure to present before you the annual performance summary along with major milestones achieved by your company in the Year 2010.

The financial year 2009-2010 saw revival of the macroeconomic fundamentals of the economy. In addition, industrial production has seen record levels, exports have gained momentum and the markets have remained strong and robust.

For the financial year 2009-10, your company's performance had been robust. Income from operations is at ₹ 322.01 Crores, up by 50.90% against ₹ 213.40 Crores in FY 2008-09. Profit After Tax increased by 84.24% to ₹ 20.54 Crores from ₹ 11.15 Crores in FY 2008-09.

We aim to sustain the momentum and are targeting a healthy growth in the next financial year as well.

We are able to address important areas in the business value chain, which help in the translation of our understanding into solutions for an optimized and organized supply chain for our customers. The value we provide is in an optimal mix of supply chain consulting, last mile project execution and supply chain IT, which complete the bouquet of end-to-end offerings to our customers. We use process and technology to continuously improve our business operations and customer service. This enables us to execute logistics requirements of our clients seamlessly.

Being in a leadership position in India, your Company aspire to have a formidable presence in the Asean Region As a step in this direction, your Company has set up wholly owned subsidiaries viz. Aqua Logistics (HK) Private Limited and Aqua Logistics, FZE in Hong Kong and Dubai respectively to increase its horizon in overseas countries. Your Company has tapped markets across the countries by establishing a strong and symbiotic relationship with international partners, who complement and enhance our capabilities to manage movements across geographies.

Your company through its wholly owned subsidiary Aqua Logistics (HK) Private Limited has already acquired 60% stake in 3 Hong Kong Based Companies viz. CIT Logistics Limited, TAG Logistics Limited & AGI Logistics Limited. The acquisition in Hong Kong is to focus on Retail, Indo-China trade lane and to address produce sourced from China. Your Company has a strong presence in verticals such as pharma, retail, automobile and infrastructure. Now, it plans to go aggressive in adding new verticals and creating foothold, overseas by acquiring companies in Indonesia, Thailand, Singapore, Russia or Vietnam. The acquisition in Indonesia will focus on the power vertical for the procurement of coal, Thailand will be for liquid gas, and acquisitions in Singapore, Russia or Vietnam to address the oil & gas vertical. It will, I believe, be a springboard for replicating our business model in the Asean region.

These formations and acquisitions will help your Company to increase its geographical presence and spread its reach to the other parts of the world, thereby providing external strength to compete with top multinational companies in its business domain. This will also give your Company an opportunity to move certain processes to India, which has lower operational costs vis-à-vis developed countries. Through these acquisitions, we look for:

- Enhancing Aqua's geographical reach and global expansion of the business.
- Utilization of respective business skills, know-how, experience & expertise of all companies to manage & conduct the business.
- Localized knowledge of employees of foreign company in tapping opportunities in those countries.
- Outsourcing of certain operations in India to improve profitability of the acquired companies.
- Opening up new vista by way of markets for supply chain consultancy services.

I also greatly appreciate the dedication of our employees and the support of all our stakeholders, who have contributed substantially to our rapid progress, and I am confident that they will continue to play a major role in the Company's growth in future.

Rajesh G. Uchil
Chairman

“ We strengthened our business in a challenging year by enriching services and capabilities that will lead to sustainable growth over the foreseeable future.”

Our Business

Aqua Logistics is a full-scope third-party logistics service provider, delivering end-to-end solutions in the logistics and supply chain domain to our customers. Our capabilities include Supply Chain Consulting, Logistics Execution and Project Logistics. Our operations and consulting teams, deliver logistics solutions, to our client's by aligning the strategic and the operational perspectives.

Our capabilities cover services required to execute end-to-end global logistic needs as an external service provider. These include International Logistics, Multimodal Transportation, Contract Logistics, Regulatory Compliance, Warehousing, Value Added Services and Project Logistics. ‘

Our Company is headquartered in Mumbai and has presence in major locations such as New Delhi, Chennai, Bangalore and Kolkata and internationally at Hong Kong, Dubai & Malaysia. Our international logistics operations are supported by a network of 3PL partners and vendors that enables us to service client requirements across India and abroad as well. Our regulatory compliance services include customs and industry-specific regulations. We have a Multi-Modal Transport Operator's License, an IATA Accreditation and a Custom House Agent's License for servicing our customers' requirements.

Our customers' logistics requirements need co-ordination of specialized services provided by multiple vendors. As these transactions are mostly global in nature, they involve compliance with multi-national legal and regulatory requirements. Keeping in mind these global logistics needs of our customers, our solutions to our customers comprise of integrated and end-to-end execution services.

Over and above our execution capabilities, we have built vertical focus in our Company, leveraging the domain knowledge expertise available / nurtured in-house. We have been able to deliver specific logistics requirements in a various industry verticals such as Power, Heavy Engineering, Pharmaceutical, Telecom, Retail, Sports and Events. This domain knowledge combined with our capabilities of end-to-end logistics management enables us to design and execute customized solutions for clients. This also enables us to approach and acquire new clients in the same vertical.

Our contract logistics solutions are designed combinations of consulting and logistics services, such as order management, shipment management, customs management, warehouse and inventory management, sales order management and reverse logistics. These solutions are designed to manage inbound and outbound logistics activities in in-plant and outsourced facilities of customers, thereby allowing customers to concentrate on their core competencies.

We are able to address important areas in the business value chain, which help in the translation of our understanding into solutions for an optimized and organized Supply Chain for our customers. The value we provide is in an optimal mix of Supply Chain Consulting, last mile project execution and Supply Chain IT, which complete the bouquet of end-to-end offerings to our customers. This enable us to offer differentiated and customized services to our customers.

Aqua Logistics Limited

Notice

NOTICE is hereby given that the 11th Annual General Meeting of the Members of Aqua Logistics Limited will be held on Friday, September 3, 2010 at 10:00 A.M. at Crystal Hall, Vits Hotel, Andheri - Kurla Road, Andheri (East), 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, 2010 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. Ravi Sharma who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Anil Nair & Associates, Chartered Accountants, as Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

4. INCREASE IN AUTHORISED SHARE CAPITAL:

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Article 3 of the Articles of Association and Sections 31, 16, 94, 97 and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments or re-enactment thereof), the Authorised Share Capital of the Company be and is hereby increased from ₹ 25 Crores (Rupees Twenty Five Crores) divided into 2,50,00, 000 (Two Crores Fifty Lakhs) equity shares of ₹ 10/- each to ₹ 30 Crores (Rupees Thirty Crores) divided into 3,00,00, 000 (Three Crores) equity shares of ₹ 10/- each.”

5. SUB-DIVISION OF SHARES

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provision of Article 12 of Articles of Association of the Company and sections 31, 16, 94, 97 and all other applicable provisions, if any, of the Companies Act, 1956, (including any amendments thereto or re-enactment thereof) and subject to such approvals, consents, permissions and sanctions, if any, as may be required from any authority, and subject to such conditions as may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall also include any committee thereof), consent of the Members be and is hereby accorded for sub-dividing the equity shares of the Company, including the paid-up shares, such that each existing equity shares of the Company of face value of ₹ 10/- (Rupees Ten) each be sub-divided into one equity shares of the face value of ₹ 1/- (Rupee One) each and consequently, the Authorized Share Capital of the Company is ₹ 30 Crores (Rupees Thirty Crores) divided into 30 crores equity shares of ₹ 1/- each after increasing the Authorized Shares Capital of the Company.

RESOLVED FURTHER THAT pursuant to the sub-division of the equity shares of the Company, the issued, subscribed and paid up equity shares of face value ₹ 10/- (Rupees Ten) each, shall stand sub-divided into equity shares of face value of ₹ 1/- (Rupee One) each, fully paid up.

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do, perform and execute all such acts, deeds, matters and things as it may consider necessary, expedient, usual or proper to give effect to this resolution including but not limited to fixing of the record date as per the requirement of the Listing Agreement, execution of all necessary documents with the Stock Exchanges and the Depositories, Reserve Bank of India and/or any other relevant statutory authority, if any, cancellation or rectification of the existing physical share certificates in lieu of the old certificates and to settle any question or difficulty that may arise with regard to the subdivision of the equity shares as aforesaid or for any matters connected herewith or incidental hereto.”

6. ALTERATION TO THE MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 16, 31, 94, 97 and all other applicable provisions, if any, of the Companies Act, 1956, including amendments thereto or re-enactment thereof, the Memorandum of Association and Articles of Association of the Company be and is hereby altered as follows:

The existing Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Company be deleted by substitution in its place of the following clause as new Clause V and Article 3:

Clause V “The Authorized Share Capital of the company is ₹ 30,00,00,000/- (Rupees Thirty Crores) divided into 30,00,00,000 (Thirty Crores) equity shares of ₹ 1/- (Rupee One) each. The Company has power from time to time increase or reduce its capital and to divide the shares in the capital for the time being into other permissible classes and attach preferential, deferred and/or qualified rights, privileges, conditions or restrictions as may be determined in accordance with the Articles of Association of the company or the legislature provisions for the time being in force in that behalf.”

Article 3. “The Authorized Share Capital of the Company shall be as specified in Clause V of the Memorandum of Association of the Company. The Company may from time to time by Ordinary Resolution increase its authorized share capital by such sum and to be divided into Shares of such amount as may be specified in the resolution.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company or any Committee thereof be and is hereby authorized to do, perform and execute all such acts, matters, deeds and things as it may consider necessary, expedient, usual or proper to give effect to this resolution, including but not limited to filing of necessary forms with the Registrar of Companies and to comply with all other requirements in this regard and for any matters connected herewith or incidental hereto.”

7. ISSUE OF ADR / GDR / QIP / FCCB:

To consider and, if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 81, 81(1A) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force and pursuant to the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulation 2009 as in force and subject to all other applicable rules, regulations and guidelines of SEBI, the applicable provisions of Foreign Exchange Management Act, 1999 (FEMA), Foreign Exchange Management (Transfer of issue of Security by a person Resident Outside India) Regulations, 2000, Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 and enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with Stock Exchange where the shares of the Company are listed, and subject to requisite approvals, consents, permissions and/or sanctions of Securities and Exchange Board of India (SEBI), Stock Exchanges, Reserve Bank of India (RBI), Foreign Investment Promotion Board (FIPB), Department of Industrial Policy and promotion, Ministry of Commerce (DIPP) and all other authorities as may be required (hereinafter collectively referred to as the “Appropriate Authorities”); whether in India or outside India, and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and/or sanction (hereinafter referred to as the “the requisite approvals”); which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the ‘Board’ which term shall be deemed to include any committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), the Board be and is hereby authorized to create, offer, issue and allot, from time to time in one or more tranches any securities convertible into equity shares through Global Depository Receipts (“GDR”) and/or American Depository receipts (“ADR”) And/or Qualified Institutional placement Guidelines (“QIP”) and/or equity shares under the Foreign Currency Convertible Bonds (“FCCB”) any security convertible into equity shares at the option of the Company and/or holder(s) of the Securities linked to equity shares and/or securities with warrants including any instruments or securities representing either equity shares and/or Foreign Currency Convertible debentures/partly convertible debentures or any securities, which are convertible or exchangeable with equity shares at a later date (hereinafter collectively referred to as “Securities”), for an amount not exceeding USD 70 million (Seventy Million US Dollars Only), inclusive of such premium as may from time to time be decided.”

RESOLVED FURTHER THAT in case any equity linked issue/offering, including without limitation any GDR/ADR/QIP/FCCB offering consent of the shareholders be and is hereby given to the Board to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion, redemption or cancellation of any such Securities referred to above or and may be in accordance with the terms of issue/offering in respect of such Securities and such equity shares shall rank pari passu with the existing equity shares of the Company in all respect except provided otherwise under the terms of issue/offering and in the offer document and/or offer letter and/or offering circular and or listing particulars.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the consent of the Members of the Company be and is hereby accorded to the Board, in consultation with the Lead Manager, Underwriters, Advisors and/or other persons as appointed for the purpose, to determine the form, terms and timing of the issue(s)/offering(s) including the investors to whom the Securities are to be allotted, issue price, face value, number of equity shares or other securities upon conversion or redemption or cancellation of the Securities, the price, premium or discount on issue/conversion of

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securities, rate of interest, period of conversion, listing on one or more Stock Exchanges in India and/or abroad and fixing of record date or book closure and related or incidental matters, as the Board in its absolute discretion deems fit and accept any modification(s) in the proposal as may be required by the authorities in such issues in India and/abroad.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board is authorized on behalf of the Company to take all actions and to do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of aforesaid Securities and listing thereof with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of any of the said equity shares, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

“**RESOLVED FURTHER THAT** the Board be authorized to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors or the Chairman or any other Director(s) of the company to give effect to the aforesaid resolution.”

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

**Place: Mumbai
Date: August 7, 2010**

**Bhupendra N. Shah
Company Secretary**

Registered 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. The notice of the Annual General Meeting will be sent to those members whose names appear on the register of members as on August 6, 2010.
4. Annual Report is available at the website of the Company at www.aqualogistics.com in the Investor Relations Section.
5. The Register of Members of the Company will remain closed from August 28, 2010 to September 3, 2010 (both days inclusive).
6. 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.
7. 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.
8. Corporate members are requested to send a duly certified copy of the board resolution /power of attorney authorizing their representative to attend and vote at the Annual General Meeting.
9. 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.

10. 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.
11. Explanatory Statement relating to the Special Business under item no. 4 to 7 as required under Section 173 (2) of the Companies Act 1956 is annexed hereto.

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

Place: Mumbai
Date: August 7, 2010

Bhupendra N. Shah
Company Secretary

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

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

ITEM NO.4

The present Authorized Share Capital of the Company is ₹ 25 Crores comprising of 2,50,00, 000 (Two Crores Fifty Lakhs) equity shares of ₹ 10/- each. It has become essential to increase the present Authorized Share Capital to give effect to the proposal for issue of ADR/GDR/QIP/FCCB as recommended by the Board of Directors at their meeting held on June 28, 2010. The Resolution is therefore to increase the Authorized Share Capital of the Company from ₹ 25 crores to ₹ 30 Crores.

None of the Directors of the Company are in any way interested in the Resolution, except to the extent of their shareholding and the shareholding of their relatives in the Company.

Your Directors recommend the above Resolution for your approval.

ITEM NO.5

Over the period of time the share price of the Company has shown an improvement reflecting the performance of the Company. The sub-division of equity shares has been proposed with a view to broad base the investor base by encouraging the participation of the retail investors and also with a view to increase the liquidity of the equity shares of the Company. The Board of Directors in its meeting held on June 28, 2010, recommended sub-division of each equity shares of the Company of face value of ₹ 10/- each to face value of ₹ 1/- each.

As per the provisions of Section 94 of the Companies Act, 1956, approval of the shareholders is required for subdivision of shares.

None of the Directors of the Company are in any way interested in the Resolution, except of their shareholding and the shareholding of their relatives in the Company.

Your Directors recommend the above Resolution for your approval.

ITEM NO.6

The existing Clause V of the Memorandum of Association specifies the present Authorized Share Capital of your Company. In view of increased in Authorized Share Capital and Sub-Division in the par value of the equity shares from ₹ 10/- each to ₹ 1/-, the present Clause V of the Memorandum of Association & Article 3 of Articles of Association needs to reflect the sub-division of the equity shares.

A copy of the existing Memorandum and Articles of Association as well as the form of the amended Memorandum and Articles of Association of the Company is available for inspection by members at the Registered Office of the Company during working hours on any working day.

Aqua Logistics Limited

As per the provisions of Section 94 of the Companies Act, 1956, approval of the Shareholders is required for amending the Authorized Share Capital. Consequent to change in the Authorized Share Capital Clause V and Article 3 related to the Capital Clause in the Memorandum and Articles of Association respectively will also change as stated in the Resolution.

None of the Directors of the Company are in any way interested in the Resolution, except to the extent of their shareholding and the shareholding of their relatives in the Company.

Your Directors recommend the above Resolution for your approval.

Item No. 7

The Board of Directors of the Company has decided to raise capital by issuance of securities of the Company by way of American Depository Receipts (ADRs) and/ or Global Depository Receipts (GDRs) and/or qualified Institutional Placements (QIPs) and / or Foreign Currency convertible Bonds (FCCBs) for an amount not exceeding USD 70 million pursuant to the provisions of chapter XIII-A of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 (SEBI (DIP) Guidelines) and other applicable guidelines for raising/ borrowing of capital in foreign currencies with a view to augment the financial resources of the company and for expansion of its business through organic and inorganic route.

Section 81(1A) of the Companies Act, 1956 provides, inter alia, that any further equity shares may be offered to any persons other than the existing shareholders, if a Special Resolution to that effect is passed by the Company in a general meeting. The Special Resolution gives flexibility and discretion to the Board of Directors so that it can finalise the terms of issue at the relevant time in consultation with the Lead Managers, Underwriters, Legal Advisors and experts or such authorities as required to be consulted including in relation to pricing of issue. Consent of the Members is therefore sought to authorize Board of Directors to issue the Securities in the manner mentioned in the resolutions.

The Salient features of the issue are mentioned in the resolution and Securities will be issued on such terms and conditions as may be appropriate at the time of issue. The pricing of the issue will be subject to applicable Indian Laws and guidelines. As the pricing of the issue cannot be decided except at a later stage, it is not possible to state the exact price or securities to be issued. The 'Relevant Date' for the applicable Securities shall be as per SEBI Guidelines as may be amended from time to time.

Consent of the shareholders is, therefore, sought to authorize the Board of Directors as set out in the Resolution to issue in one or more tranches Securities referred to therein in Indian or International Markets to investors. The Board is of opinion that the proposed resolutions are in the best interest of the Company and hence recommend the above resolutions for the approval of the Members.

None of the Directors is concerned or interested in the above resolutions. However, they may deemed to be concerned to the extent of change in the percentage of their voting rights in the post equity shareholding in the Company.

Your Directors recommend the above Resolution for your approval.

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

**Place: Mumbai
Date: August 7, 2010**

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

**Bhupendra N. Shah
Company Secretary**

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

NAME	Mr. Ravi Sharma
Age	32 Years
Date of Appointment	March 05, 2009
Expertise in functional areas	Financial Advisor
Name of the Companies in which he holds Directorship / Committee Memberships	NIL

Aqua Logistics Limited

Director's Report

To,

The Members of Aqua Logistics Limited

Your Directors are pleased to present the Eleventh Annual Report of the Company along with Audited Statement of Accounts for the period ended on 31st March, 2010.

FINANCIAL HIGHLIGHTS

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

Particulars	(₹ in Lakhs)	
	For the year ended 31-03-2010	For the year ended 31-03-2009
Sales & Other Income	32238.42	21405.24
Profit Before Depreciation, Interest and Taxes	3279.79	2300.04
Interest and Financial Charges	516.64	474.72
Depreciation	149.03	113.92
Profit before Tax	2614.12	1711.40
Provision For Tax	473.00	320.14
Deferred Tax Liability	207.00	233.75
Fringe Benefit Tax	0.00	42.61
Adjustment for MAT	(120.00)	0.00
Profit after Tax	2054.12	1114.90
Profit brought forward from Previous Year	1745.25	630.35
Profit carried to Balance Sheet	3799.37	1745.25

REVIEW OF OPERATIONS

During the year, your Company has registered a quantum jump both in Sales and Profit. Income from operations is ₹ 32,201.21 Lakhs as compared to ₹ 21,340.05 Lakhs during the FY 2009 showing increase of 50.90%. The increase in revenue is mainly due to increase in revenue from freight forwarding services and project logistics. This increase is mainly attributable to the capability build-up by your company in the previous years, addition of new clients and the capital infusion to increase operations.

Profit before Depreciation, Interest and Tax (PBDIT) has increased from ₹ 2,300.04 Lakhs for the year ended March 31, 2009 to ₹ 3279.79 Lakhs showing the increase of 42.60%, mainly on account of increase in operations. During FY 2010, your Company has recorded PBDIT of 10.17% of the income from operations as against 10.75% during FY 2009. The reduction in operating margin is due to increase in operating cost.

During the year, Profit after Tax (PAT) increased from ₹ 1,114.90 Lakhs for the FY 2009 to ₹ 2054.12 Lakhs in FY 2010 due to increase in income from operations. During FY 2010, your Company recorded PAT margin of 6.37% as against 5.21% for FY 2009.

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

BUSINESS & FUTURE OUTLOOK

As an integrated supply chain services company your company is providing end to end logistics and supply chain solutions across various industry vertical. The Indian Logistics Industry is at growing path with India's gross domestic product (GDP) growing at over 8.60% per year and also the manufacturing sector. The logistics industry in India is expected to reach a market size of over USD 125 Billion in year 2010 due to growth in infrastructure, organized retail and agri processing industry.

Your company is well equipped to take benefit of the growing potential in logistics industry and is hopeful of registering better performance in terms of Sales & Profitability for the Year 2010-11.

INCORPORATION OF SUBSIDIARY COMPANIES

During the year, Aqua Logistics HK Pvt. Ltd was incorporated in Hong Kong and Aqua Logistics, FZE was incorporated in Sharjah, U.A.E. as wholly-owned subsidiary Companies.

RECONGNITIONS

We have been certified ISO 9001:2000 for Quality Management System by Zenith Quality Assessors, the Certification Body.

ISSUE OF SECURITIES OF THE COMPANY

During the year, your Company had made an Initial Public Offer (IPO) of ₹ 15,000 Lakhs. The Company allotted 69,16,225 Equity Shares of ₹ 10/- each at a price of ₹ 220 per Equity Share (including a premium of ₹ 210 per equity share) for Non Institutional and QIB Bidders and ₹ 215 per Equity Share (including a premium of ₹ 205 per equity share) for Retail Individual Bidders . The Equity Shares of the Company were listed on Bombay Stock Exchange and National Stock Exchange on February 23, 2010.

DIVIDENDS

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

PUBLIC DEPOSITS

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

AMOUNT TO BE CARRIED TO RESERVES

Since it is not proposed to declare any dividend, the entire amount of ₹ 20,54,11,752 is proposed to be transferred to the Reserves of the Company.

AUDITORS

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

AUDITORS' REPORT

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

DIRECTORS

Pursuant to the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Ravi Sharma 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, 2010, 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 judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company 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, 2010 on a going concern basis.

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

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

Conservation of Energy

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

Technology Absorption, Adaptation and Innovation

Your Company is in an Industry, which demands absorption of emerging technologies and trends so as to cater to the needs of its esteemed Clients. Your Company has developed methods for absorption and adaptation of new / emerging / developing technologies, in consonance with the needs of its Clients and its own requirements.

Foreign Exchange Earnings and Outgo

The Earnings in Foreign Exchange were ₹ 19,483.62 Lakhs (Previous Year ₹ 4526.03 Lakhs) as against Expenditure incurred in Foreign Currency of ₹ 18,806.57 (Previous Year ₹ 5,637.51 Lakhs). Since the Company does not own any manufacturing facilities, the other particulars under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the Company did not have employee whose salary exceed ₹ 2,00,000 per month or was in excess of ₹ 24,00,000 per annum and therefore, no details are given as required u/s 217 (2A) of the Companies Act, 1956. Details of Remuneration paid to Directors are covered under Notes to Accounts.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to place on record their gratitude for the valuable support and cooperation extended during the year by the Government of India, Governments of various countries, the concerned State Governments and other Government Departments and Agencies, the Stakeholders, Business Associates including Bankers, Financial Institutions, Vendors and Service Providers.

Your Board also wishes to place on record their appreciation for the dedication and commitment shown by the employees at all levels who have contributed to the success of your Company.

For and on behalf of the Board of Directors

Place: Mumbai
Dated: August 7, 2010

Chairman

Management Discussion & Analysis

1. Economic Outlook

India and the slowdown

The last fiscal and the first half of the current fiscal saw India dealing with the impact of the global slowdown that resulted in the GDP growth rate slowing down from an average of 9% achieved in the last 5 years to 6.7%. The slowdown also resulted in plummeting exports, a booming fiscal deficit and an alarming fall in the industrial production. Capital flows shrunk and the stock market tumbled into an abyss landing a blow to the “decoupling” hypothesis. Despite these negative impacts, when compared to the rest of the world, India (along with China) stood out as the better performers and continues to remain a primary focus for many businesses.

India post the slowdown

The recently released Economic Survey for 2009-10 reveals that some of the key macroeconomic fundamentals of the economy have revived over the past few months. Aided by the fiscal stimulus package and a liberal monetary policy, the country's Gross Domestic Product (GDP) growth rate for 2009-10 is expected to be 7.2%. In addition, industrial production has seen record levels, exports (USD 81.14 billion as on September 2009) have regained the lost momentum, domestic private consumption have increased from last years' level and the capital markets have remained strong and robust. The policymakers deserve credit for the well calibrated and synchronized policies that have helped restore the lost optimism in the future prospects of the economy.

2. Indian Logistics Industry - Structure and Recent Developments

The Indian logistics industry is characterized by its high degree of fragmentation. Country's diverse geographical and socio-economic features, huge retail network and infrastructure limitations enable most of the logistics service providers in the country to provide the entire gamut of logistics services. The organized logistics sector is estimated to comprise only 6% of the industry. In the road freight transport (trucking) segment, market share of organized players is estimated to be 20%. The transportation service is dominated by small trucking companies and individual truckers. While, a major portion of the freight forwarding segment is made of small customs brokers and clearing & forwarding agents.

This has created a large number of market participants across the value chain, with no focus on quality of service and delivery schedules. These market participants tend to offer only disintegrated services with little value addition to the entire process and hence, companies going forward will be looking to outsource their supply chain to gain better efficiency and seamless services. Distribution and marketing costs are huge in the Indian consumer market and manufacturing companies, to be more cost effective, will rely on logistics service providers with established network and a pan India presence. This, we believe, will help organized players nullify the impact of unorganized players' price advantage.

According to CRISIL Research, revenues of the logistics industry to grow strongly over the next 5 years from an estimated ₹ 2,762 billion in 2008-2009 to around ₹ 4,642 billion in 2013-14. This 10.9% CAGR in revenues would be driven by the following:

- *Strong growth in the economic fundamentals – GDP, IIP, and Export Import; albeit after near term blip*
- *Growth in logistics spends, as firms compete to reach their target consumers faster and within a limited cost framework*
- *Government's efforts to render a favourable regulatory environment, which would facilitate creation of hub and spoke model across the infrastructure segments.*

Third Party Logistics In India

The Logistics industry in India is undergoing a change to a system wherein a dedicated player handles majority of a company's logistics operations. These players are referred to as 3PL players who typically specialize in integrated transportation and warehousing services that can be customized to meet the company's needs. The need for controlling logistics costs and increasing need to focus on core competencies are driving more and more companies to look for such 3 PL players.

A 3PL player is one step ahead of the integrated logistics player in terms of services provided. Although integrated players offers inventory management services, 3PL players manage the overall logistics functioning be it inventory management, supply chain optimization or value added services such as interface with vendors and distributors, etc.

The inability of companies to manage complex supply chains is leading to increasing dependence on 3PL players. By

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outsourcing logistics activities, companies can not only concentrate on their core business operations, but can also achieve cost-efficiency and improve delivery performance.

3. Opportunities and Threats

Opportunities - Growth and future of 3PL Market in India

CRISIL Research has estimated the 3PL market in India at ₹ 47-50 billion in 2008-09, which is expected to grow at a CAGR of 27% to ₹ 162-165 billion by 2013-14. 3PL penetration has been the highest in sectors such as cars and organized retail. The segment is also gaining importance in other sectors such as IT hardware and FMCG.

The share of 3PL in the overall logistics market is expected to increase from around 1.5 - 2.0% in 2008-09 to around 3.5 – 4% by 2013-14. The benefits would accrue in the form of:

- Reduction in warehousing space requirement
- Improvement in efficiency due to better inventory management
- Reduction in transportation cost due to higher capacity utilisation

The segment is also gaining importance in other sectors such as Power, Infrastructure, IT hardware and FMCG.

Threats - Key Challenges faced by the Indian Logistics Sector

1. Logistics has historically been a high-cost, low-margin business. The problem of organized players is compounded by unfair competition with unorganized players, who can get away without paying taxes and following operating norms stipulated in the Motor Vehicles Act such as quality of drivers and vehicles, volume and weight restrictions, etc.
2. Economies of scale are absent in the Indian logistics industry. Even the organized sector that contributes slightly more than 1% of the logistics cost, is highly fragmented. Existence of the differential sales tax structure have brought in diseconomies of scale. Though VAT (Value Added Tax) has been implemented since April 1, 2005, failure in implementation of a uniform VAT structure across different states has let the problem persist even today.
3. Apart from the non-uniform tax structure, Indian LSPs have to pay numerous other taxes, octroi, and face multiple check posts and harassment from authorities. High costs of operation and delays involved in compliance with varying documentation requirements of different states make the business unattractive. It is assumed that on an average, a vehicle on Indian roads loses 24-48 hours in complying with paperwork and formalities at different check posts en route to a destination and also precious fuel is spent waiting at check posts.
4. There is lack of trust and awareness among Indian shippers with regard to outsourcing logistics. The volume of outsourcing by Indian shippers is presently very low (~ 10%) compared to the same for the developed countries (> 50%, sometimes as high as 80%). The unwillingness to outsource logistics on part of Indian shippers may be attributed to scepticism about the possible benefits, perceived risk, and losing control, of sensitive organizational information, and vested interests in keeping logistics activities in-house.
5. Indian shippers expect LSPs to own quality assets, provide more value-added services and act as an integrated service provider, and institute world-class information systems for more visibility and real-time tracking of shipments. However, they are unwilling to match the same with increased billings; even pay little attention to timely payments that leave LSPs short of adequate working capital.
6. Indian freight forwarders face stiff competition from multi-national freight forwarders for international freight movement. MNCs, because of their size and operations in many countries, are able to offer low freight rates and extend credit for long periods. Indian freight forwarders, on the other hand, because of their smaller size and lack of access to cheap capital, are not able to match the same.
7. Poor physical and communications infrastructure is another deterrent to attracting investments in the logistics sector. Road transportation accounts for more than 60% of inland transportation of goods, and highways that constitute 1.4% of the total road network, carry 40% of the freight movement by roadways. Slow movement of cargo due to bad road conditions, multiple check posts and documentation requirements, congestion at seaports due to inadequate infrastructure, bureaucracy, red-tapism and delay in government clearances, coupled with unreliable power supply and slow banking transactions, make it difficult for exporters to meet the deadlines for their international customers. To expedite shipments, they have to book as air freight, rather than sea freight, which adds to the costs of shipments making them uncompetitive in international markets.
8. Low penetration of IT and lack of proper communications infrastructure also result in delays, and lack of visibility and real-time tracking ability. Unavailability and absence of a seamless flow of information among the constituents

of LSPs creates a lot of uncertainty, unnecessary paperwork and delays, and lack of transparency in terms of cost structures and service delivery.

9. Shippers would like LSPs to offer more value-added services and a single-stop solution to all their logistical problems. The inability of service providers to go beyond basic services and provide value-added services such as small repair work, kitting/de-kitting, packaging/labelling, order processing, distribution, customer support, etc. has not been able to motivate shippers to go for outsourcing in a big way.
10. There is lack of skilled and knowledgeable manpower in the logistics sector. Management graduates do not consider logistics as a prime job. To improve the status of the industry, service providers have to move beyond the level of brokers and truckers to attract and retain talent.

4. Outlook Future Industry Prospects

Since the organized sector accounts for merely 1% of the annual logistics cost, there is immense potential for growth of the sector. The major opportunities are highlighted below.

1. Many large Indian corporates have been attracted by the potential of this sector and have established logistics divisions. They have started providing in-house logistics services, and soon sensing the growth of the market, have started providing services to other corporates as well.
2. Large express cargo and courier companies have also started logistics operations. These companies enjoy the advantage of already having a large asset base and an all-India distribution network.
3. Since logistics service can be provided without assets, there is growing interest among entrepreneurs to venture into this business.
4. Indian shippers are gradually becoming more aware of the benefits of logistics outsourcing. They are now realizing that customer service and delivery performance are equally important as cost to remain competitive in this global economy.
5. The Indian economy which is growing at over 9% for the last couple of years (compared to the world GDP growth rate of 3%), implies more output and more demand for specialized logistics services.
6. The Indian government has focused on infrastructure development. Examples include the golden quadrilateral project, east-west and north-south corridors (connecting four major metros), Free Trade and Warehousing Zones (FTWZ) in line with Special Economic Zones (SEZ) with 100% Foreign Direct Investment (FDI) limit and public-private partnerships (PPP) in infrastructure development. It is expected that infrastructure development would boost investments in the logistics sector.
7. The government has initiated the process of phasing out CST and introducing GST.
8. In India, 100% FDI is allowed in logistics whereas in China, until recently, foreign investment was not allowed in domestic logistics. Almost all large global logistics companies have their presence in India, mainly involved in freight forwarding. For domestic transportation and warehousing, they have tie-ups with Indian companies. As the Indian logistics scenario looks promising, these MNCs are expected to play a bigger role, probably forming wholly-owned subsidiaries or taking the acquisition route. The latter may be the preferred route of investment since the target company is readily acquired with its asset base and distribution network, and the need for building everything from scratch can thus be avoided. The benefits for the acquired company include the patronage of an MNC and access to the MNC's global network.

The logistics industry in India is evolving rapidly and it is the interplay of infrastructure, technology and new types of service providers that will define whether the industry is able to help its customers reduce their logistics costs and provide effective services. Changing government policies on taxation and regulation of service providers are going to play an important role in this process. Coordination across various government agencies requires approval from multiple ministries and is a road block for multi modal transport in India. At the firm level, the logistics focus is moving towards reducing cycle times in order to add value to their customers. Consequently, better tools and strategies are being sought by firms in order.

5. 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.

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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.

6. 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.

7. 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. The total staff strength is 154 as on 31st March, 2010.

8. 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.

CORPORATE GOVERNANCE REPORT

(Annexure to and forming integral part of Director's Report of the Company)

MANDATORY REQUIREMENTS

1. Company's Philosophy on code of governance :

Aqua Logistics is India's foremost global logistics and supply chain partner, delivering across industries, through an integration of empowered people, processes and technology. The Company enables its client's businesses by aligning the strategic and the operational perspectives. The Company also has a strong legacy of fair, transparent and ethical practices which it believes are the essence of good corporate governance. It has been the Company's continuous endeavour to build on its values and practices to effectively meet its financial, social, environmental and statutory obligations.

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

2. Board of Directors:

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

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

Sr.No.	Board Meeting Date
1.	20 th April, 2009
2.	4 th May, 2009
3.	12 th May, 2009
4.	2 nd June, 2009
5.	9 th July, 2009
6.	13 th July, 2009
7.	30 th July, 2009
8.	4 th August, 2009
9.	18 th September, 2009
10.	24 th September, 2009
11.	5 th October, 2009
12.	28 th October, 2009
13.	16 th November, 2009
14.	23 rd November, 2009
15.	24 th November, 2009
16.	16 th December, 2009
17.	5 th January, 2010
18.	12 th January, 2010
19.	25 th January, 2010
20.	28 th January, 2010
21.	2 nd February, 2010
22.	9 th February, 2010
23.	11 th February, 2010

The names of the Directors, the number of Board Meetings held, their attendance 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, 2010 are set out below:

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Name of the Director	Category of Directorship#	No. of Board Meetings attended out of Twenty Three held	Attendance at last AGM held on 3 rd September, 2009.	No. of Directorships in Companies incorporated in India including Aqua Logistics Limited (excluding Private Limited Companies)
Mr. Rajesh G. Uchil	WTD	23	YES	1
Mr. M. S. Sayad	WTD	23	YES	1
Mr. Harish G. Uchil	MD	23	YES	1
Mr. V. S. Narayanan	NED – I	11	NO	1
Mr. B. S. Radhakrishnan	NED – I	10	NO	1
Mr. Ravi Sharma	NED – I	23	YES	1

WTD – Whole Time Director

NED -I – Non Executive Director – Independent

Yes – attended, No – Not Attended

3. Re-appointment of Director:

Mr. Ravi Sharma:

Mr. Ravi Sharma holds a Master Degree in Commerce from the University of Rajasthan and has a Post Graduate Diploma in Management from Institute of Management Development and Research, Pune. He has over 6 years of experience in the financial services sector and has worked on fund raising through various modes like Private Equity, IPO, Debt Syndication and structured products. He has also worked on cross – border merger and acquisition deals. His previous employment includes A. K. Capital Services limited and Wizarth Advisors Private Limited. Currently, he is working as an independent financial consultant.

Mr. Ravi Sharma does not hold any equity shares in the Company.

4. Audit Committee:

- As required under Section 292A of the Companies Act, 1956, read with the provisions of Clause 49 of the Listing Agreement(s) with the Stock Exchange(s), the Board constituted an Audit Committee.
- The details of the composition of the Audit Committee and the attendance of Audit Committee Meetings by each member for the financial year ended 31st March, 2010 are as follows:

NAME	DESIGNATION	CATEGORY	ATTENDANCE IN AUDIT COMMITTEE MEETING HELD ON 5 th JANUARY, 2010.
Mr. Ravi Sharma	Chairman	Independent Director	Yes
Mr. B. S. Radhakrishnan	Member	Independent Director	Yes
Mr. Harish G. Uchil	Member	Executive and Non Independent Director	Yes

Yes – attended, No – Not Attended

- 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 and Remuneration of Directors: -

- During the financial year ended 31st March, 2010, the Remuneration Committee held one meeting on 12th May, 2009.
- The details of the composition of the Remuneration Committee and the attendance of Remuneration Committee Meetings by each member, are as follows:

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

Yes – attended, No – Not Attended

- The Remuneration Committee inter alia, reviews and recommends the remuneration and commission of Whole-time Directors based on the performance parameters for the individuals and the Company, subject to the limits approved by the shareholders and as permitted by law. The terms of reference of the Remuneration Committee include the matters specified in Clause 49 of the Listing Agreements with the Stock Exchanges.
- The Board of Directors notes the Minutes of the Remuneration Committee Meetings at Board Meetings.
- The Remuneration Policy is directed towards rewarding performance. It is aimed at attracting and retaining high caliber management talent by evaluating their performance based on their potential, leadership skills and actual performance during the year, considering the prevailing internal and external business environment and at the same time giving importance to the prevailing competitive market practices.
- The details of the remuneration paid/payable to the Directors during the financial year ended 31st March, 2010 are set out below:

Directors	SALARY AND PERQUISITES (₹)	COMMISSION	Total (₹)
Mr.Rajesh G. Uchil	34,80,000	NIL	34,80,000
Mr.M.S.Sayad	34,80,000	NIL	34,80,000
Mr. Harish G. Uchil	29,00,000	NIL	29,00,000

6. Shareholders' Committee: -

a) SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE :-

- During the financial year ended 31st March, 2010, the Shareholders'/ Investors' Grievance Committee Meetings held on 31st March, 2010.
- The details of the composition of Shareholders'/ Investors' Grievance Committee Meetings and the attendance of Shareholders'/ Investors' Grievance Committee Meetings by each member, are as follows:

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

Yes – attended, No – Not Attended

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 Shareholders'/ Investors' Grievance Committee Meetings at Board Meetings.
- The Company is listed on 23rd February, 2010
- Summary of Investor Complaints related to IPO for the period from 23.02.2010 to 31.03.2010 are give below:-

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Description of Investor Grievances for the period from 23.02.2010 to 31.03.2010:

Nature of Complaint	No. Of Grievances
Non Receipt of Refund Order	35
Non Receipt of Demat Credit	28
Correction in Refund Instrument	27
National Stock Exchange	NIL
Bombay Stock Exchange	01
SEBI	NIL
Total Grievances attended	89
Total Grievances Pending at the end of the quarter	02

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
29 th September, 2007	Trade Star, 5 th floor, B-Wing, Andheri kurla Road, Andheri (E), Mumbai – 400 059.	11.00 a.m	Alteration of Articles of Association
22 nd September, 2008	Trade Star, 5 th floor, B-Wing, Andheri kurla Road, Andheri (E), Mumbai – 400 059.	11.00 a.m	Nil
3 rd September, 2009	Trade Star, 5 th floor, B-Wing, Andheri kurla Road, Andheri (E), Mumbai – 400 059.	11.00 a.m	Nil

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, 2010, 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. 21 of Schedule 16 of Notes forming part of Accounts.
- 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, 2010, 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 is listed on Stock Exchange on 23rd February, 2010 and since then it is complying with the Stock Exchanges as well as the Regulations and Guidelines prescribed by the Securities and Exchange Board of India.

10. Means of Communication:

The Company is listed on Stock Exchange on 23rd February, 2010 so the matter relating to publication of Quarterly, Half –Yearly and Annual Financial Results will be complied in future.

11. Chief Executive Officer (CEO) / Chief Financial Officer (CFO) Certification:

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

12. General Shareholder Information:

- **Annual General Meeting**

Date and Time	: September 3, 2010 @10.00 a.m.
Venue	: VITS Hotel, Crystal Hall, Andheri - Kurla Road, Andheri (E), Mumbai - 59

- **Financial Calendar**

- | | |
|--|--|
| Listing Date | : February 23, 2010 |
| Book Closure Dates | : August 28, 2010 to September 3, 2010 (Both days inclusive) |
| Listing of equity shares on Stock Exchange | : The Bombay Stock Exchange Limited,
Stock Code – 533159

The National Stock Exchange of India
Symbol - AQUA |
| Demat ISIN for NSDL & CDSL | : INE544K01018 |
| 95,21,995 Equity shares, representing 46.35% of the total Equity Capital were held in the Dematerialized form as on 31 st March, 2010 | |
| Market Price Data (High/Low) on Bombay Stock Exchange during each month: | |

Month	High (₹)	Low (₹)
February - 2010	255.95	219.40
March – 2010	286.40	234.70

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

Month	High (₹)	Low (₹)
February - 2010	256.15	223.75
March – 2010	286.80	234.05

- **Distribution of Share holding as on 31st March, 2010:**

No.of Equity Shares Held	No. Of Shareholders	%	No.of Shares	%
Up to 500	2672	85.09	307059	1.50
501 to 1000	112	3.57	90748	0.44
1001 to 2000	78	2.48	116525	0.57
2001 to 3000	48	1.53	121386	0.59
3001 to 4000	26	0.83	91113	0.44
4001 to 5000	40	1.27	194209	0.95
5001 to 10000	58	1.85	458837	2.23
10001 and above	106	3.38	19161618	93.28
Total	3140	100	20541495	100

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- **Shareholding Pattern as on 31st March, 2010:**

Category	No. Of Shares	%
Promoters	7523300	36.62
Relatives Of Directors	1150000	5.60
Corporate Bodies(Promoter Co.)	266667	1.30
Other Bodies Corporate	7166929	34.89
Foreign Institutional Investor	1487430	7.24
Non Resident Indians	4296	0.02
Non Resident (Non Repatriable)	1819	0.01
Officer Bearers	174500	0.85
Clearing Member	591699	2.88
Public	2174855	10.59
Total	20541495	100

- 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: mt.helpdesk@linkintime.co.in
Unit: Aqua Logistics
- Share Transfer System : All transfer received are processed and approved by the Share Transfer Committee which normally meets twice a month or more is depending upon the volume of transfers.
- Company's Address for Correspondence : Mr. Bhupendra N. Shah
Company Secretary & Compliance Officer
Aqua Logistics Limited
5th Floor, B-Wing, Trade Star Building, Andheri Kurla Road,
Andheri (East), Mumbai – 400 059.

Non-mandatory requirements:

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

- **Remuneration Committee:**
A Remuneration Committee comprising three Non-Executive Directors reviews and takes decisions on compensation of Executive Directors of the Company. The Chairman of the Remuneration Committee is an Independent Director.
- Financial results of the Company as published in the newspapers are made available to the members on request and are also available on the Company website.

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

In accordance with Clause 49 I (D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all Designated Persons of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the period ended 31st March, 2010.

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: August 7, 2010

Managing Director & CEO

CEO / CFO CERTIFICATION

To,
The Board of Directors
Aqua Logistics Limited

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

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

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

C. R. Karikal Valavan
CFO

Harish G. Uchil
Managing Director & CEO

Place: Mumbai

Date: May 29, 2010

Aqua Logistics Limited

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, 2010 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, 2010 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: August 7, 2010

Pankaj Desai
COP.NO.4098

FINANCIALS

Auditor's Report

To
The Members of Aqua Logistics Limited

1. We have audited the attached Balance Sheet of **Aqua Logistics Limited** ("the company") as at 31st March 2010, the Profit and Loss account and the Cash Flow statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure hereto, a statement on the matters specified in Paragraphs 4 & 5 of the said order to the extent applicable to the company.
4. Further to our comments in the Annexure referred to in paragraph 3 above we report that:
 - a) We have obtained all the information & explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate have been received from branches not visited by us;
 - c) The Balance Sheet and the Profit & Loss account dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit & Loss Account and the Cash flow statement dealt with by this report comply with the Accounting Standards referred in Section 211(3C) of the Companies Act, 1956.
 - e) On the basis of written representations received from the Directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is *prima facie* disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us and subject to
 - a.) *treatment of advertisement expenditure*
 - b) *confirmation of balances in parties' accounts and the consequential effects of the same on the profits, assets and liabilities of the company which are not ascertainable*, the said Balance Sheet and the Profit and Loss Account and the Cash Flow Statement read together with the Schedules and notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010.
 - ii. In the case of the Profit and Loss Account, of the Profit for the year ended on that date
 - iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Place: Mumbai
Date: May 29, 2010

R. MOHAN
Partner
Membership No: 023022

Aqua Logistics Limited

Annexure To The Auditor's Report

Referred to in the paragraph 3 of our report of even date on the accounts for the year ended 31st March, 2010 of Aqua Logistics Limited.

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

- b. According to the information and explanations given to us and the records of the company examined by us the following amounts towards statutory dues is outstanding as on 31st March 2010 for a period of more than six months from the date they became payable:
- (i) Tax Deducted at Source : ₹ 10.15 Lakhs
- The aforesaid sums have since been deposited with the appropriate authorities.
- c. According to the information and explanations given to us, there are no dues in respect of service tax, income tax, or other statutory dues that have not been deposited with the authorities on account of any dispute.
10. The company does not have any accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on the information and explanations given to us the company has not defaulted in repayment of dues to any financial institution or bank.
12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and to the best of our information and according to the explanations provided by the management we are of the opinion that the company is neither a Chit Fund nor a Nidhi / Mutual Benefit Fund/ Society. Therefore in our opinion the requirements of Clause 4(xiii) of the Companies (Auditors Report) Order 2003 do not apply to the company.
14. As per the records of the Company examined by us and the information and explanations given to us by the management, the company is not dealing or trading in shares, securities, debentures and other investments, therefore in our opinion Clause 4(xiv) of the Companies (Auditors Report) Order 2003 is not applicable to the company.
15. According to the records of the Company and the information and explanations provided by the management, the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us and in our opinion, the term loans have been applied for the purposes for which they were obtained.
17. According to the information and explanations given to us and an overall examination of the balance sheet, we report that no funds raised by the company on a short term basis have been used for long term investment by the company during the year under review.
18. During the period covered by our audit report the company has not issued any debentures.
19. We have verified the end use of money raised by public issue as disclosed in the notes to the financial statements.
20. 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.
21. Based upon the audit, procedures performed and information and explanation given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

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

Place: Mumbai
Date: May 29, 2010

R.MOHAN
Partner
Membership No: 023022

Aqua Logistics Limited

Balance Sheet

	Schedule	As at 31 March 2010 ₹	As at 31 March 2009 ₹
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	205,414,950	129,235,750
Reserve and Surplus	2	2,064,670,688	445,246,524
		2,270,085,638	574,482,274
LOAN FUNDS:			
Secured Loans	3	296,990,744	397,278,427
Unsecured Loans	4	108,413	617,281
		297,099,157	397,895,708
Deferred Tax Liability		51,647,554	30,947,554
TOTAL		2,618,832,349	1,003,325,536
APPLICATION OF FUNDS			
FIXED ASSETS			
	5		
Gross Block		487,963,731	146,686,581
Less: Depreciation		34,089,241	19,185,948
Net Block		453,874,490	127,500,633
INVESTMENTS			
	6	98,937,500	108,467,845
CURRENT ASSETS, LOANS AND ADVANCES			
Sundry Debtors	7	1,032,393,765	597,259,227
Cash & Bank Balances	8	813,654,816	114,946,213
Loans & Advances	9	338,198,221	155,891,321
		2,184,246,802	868,096,761
LESS: CURRENT LIABILITIES AND PROVISIONS			
Liabilities	10	110,943,267	73,812,382
Provisions	11	46,664,834	41,106,619
		157,608,101	114,919,001
NET CURRENT ASSETS		2,026,638,701	753,177,760
Miscellaneous Expenditure (to the extent not written off or adjusted)			
Deferred Revenue Expenditure (Note 8)		39,381,658	14,179,298
TOTAL		2,618,832,349	1,003,325,536

Significant accounting policies and Notes to Accounts 16

The schedules referred to above and the notes to accounts form an integral part of the Balance sheet.

As per our report of even date

For Anil Nair & Associates

Chartered Accountants
(Registration No. 000175S)

R Mohan

Partner M.No 023022

Place: Mumbai

Date: May 29, 2010

For and on behalf of the Board of Directors

Rajesh G Uchil
Chairman

Harish G Uchil
Managing Director & CEO

M. S. Sayad
Vice Chairman

Bhupendra N. Shah
Company Secretary

Profit & Loss Account For The Year Ended March 31, 2010

	Schedule	For the yearended March 31, 2010 ₹	For the yearended March 31, 2009 ₹
INCOME			
Income from Operations		3,220,120,981	2,134,005,170
Other Income	12	3,721,442	6,519,209
		3,223,842,423	2,140,524,379
EXPENDITURE			
Freight & Operating Expenses		2,724,242,007	1,754,895,606
Personnel Cost	13	109,185,983	105,785,610
Administrative, Selling & General Expenses	14	62,435,001	49,839,310
Interest & Finance Charges	15	51,664,387	47,471,420
Depreciation		14,903,293	11,391,935
		2,962,430,671	1,969,383,881
Profit before taxation		261,411,752	171,140,498
Provision for Taxation		47,300,000	32,013,985
Adjustment for MAT		(12,000,000)	0
Fringe Benefit Tax		-	4,260,740
Deferred Tax Liability.		20,700,000	23,375,351
		56,000,000	59,650,076
Profit after Tax carried over to Balance Sheet		205,411,752	111,490,422
Earnings per share information :			
Net profit attributable to equity shareholders		205,411,752	111,490,422
Weighted average number of equity shares outstanding		14,313,443	11,895,356
Basic and diluted earnings per share		14.35	9.37
Nominal value of equity share		10.00	10.00

Significant accounting policies and Notes to Accounts 16

The schedules referred to above and the notes to accounts form an integral part of the Profit and Loss Account.

As per our report of even date

For Anil Nair & Associates

Chartered Accountants
(Registration No. 000175S)

R Mohan

Partner M.No 023022

Place: Mumbai

Date: May 29, 2010

For and on behalf of the Board of Directors

Rajesh G Uchil
Chairman

Harish G Uchil
Managing Director & CEO

M. S. Sayad
Vice Chairman

Bhupendra N. Shah
Company Secretary

Aqua Logistics Limited

Cash Flow Statement For The Year Ended March 31, 2010

	For the Period ended 31-03-2010 ₹	For the Period ended 31-03-2009 ₹
(A) Cashflow from operating activities		
Net profit/(loss) before tax and extraordinary items	261,411,752	171,140,498
Adjustments for		
Depreciation	14,903,293	11,391,935
Interest Income	(3,714,862)	(1,658,236)
Dividend Income	(6,580)	(23,402)
Interest on borrowings	46,764,489	39,070,860
Operating profit before working capital changes	319,358,092	219,921,656
Changes in working capital		
(Increase)/Decrease in Trade and other receivables	(435,134,538)	(268,656,896)
(Increase)/Decrease in Loans and Advances	(182,306,900)	(81,880,283)
Increase/(Decrease) in Trade and other payables	41,090,257	(10,864,234)
Net changes in working capital	(576,351,181)	(361,401,413)
Cash generated from operations	(256,993,089)	(141,479,757)
Direct taxes paid	(33,701,157)	1,112,506
Net cash from operating activities (A)	(290,694,246)	(140,367,253)
Cashflow from investing activities		
Purchase of fixed assets / change in capital work in progress	(341,277,150)	(47,615,252)
Deferred Revenue Expenditure	(25,202,360)	(14,179,298)
Interest received	3,714,862	1,658,236
Net cash used in investing activities (B)	(362,764,648)	(60,136,314)
Cashflow from financing activities		
Interest paid on borrowings	(46,764,489)	(39,070,860)
Proceeds from long term borrowings	(100,287,683)	322,701,868
(Increase)/Decrease in Investments	9,530,345	(108,330,345)
Dividend Income Received	6,580	23,402
Repayment of borrowings	(508,868)	(6,428,224)
Issue of Equity Shares and Securities premium there on	1,612,499,960	63,600,000
Issue related expenses	(122,308,348)	-
Net cash used in financing activities (C)	1,352,167,497	232,495,842
Net increase/(decrease) in cash and cash equivalents (A+B+C)	698,708,603	31,992,276
Cash and cash equivalents at the beginning of the year	114,946,213	82,953,937
Cash and cash equivalents at the close of the year	813,654,816	114,946,213
Cash and cash equivalents comprise of		
Cash balance	555,947	1,286,812
Bank balance	813,098,869	113,659,401
	813,654,816	114,946,213

As per our report of even date

For Anil Nair & AssociatesChartered Accountants
(Registration No. 000175S)**R Mohan**
Partner M.No 023022**Place: Mumbai**
Date: May 29, 2010**For and on behalf of the Board of Directors****Rajesh G Uchil**
Chairman**Harish G Uchil**
Managing Director & CEO**M. S. Sayad**
Vice Chairman**Bhupendra N. Shah**
Company Secretary

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31 March 2010 ₹	As at 31 March 2009 ₹
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORISED :		
250,00,000 Equity shares of ₹ 10/- each(previous year 250,00,000 equity shares of ₹ 10/- each)	25,00,00,000	25,00,00,000
ISSUED SUBSCRIBED CALLED UP & PAID UP :		
20,541,495 Equity shares of ₹ 10/- each fully paidup(previous year 12,923,575 equity shares of ₹ 10/- each fully paidup)	20,54,14,950	12,92,35,750
	20,54,14,950	12,92,35,750
SCHEDULE - 2		
RESERVES & SURPLUS		
Profit & Loss Account:		
Balance at the beginning of the year	17,45,24,774	6,30,34,352
Add : Profits for the year	20,54,11,752	11,14,90,422
	37,99,36,526	17,45,24,774
Share Premium Account	1,80,70,42,510	27,07,21,750
Less : Issue Related Expenses	12,23,08,348	-
	1,68,47,34,162	27,07,21,750
	2,06,46,70,688	44,52,46,524
SCHEDULE - 3		
SECURED LOANS (Refer Note 14)		
From Banks	29,52,68,042	39,71,25,807
From Others	17,22,702	1,52,620
	29,69,90,744	39,72,78,427
SCHEDULE - 4		
UNSECURED LOANS		
From Banks	-	3,26,298
From Others	1,08,413	2,90,983
	1,08,413	6,17,281

SCHEDULE 5 FIXED ASSETS

(Refer Notes 2, 3(a) and 3(b) on Schedule 16)

(₹)

Description	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at 31.03.2009	Additions	Deletions / Disposals	As at 31.03.2010	Up to 31.03.2009	For the year	Up to 31.03.2010	As at 31.03.2009	As at 31.03.2010
Office Premises	3,548,860	-	-	3,548,860	284,311	57,846	342,157	3,264,549	3,206,703
Plant & Machinery	-	312,020,894	-	312,020,894	-	897,594	897,594	-	311,123,300
Computer & Software	68,597,920	819,024	-	69,416,944	15,150,908	11,255,972	26,406,880	53,447,012	43,010,064
Office Equipments	4,962,735	253,512	-	5,216,247	509,306	253,538	762,844	4,453,429	4,453,403
Furniture & Fixtures	19,250,104	2,241,442	-	21,491,546	907,844	1,233,504	2,141,348	18,342,260	19,350,198
Vehicles	10,379,962	2,942,278	-	13,322,240	2,333,579	1,204,839	3,538,418	8,046,383	9,783,822
C.H.A. Licence (Note 10)	39,947,000	-	-	39,947,000	-	-	-	39,947,000	39,947,000
TOTAL	146,686,581	318,277,150	-	464,963,731	19,185,948	14,903,293	34,089,241	127,500,633	430,874,490
Advance for Capital Expenses				23,000,000					
Previous year	99,071,329	47,615,252	-	146,686,581	7,794,013	11,391,935	19,185,948	91,277,316	-

Aqua Logistics Limited

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31 March 2010 ₹	As at 31 March 2009 ₹
SCHEDULE - 6		
INVESTMENTS AT COST		
Non Trade (Fully paid-up Equity Shares Un-Quoted)		
Equity Shares of Aqua Management Consultancy Group Pvt. Ltd. of FV ₹ 10 at Premium of ₹ 16.25 (PY-140,000 Shares)	5,00,00,000	36,75,000
Equity shares of Aqua Specialized Transport Pvt. Ltd. @ ₹ 50 of FV ₹ 10 (PY- 750000 Shares)	3,75,00,000	3,75,00,000
13,750 Equity Shares of Abhyudaya Bank of FV ₹ 10 (PY - 13750 Shares)	1,37,500	1,37,500
50,000 Equity Shares of Maryada Barter Pvt. Ltd. of FV ₹ 10 at Premium of ₹ 190 (PY - 50000 Shares)	1,00,00,000	1,00,00,000
Note : Aggregate book value of unquoted investments - ₹ 97.637,500. (Previous Year - ₹ 51,312,500)		
(A)	9,76,37,500	5,13,12,500
Non Trade (Share Application Money pending Allotment)		
Aqua Management Consultancy Group Pvt. Ltd.	-	4,63,25,000
Magnus Logistics Pvt. Ltd.	13,00,000	-
Aqua Specialized Transport Pvt. Ltd.	-	3,75,00,000
Note : Aggregate value Non-trade investments - ₹ 1,300,000. (Previous Year - ₹ 83,825,000)		
(B)	13,00,000	8,38,25,000
Non Trade (Fully paid-up Equity Shares Quoted)		
Equity Shares of Adlabs Films Ltd. of FV ₹ 5 (PY - 3375 shares)	-	15,79,871
Equity Shares of Cals Refineries Ltd. of FV ₹ 1 (PY - 500000 shares)	-	5,22,000
Equity Shares of Core Projects & Technologies Ltd. of FV ₹ 2 (PY - 4000 shares)	-	1,98,840
Equity Shares of Dish TV India Ltd. of FV ₹ 1 (PY - 7150 shares)	-	6,42,785
Equity Shares of GMR Infrastructure Ltd. of FV ₹ 2 (PY - 3000 shares)	-	4,95,450
Equity Shares of Hindustan Futuristic Communications Ltd. of FV ₹ 10 (PY - 10000 shares)	-	2,19,100
Equity Shares of IFCI Ltd. of FV ₹ 10 (PY - 14500 shares)	-	4,15,860
Equity Shares of Info Drive Software Ltd. of FV ₹ 10 (PY - 13160 shares)	-	11,65,707
Equity Shares of Ispat Industries Ltd. of FV ₹ 10 (PY - 12000 shares)	-	6,40,200
Equity Shares of Jaiprakash Associates Ltd. of FV ₹ 2 (PY - 500 shares)	-	66,340
Equity Shares of Kingfisher Airlines Ltd. of FV ₹ 10 (PY - 1000 shares)	-	88,560
Equity Shares of Lok Housing & Constructions Ltd. of FV ₹ 10 (PY - 1000 shares)	-	33,040
Equity Shares of Manali Petrochemical Ltd. of FV ₹ 5 (PY - 9900 shares)	-	1,58,994
Equity Shares of Nagarjuna Construction Company Ltd. of FV ₹ 2 (PY - 1000 shares)	-	1,40,060
Equity Shares of Nagarjuna Fertilisers and Chemicals Ltd. of FV ₹ 10 (PY - 5000 shares)	-	1,02,000
Equity Shares of Nelco Ltd of FV ₹ 10 (PY - 2000 shares)	-	1,92,040
Equity Shares of Peninsula Land Ltd. of FV ₹ 10 (PY - 1000 shares)	-	74,370
Equity Shares of Piramal Healthcare Ltd. of FV ₹ 2 (PY - 2000 shares)	-	4,11,740
Equity Shares of PSL Limited of FV ₹ 10 (PY - 500 shares)	-	43,275

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31 March 2010 ₹	As at 31 March 2009 ₹
Equity Shares of Pyramid Saimira Theatres Ltd. of FV ₹ 10 (PY - 15000 shares)	-	14,24,800
Equity Shares of Reliance Communications Ltd. of FV ₹ 5 (PY - 2000 shares)	-	8,43,840
Equity Shares of Saamya Biotech India Ltd. of FV ₹ 10 (PY - 10000 shares)	-	1,35,700
Equity Shares of Sathavahana Ispat Ltd. of FV ₹ 10 (PY - 2000 shares)	-	1,27,660
Equity Shares of Suzlon Energy Ltd. of FV ₹ 2 (PY - 3000 shares)	-	1,50,420
Equity Shares of Tata Steel Ltd. of FV ₹ 10 (PY - 1000 shares)	-	2,27,800
Equity Shares of Tourism Finance Corporation of India Ltd. of FV ₹ 10 (PY - 10000 shares)	-	2,75,300
Equity Shares of Unitech Ltd. of FV ₹ 2 (PY - 5000 shares)	-	2,76,800
Equity Shares of Walchandnagar Industries Ltd. of FV ₹ 2 (PY - 1200 shares)	-	1,77,793
Note : Aggregate value of Quoted investments - Nil. (Previous Year - ₹ 10,830,345)		
	(C)	-
	(A)+(B)+(C)	1,08,30,345
	9,89,37,500	14,59,67,845

SCHEDULE - 7**SUNDRY DEBTORS (Unsecured)**

Debts outstanding for a period exceeding six months -

- Considered Good	5,06,18,904	4,57,21,231
Other debts		
- Considered Good	98,17,74,861	55,15,37,996
	1,03,23,93,765	59,72,59,227

SCHEDULE - 8**CASH & BANK BALANCES :**

Cash on hand	5,55,947	12,86,813
Balance with Scheduled Banks		
In Deposit Account	75,90,65,000	10,45,13,172
In Current Account	4,75,01,452	91,46,228
Interest Accrued	65,32,417	-
	81,36,54,816	11,49,46,213

Aqua Logistics Limited

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31 March 2010 ₹	As at 31 March 2009 ₹
SCHEDULE - 9		
LOANS & ADVANCES :		
(Unsecured & considered good)		
Advances to Associate Companies	4,54,75,578	57,15,139
Advance Receivable in Cash or in Kind or Value to be received	5,47,95,213	10,64,27,948
Deposits		
With Govt Bodies - Deposits	14,017	12,017
With Others - Deposits	20,50,13,551	1,43,66,595
Income Tax Refund Due	35,36,704	25,36,704
Advance Income Tax & Tax Deducted at Source	2,93,63,158	2,68,32,918
	33,81,98,221	15,58,91,321
SCHEDULE -10		
CURRENT LIABILITIES		
Sundry Creditors for Suppliers	7,39,00,624	5,10,44,176
Sundry Creditors for Expenses	3,19,49,460	1,47,21,277
Other Liabilities	50,93,183	78,31,181
Directors Current Account	-	2,15,748
	11,09,43,267	7,38,12,382
SCHEDULE -11		
PROVISIONS		
Provision for Tax	4,04,81,067	3,20,13,985
Provision for Fringe Benefit Tax	-	68,68,239
Provision for Gratuity	53,23,548	22,24,395
Provision for Leave Encashment	8,60,219	-
	4,66,64,834	4,11,06,619

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	As at 31 March 2010 ₹	As at 31 March 2009 ₹
SCHEDULE -12		
OTHER INCOME		
Dividend Income	6,580	23,402
Interest Income	37,14,862	16,58,236
Gain on exchange fluctuations	-	48,37,571
	37,21,442	65,19,209
SCHEDULE -13		
PERSONNEL COST		
Employee Cost (including Employer's contribution to Provident Fund & Welfare Expenses)	9,93,25,983	9,92,71,810
Directors Remuneration	98,60,000	65,13,800
	10,91,85,983	10,57,85,610
SCHEDULE - 14		
ADMINISTRATIVE EXPENSES		
Rent & Facilities charges	1,88,97,146	1,35,80,484
Electricity Charges	36,39,462	35,03,407
Office Expenses	13,84,880	33,19,308
Repairs and Maintenance - Buildings	7,80,395	17,06,973
Repairs and Maintenance - Vehicles	7,71,606	10,10,290
Repairs and Maintenance - Others	12,24,124	30,32,712
Travelling & Conveyance	85,82,839	88,83,385
Communication Expenses	39,47,054	50,82,315
Printing & Stationery	10,57,837	4,55,179
Rates & Taxes	3,89,096	19,23,030
Auditors' Remuneration - As Auditors	6,00,000	3,50,000
Legal and Professional Fees	1,18,06,205	36,67,892
Advertisement Costs	1,72,420	4,03,028
Business Development Expenses	28,83,219	-
Loss on Sales of Shares	48,10,964	-
Exchange fluctuations	23,417	-
Bad Debts Written Off	4,58,163	4,98,769
Other Expenses	10,06,174	24,22,537
	6,24,35,001	4,98,39,310
SCHEDULE - 15		
INTEREST & FINANCIAL CHARGES		
On Fixed Loans	16,03,502	4,14,021
On Cash Credit	4,51,60,987	3,86,56,839
Bank & Financial Charges	48,99,898	84,00,560
	5,16,64,387	4,74,71,420

Aqua Logistics Limited

NOTES FORMING PART OF THE ACCOUNTS

SCHEDULE-16 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. Statement of significant accounting policies.

1. System of Accounting

- a) The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act 1956.
- b) The financial statements have been prepared under the historical cost convention on accrual basis of accounting. The accounting policies have been consistently applied by the Company and are in line with those used last year.

2. Fixed Assets

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

3. Depreciation/ Amortization/ Impairment

- a) Depreciation is provided on fixed assets on straight line basis in accordance with the rates prescribed in Schedule XIV of the Companies Act 1956.
- b) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal and external factors. An impairment loss is recognized wherever the carrying amount of assets exceeds its recoverable amount. The recoverable amount is the greater of the assets' net selling price and the value in use. In assessing value in use the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

4. Investments

Investments include ₹ 13,00,000 advanced to Magnus Logistics Private Limited as Equity Share Capital contribution pending allotment of shares by the company.

5. Inventories

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

6. Foreign Currency Transactions

- a) Transactions in foreign currency are recorded at the rates prevailing on the date of the transaction.
- b) 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.
- c) Monetary assets and liabilities in foreign currency at the balance sheet date are restated at the exchange rates prevailing at the year end. Gain/ loss on exchange are dealt with in the Profit and Loss account.

7. Employee Benefits

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

8. Deferred Revenue Expenditure

The Company has incurred expenditure of ₹ 25,202,360/- during the current financial year towards advertisement and publicity to build the brand of the company in logistics space. In the opinion of the management, the benefit of this exercise is expected to accrue over an extended period and is not exhausted during the period covered by the Profit and Loss Account and such major expenditure has to be treated as deferred revenue expenditure and the total expenditure incurred up to 31st March, 2010 amounting to ₹ 393,981,658 would be charged to profit and loss account over a period of 5 years commencing from accounting year 2010-2011.

9. Share Issue Expenses

Expenses incurred in connection with issue of share capital is net of interest earned on surplus funds out of issue proceeds and adjusted against securities premium account.

10. Intangible Asset

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

11. Revenue Recognition

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

12. Accounting for taxes on income

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

10. Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

11. Provisions

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

12. Segment Reporting

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

13. Use of Estimates

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

14. Contingencies

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

B. Notes on Balance Sheet and Profit and Loss Account.**15. Secured Loans from banks comprise of**

- a) Secured Overdraft of ₹ 293,218,199 from Bank of India which is secured by a first charge by way of equitable mortgage on company's immovable properties comprising land and buildings and other structures now or hereafter to be erected and fixed machinery and plant, fixtures and fittings now or hereafter to be erected or installed thereon.
- b) Vehicle loans from banks amounting to ₹ 2,049,843 which are secured by the respective assets acquired under their assistance.

Aqua Logistics Limited

- c) Secured loans from others comprise of ₹ 1,722,702 taken from hire purchase finance companies which are secured by assets acquired under their assistance.

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

a.) Earnings in Foreign Exchange

(₹ In Lakhs)

Particulars	2009 – 10	2008 – 09
Service Income	19,483.62	4,526.03

b.) Expenditure in Foreign Currency

(₹ In Lakhs)

Particulars	2009 – 10	2008 – 09
Cost of Services	18,795.10	5,582.07
Professional Charges	-	17.82
Travelling	11.47	37.62

17. Auditors Remuneration

(₹ In Lakhs)

Particulars	2009 – 10	2008 – 09
As Auditors	6.00	3.50

18. Managerial Remuneration paid

(₹ In Lakhs)

Particulars	2009 – 10	2008 – 09
Salary and other allowances	98.60	64.40
Perquisites	1.18	0.74
Total	99.78	65.14

19. Loans and advances include advances due from companies / firms in which Directors are interested is ₹ 454.76 Lakhs (maximum amount outstanding during the year ₹ 468.30 Lakhs)

20. Contingent liability not provided for:-

- a) Claims against the company not acknowledged as debts ₹ 89 lakhs. (Previous Year – ₹ 89 lakhs)
 b) Bills discounted and purchased as ₹ 960 lakhs. (Previous Year – ₹ 993 lakhs)

21. Disclosure of Related Party Transactions as per AS 18

During the year, the Company entered into transactions with the following related parties. Those transactions along with the related balances as at 31st March 2010 and for the year ended are given in the following table:

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

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

- b) Key Management Personnel:

Mr. Rajesh. G. Uchil – Whole Time Director
 Mr. M S Sayad – Whole Time Director
 Mr. Harish G Uchil – Managing Director and CEO

c) Relatives of Key Management Personnel:

Mr. Gopalakrishna G Uchil

Mrs. Parvathi Uchil

Transactions with related parties are as follows

(₹ in Lakhs)

Name of the Party	Relationship	Nature of Transaction	Transactions during the year	Balance as on 31/03/2010
Harapa International Private Limited	Enterprises in which Key Managerial Personnel have significant influence	Advance towards Services	33.43	30.03
Aqua Specialized Transport Private Limited	Enterprises in which Key Managerial Personnel have significant influence	Cost of Services availed	98.73	82.70
Aqua Management Consulting Group Private Limited	Enterprises in which Key Managerial Personnel have significant influence	Advance towards services	289.87	342.02
		Cost of Services availed	9.55	
Mr. Rajesh. G. Uchil	Key Management Personnel	Rent Paid	4.67	Nil
		Remuneration	34.80	
Mr. Harish. G. Uchil	Key Management Personnel	Rent Paid	4.67	Nil
		Remuneration	29.00	
Mr. M. S. Sayad	Key Management Personnel	Rent Paid	13.04	Nil
		Remuneration	34.80	
Mr. Gopalakrishna. G. Uchil	Relative of Key Management Personnel	Rent Paid	3.63	Nil
Mrs. Parvathi Uchil	Relative of Key Management Personnel	Rent Paid	4.49	(0.01)

22. The deferred tax liability comprises the following:

	Deferred Tax (Asset)/ Liability as at 01.04.2009 ₹	Current Year Charge /(Credit) ₹	Deferred Tax (Asset)/Liability as at 31.03.2010 ₹
Deferred Tax Liabilities			
i) Difference between book and tax depreciation	30,947,554	20,700,000	51,647,554
Deferred Tax Assets			
i) Difference between book and tax depreciation	-	-	-
Total	30,947,554	20,700,000	51,647,554

23. Earnings Per Share

Earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year:

Particulars	2009-2010	2008-2009
Profit after tax	205,411,765	111,490,422
Weighted Average number of equity shares outstanding during the year	14,313,443	11,895,356
Earnings Per Share	14.35	9.37

Aqua Logistics Limited

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

PARTICULARS	Not later than 1 year (₹)	Later than 1 year not later than 5 years (₹)
Minimum installment payable	2,019,785	1,751,384
Present Value of installment payable	1,796,670	1,320,252

25. In the opinion of the directors, all the current assets Loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated except as expressly stated otherwise.
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 2010 as Micro, Small or Medium Enterprises. Consequently the amount paid / payable to these parties during the year is NIL.
27. Parties account balances are subject to confirmation and reconciliation. However, the management does not expect any material variation.
28. Figures have been rounded off to the nearest rupee.
29. Previous years figures have been regrouped, reworked, re arranged and reclassified wherever necessary to confirm to current year's classification.
30. Schedules '1 to 16' form an integral part of the Balance sheet as at March 31, 2010 and Profit and loss account for the year ended March 31, 2010 and have been duly authenticated.

As per our report of even date

For Anil Nair & Associates
Chartered Accountants
(Registration No. 000175S)

R Mohan
Partner M.No 023022

Place: Mumbai
Date: May 29, 2010

For and on behalf of the Board of Directors

Rajesh G Uchil
Chairman

Harish G Uchil
Managing Director & CEO

M. S. Sayad
Vice Chairman

Bhupendra N. Shah
Company Secretary

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

Registration No.	1	2	1	8	0	3	State Code	1	1
Balance Sheet Date	3	1	0	3	2	0	1	0	

II. Capital Raised during the year (amount in ₹ Thousands)

Public Issue					6	9	1	6	2	Rights Issue							N	I	L			
Bonus Issue										N	I	L	Private Placement						7	0	1	7

III. Position of Mobilisation and deployments of funds (amount in ₹ Thousands)

Total Liabilities			2	6	1	8	8	3	2	Total Assets			2	6	1	8	8	3	2				
Sources of Funds										Reserves & surplus			2	0	6	4	6	7	0				
Paid-up Capital				2	0	5	4	1	5	Unsecured Loans								1	0	8			
Secured Loans				2	9	6	9	9	1	Deferred Tax Liability					5	1	6	4	8				
Application of Funds										Net Fixed Assets				4	5	3	8	7	4				
Net Current Assets			2	0	2	6	6	3	9	Investments						9	8	9	3	7			
Accumulated Losses										N	I	L	Miscellaneous Expenditure						3	9	3	8	2

IV. Performance of the Company (amount in ₹ Thousands)

Turnover			3	2	2	3	8	4	2	Total Expenditure			2	9	6	2	4	3	1
+ (-) Profit / (Loss) before tax				2	6	1	4	1	2	+ (-) Profit / (Loss) after tax				2	0	5	4	1	2
Earning Per share					1	4	.	3	5	Dividend (%)							N	I	L

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

Freight Forwarding
Project Logistics

Rajesh G Uchil
Chairman

M. S. Sayad
Vice Chairman

Harish G. Uchil
Managing Director & CEO

Bhupendra Shah
Company Secretary

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 ELEVENTH ANNUAL GENERAL MEETING of the company being held on Friday, September 3, 2010 at 10.00 a.m. at Crystal Hall, Vits Hotel, Andheri - Kurla Road, Andheri (East), Mumbai – 59.
- 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 ELEVENTH ANNUAL GENERAL MEETING of the company being held on Friday, September 3, 2010 at 10.00 a.m. at Crystal Hall, Vits Hotel, Andheri - Kurla Road, Andheri (East), Mumbai – 59 and any adjournment thereof.

Signed this _____ day of _____ 2010.

Affix
Revenue
Stamp

Signature _____

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



Aqua Logistics Limited

Registered Office & Corporate Office

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

Andheri (E), Mumbai - 400059, Maharashtra

www.aqualogistics.com