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# **INDO AQUATICS LIMITED**

## **EIGHTEENTH ANNUAL REPORT**

**2009-2010**

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INDO AQUATICS LIMITED

EIGHTEENTH ANNUAL REPORT 2009-10

BOARD OF DIRECTORS

Sri J Ravindra Reddy  
Sri K Niranjana Reddy  
Sri J Boyi Reddy

AUDITORS

M/s J B Reddy & Company  
Chartered Accountants  
206, Sreenilaya Estates,  
Ameerpet, Hyderabad - 16

BANKERS

CANARA BANK,  
Ameerpet, Hyderabad -16

UNION BANK OF INDIA  
Nellore, Andhra Pradesh

REGISTERED OFFICE

502, Vamsee Estate  
Ameerpet, Hyderabad - 16

FARM & HATCHERY

Kothakodur Village  
T.P.Gudur Mandal  
Nellore District  
Andhra Pradesh

## INDO AQUATICS LIMITED

### NOTICE

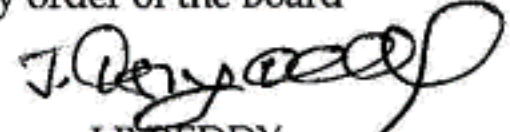
NOTICE is hereby given that the Eighteenth Annual General Meeting of the company will be held on Thursday, 30th September, 2010 at 3.00 PM at 5<sup>th</sup> Floor, Flat No.502, Vamsee Estate, Ameerpet, Hyderabad - 16 to transact the following business.

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2010 together with the Auditors Report and the Directors Report thereon.
2. To appoint a Director in place of Sri J Boyi Reddy, who retires by rotation in pursuance of Article 51 of the Articles of Association of the Company and being eligible offers himself for re-appointment.
3. To appoint auditors and fix their remuneration. M/s.J B Reddy & Company, Chartered Accountants, the auditors of the Company retire at the ensuing annual general meeting and are eligible for re appointment in terms of section 224 of the Companies Act'1956.

Place: Hyderabad  
Date :01.09.2010

By order of the Board

  
J B REDDY  
Director

#### NOTES:

1. The Register of Members of the company will remain closed on 30<sup>th</sup> September, 2010
2. 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.
3. Shareholders desiring any information in respect of the accounts are requested to write to the company at least 10 days before the meeting so as to enable the management to keep the information ready.

## INDO AQUATICS LIMITED

### DIRECTORS' REPORT

To  
The Members of  
INDO AQUATICS LIMITED

The Directors of the company present herewith the Eighteenth Annual Report on the Business and Operations of the company along with the Audited Accounts for the year ended 31<sup>st</sup> March 2010.

#### 1. FINANCIAL RESULTS:

(Rs.in lakhs)

	Year Ended 31 <sup>st</sup> March,2010	Year Ended 31 <sup>st</sup> March,2009
1. Other Income	4.88	0.14
2. Profit/Loss before depreciation	0.92	0.15
3. Depreciation	0.00	28.57
4. Profit/(Loss) after depreciation	0.92	-28.42
5. Net Profit/ Loss after prior period expenses	-5.61	-28.42
6. Loss brought forward from earlier year	-2872.88	-2844.46
7. Total Net loss carried to Balance Sheet	-2878.49	-2872.88

#### 2. REPORT ON OPERATIONS OF THE COMPANY:

Due to lack of funds company proposed culture in the farm by different parties on profit sharing basis, but no profits were derived by the company due to various reasons like occurrence of diseases lack of proper facilities, lack of human resources etc., The plans of the Company to start culture of prawn/seabass/seaweeds is yet to materialize due to various reasons beyond the control of the management.



## **INDO AQUATICS LIMITED**

**3. TRANSFER/ASSIGNMENT OF THE TERM LOAN BY STANDARD CHARTERED BANK:** As reported in our previous years report, the Standard Chartered Bank, the assignee Bank of the Term Loan originally obtained by the Company from ICICI Bank, under an agreement with a third party, has assigned and transferred to a third party the above term loan together with all underlying security interests thereto. Accordingly, the company's liability in respect of the above term loan has been transferred to and in favour of a third party.

Pending Registration of the assignment of the said loan by the Standard Chartered Bank in favour of a third party, the said loan is secured by first charge on all movable and immovable properties both present and future. The said loan is further guaranteed by the personal guarantees of one of the present directors of the company.

**4. NON PROVISION OF INTEREST ON THE ABOVE TERM LOAN:**

As the negotiations are in progress for one time settlement with the party to whom the debt has been assigned by the Standard Chartered Bank no interest has been provided in the books for the year under report as in earlier years.

**5. NON PROVISION OF DEPRECIATION ON FIXED ASSETS:**

Though the Company is not carrying on any commercial operations for the past several years, depreciation on fixed assets had been provided every year in the books of the Company till last year i.e., upto 31<sup>st</sup> March'2009 to cover natural wear and tear of the assets due to sea water. The directors are of the opinion that sufficient depreciation had already been provided in the books till last year and hence, no further provision for depreciation on the assets of the company is required. Accordingly, no provision has been made for depreciation in the books of the company for the year under report.

**6. DELAY IN PAYMENT OF INCOME TAX DUES OF THE EARLIER YEAR(S):**

Due to liquidity problem, the Company has already approached the Income Tax department and negotiated for payment of the income tax dues of Rs.6,70,813/- for the earlier year(s) in installments and accordingly the company has already paid an amount of Rs.75,000/- during the year under report. The balance amount would be paid in due course in installments as agreed with the department.

## **INDO AQUATICS LIMITED**

### **7. DIRECTORS RESPONSIBILITY STATEMENT AS PER SECTION 217 (2AA) OF THE COMPANIES ACT, 1956.**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- I. In the preparation of the accounts for the financial year ended 31<sup>st</sup> March, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- II. The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year under review.
- III. The Directors have taken proper and sufficient care for the maintenance of adequate 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.
- IV. The Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2010 on a 'going concern' basis.

### **8. DIRECTORS:**

**Sri J. Boyi Reddy** director of the company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.



## INDO AQUATICS LIMITED

### 9. AUDITORS

M/s J B REDDY & Co., Chartered Accountants the Company's Auditors retire at the conclusion of the ensuing annual general meeting. They have indicated their willingness for re-appointment and confirmed that the same will be within the limits prescribed under section 224(1B) of the Companies Act 1956.

### 10. FIXED DEPOSITS:

During the year the company has not accepted any deposits from the public and there are no such deposits outstanding as at the year-end.

### 11. PARTICULARS OF EMPLOYEES:

The particulars of employees to be furnished as required under Section 217(2A) of the Companies Act, 1956 is not applicable as none of the employees was in receipt of remuneration of Rs.2,00,000/- or more per month or Rs.24,00,000/- or more per annum.

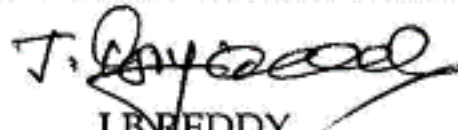
### 12. STATUTORY INFORMATION:

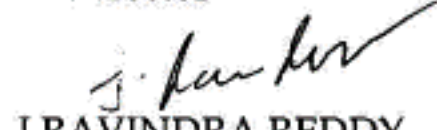
Information on Conservation of Energy, Technologies Absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 217(1)(e) of the Companies Act, 1956 is enclosed.

### 13. ACKNOWLEDGEMENTS:

Your directors take this opportunity to place on record their deep and sincere appreciation for the co-operation and efforts put in by the staff of the company and the co-operation and support extended by the Company's Bankers during the period under review.

For and on behalf of the Board

  
J B REDDY  
Director

  
J. RAVINDRA REDDY  
Director

PLACE: HYDERABAD

Date: 01-09-2010

## **INDO AQUATICS LIMITED**

### **ANNEXURE TO THE DIRECTORS' REPORT**

STATEMENT CONTAINING PARTICULARS PURSUANT TO THE COMPANIES DISCLOSURES OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS RULES 1988 AND FORMING PART OF DIRECTORS' REPORT.

#### **A.CONSERVATION OF ENERGY**

During the year under report, the company incurred expenditure of Rs.2,53,653/- only on consumption of power and the Company is taking all steps to conserve the power consumption.

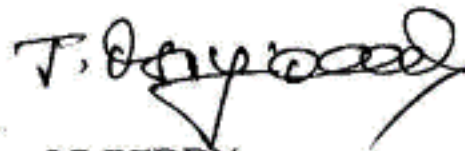
#### **B.RESEARCH AND DEVELOPMENT /TECHNICAL ABSORPTION**

The Company did not carry any research and Development activity in any of the areas during the year under report and hence no expenditure has been incurred by the company under this head.

#### **C.FOREIGN EXCHANGE EARNINGS & OUTGO**

During the year, the Company did not earn any income in foreign exchange nor there was any foreign exchange outgo.

For and on behalf of the Board



J B REDDY  
Director



J RAVINDRA REDDY  
Director

Place: Hyderabad  
Date: 01-9-2010



**AUDITORS' REPORT**

To  
The Members of  
**INDO AQUATICS LIMITED**

We have audited the attached Balance Sheet of Indo Aquatics Limited as at 31<sup>st</sup> March 2010, and also the Profit and Loss Account and the Cash Flow Statement for the Year ended on that date annexed thereto. 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.

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. Our audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies ((Auditor's Report)(Amendment) Order, 2004, issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the annexure referred to above, we report that;

- I. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our Audit.
- II. In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of such books.
- III. The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in the report are in agreement with the books of account.
- IV. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the mandatory Accounting Standards referred to in Sub-section (3C) of section 211 of the Companies Act, 1956.
- V. On the basis of the written representations received from the directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as Director in terms of clause(g) of Sub-section(1) of section 274 of the Companies Act, 1956.



VI. Attention is invited to the following notes in the notes to accounts in schedule - K.

- a) Note No.1(a) regarding preparation of accounts on principles applicable to a going concern.
- b) Note No.1 (c) regarding non-provision of interest on loans from banks & financial institutions at the original contracted rates.
- c) Note No.1 (e) regarding non-provision of depreciation on fixed assets.

VII. Subject to our remarks in paragraph VI above and possible impact on the loss, assets and liabilities of the company, the accounts give a true and fair view:

- 1) In case of Balance sheet, of the State of affairs of the company as at 31<sup>st</sup> March,2010
- 2) In case of Profit and Loss Account, of the loss for the year ended on that date: and
- 3) In case of the Cash flow statement, of the cash flows for the year ended on that date.

For J B REDDY & COMPANY  
Chartered Accountants



M Raja Reddy  
Partner



Place: Hyderabad  
Date: 01-09-2010

ICAI Member ship No.23110  
Firm Registration No.003256S



**ANNEXURE TO THE AUDITORS' REPORT**  
**(Referred to in Paragraph 3 of our report of even date)**

- i) a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its business. No material discrepancies were noticed on such verification.  
c) During the year the company has not disposed off any item of its fixed assets.
- ii) As there are no stocks of finished goods, raw-material, stores and spares, the matters specified in clauses (ii)(a), (ii)(b), and (ii)(c) of paragraph 4 of the said Order are not applicable.
- iii)a) The Company has not granted any loans secured or unsecured, to any party. However, the Company had taken interest free loans in earlier years from the parties listed in the register maintained under section 301 of the companies Act, 1956. The total outstanding amount of these loans taken from the said parties as at 31<sup>st</sup>, March, 2010 is Rs. 2,10,79,922/-  
  
b) As per the information and explanations given, there are no specific terms and conditions attached to the above said loans regarding repayment.  
  
c) The company has not repaid the said loans.  
  
d) The entire amounts of the said loans are long over due.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchase of inventory; fixed assets and with regard to sale of goods. However, there are no sales during the year.
- v) During the year, there were no transactions exceeding the value of five lakh rupees in respect of each party which need to be entered in the register in pursuance of section 301 of the companies Act, 1956.
- vi) The company has not accepted any deposits from the public.





- vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii) According to the information and explanations given to us the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the companies Act, 1956 for any of the products of the company.
- ix) a) As per the information and explanations given to us, the provisions of Employees' Provident Fund Act and employees' State Insurance Act are not applicable for the year under audit.
- b) According to the information and explanations given to us, the Income Tax of Rs.5,95,813/- for the earlier year(s) became due and is outstanding for a period of more than six months as on the date of balance sheet. There are no other undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs duty, excise duty and cess which are outstanding as at 31.03.2010 for a period of more than six months from the date they became payable.
- c) On the basis of the records made available to us and other information and explanations given, we report that the following are the disputed amounts of Excise Duty.

**Amount in Rs.**

**Name of the forum where  
the dispute is pending as on the  
date of balance sheet**

Excise Duty of Rs.14,86,590/-

The Customs, Excise and Service Tax  
Appellate Tribunal, Bangalore

- x) The amount of accumulated losses at the end of the financial year is far in excess of the net worth of the company. During the year the Company has incurred cash loss. However it has not incurred cash loss in the immediately preceding year
- xi) The company has defaulted in repayment of dues to the ICICI Bank which has assigned the debt in favour of Standard Chartered Bank and which in turn has again assigned the said debt in favour of a third party. The total amount of the said dues as on 31<sup>st</sup> March 2010 as per the books of account of the Company excluding interest for the period from 1<sup>st</sup> April 2002 to 31<sup>st</sup> March 2010, is Rs.1866.40 lakhs.
- xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The company is not a chit/nidhi/benefit company



**J B REDDY & COMPANY**  
**CHARTERED ACCOUNTANTS**

206, 2<sup>nd</sup> Floor,  
Srinilaya Estates,  
Ameerpet, Hyderabad - 73  
Ph. Nos:040-23746229,23736593

- xiv) The company is not dealing/trading in Shares, Securities, Debentures and other investments.
- xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) During the year the company has not obtained any term loans.
- xvii) Based on the examination of the books of account and related records and according to the information and explanations provided to us, the company has not utilized funds raised on short term basis for long term investment and vice versa.
- xviii) The company has not made any fresh allotment of equity shares during the year.
- xix) The company has not issued any debentures.
- xx) During the year the company has not raised any money by public issue of its shares.
- xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

Place: Hyderabad  
Date: 01-09-2010

For J B Reddy & Company  
Chartered Accountants

  
M Raja Reddy  
Partner

ICAI Member ship No.23110  
Firm Registration No.003256S





**INDO AQUATICS LIMITED**  
**BALANCE SHEET AS AT 31.03.2010**

SOURCES OF FUNDS:	Schedule		AS AT 31st March-10 Rs.		AS AT 31st March-09 Rs.
1 Share Holders Funds					
Share Capital	A		75614000		75614000
Reserves & Surplus	B		32465830		32465830
2 Loan Funds:					
Secured Loans	C		187113040		187113040
Unsecured Loans	D		53073389		51548389
<b>TOTAL</b>			<b>348266259</b>		<b>346741259</b>
<b>APPLICATION OF FUNDS:</b>					
1 Fixed Capital Expenditure					
A.Fixed Assets	E				
Gross Block		147922527		147753022	
Less:Depreciation		111562947		111562947	
NET BLOCK		36359580		36190075	
B. Capital Work in Progress		17467440		17467440	
C. Advance for Capital Items		2495876	56322896	2656051	56313566
2 Current Assets,Loans and Advances	F	6895452		8254068	
Less: Current Liabilities & Provisions	G	2801717	4093735	5114610	3139458
3 Profit & Loss Account Notes to Accounts	K		287849628		287288235
<b>TOTAL</b>			<b>348266259</b>		<b>346741259</b>

Vide our report of even date

for J B Reddy & Company  
Chartered Accountants

M.Raja Reddy  
Partner

ICAI MEMBERSHIP No.23110  
Firm Registration No.003256S



Place : Hyderabad  
Date : 01.09.2010

for and on behalf of the Board

*J.B. Reddy*  
J.B. Reddy  
Director

*J. Ravindra Reddy*  
J.Ravindra Reddy  
Director



# INDO AQUATICS LIMITED

Profit & Loss A/c. for the year ended 31.03.2010

	Schedule	For the year ended 31st March-10	For the year ended 31st March-09
		Rs.	Rs.
<b>INCOME:</b>			
Other Income	H	487953	14100
Increase in Stock	I	1664944	1205011
	<b>TOTAL</b>	<b>2152897</b>	<b>1219111</b>
<b>EXPENDITURE:</b>			
Manufacturing, Administrative and Selling Expenses	J	2043477	1204400
Depreciation		0	2856969
	<b>TOTAL</b>	<b>2043477</b>	<b>4061369</b>
<b>PROFIT/ LOSS :</b>			
Less : Prior Period Expenses		109420	-2842258
Income Tax for the earlier year(s)		670813	0
<b>NET LOSS :</b>			
After Prior Period Expenses		<b>-561393</b>	<b>-2842258</b>
<b>Add: Loss Brought forward from earlier year(s)</b>		<b>-287288235</b>	<b>-284445977</b>
<b>Total Loss carried to Balance Sheet</b>		<b>-287849628</b>	<b>-287288235</b>
Basic and diluted earnings per share		-0.07	-0.38

Vide our report of even date

for J B Reddy & Company  
Chartered Accountants

  
M. Raja Reddy

Partner

ICAI MEMBERSHIP No.23110

Firm Registration No.003256S



for and on behalf of the Board

  
J.B. Reddy  
Director

  
J. Ravindra Reddy  
Director

Place : Hyderabad

Date : 01.09.2010

# INDO AQUATICS LIMITED

SCHEDULES TO ACCOUNTS					
Schedule No		As At 31st March -10		As At 31st March -09	
		Amount	Amount	Amount	Amount
		Rs.	Rs.	Rs.	Rs.
A	<b>Share Capital :</b>				
	Authorised				
	7850000 Equity Shares of Rs.10 each		78500000		78500000
	Issued, Subscribed and Paid up:				
	7561400 Equity Shares of Rs.10/ each		75614000		75614000
	Issued, Subscribed and Paid up in full				
B	<b>Reserves &amp; Surplus:</b>				
	Capital Reserve:				
	Subsidy received from MPEDA		650000		650000
	waiver of term loan from Banks		31815830		31815830
	(Principal amounts)		32465830		32465830
C	<b>Secured Loans:</b>				
	Term Loan Originally obtained from ICICI Bank Ltd., subsequently assigned (See Note No.6 of schedule K Notes to accounts		50000000		50000000
	Interest accrued and Due on Term Loans		136639521		136639521
	Amounts due under agreements for Purchase of Assets		473519		473519
			187113040		187113040
D	<b>Unsecured Loans:</b>				
	From Companies		31671919		25977106
	From Directors		21401470		25571283
			53073389		51548389



# INDO AQUATICS LIMITED

SCHEDULES TO ACCOUNTS					
Schedule No		As At 31st March -10		As At 31st March -09	
		Amount	Amount	Amount	Amount
		Rs.	Rs.	Rs.	Rs.
F	<b>Current Assets, Loans and Advances</b>				
	<b>I. Current Assets:</b>				
	a) accrued Interest		81615		81615
	b) Cash & Bank Balances			693	
	1) Cash on Hand	7136			
	2) Balances with Banks	12910	20046	18462	19155
	<b>II. Loans &amp; Advances</b>				
	(Unsecured but considered good, recoverable in cash or kind or for value to be received)				
	1) Deposits	1721526		2159988	
	2) Stock of Fish under Culture	3722265		2057321	
G	3) Casuarina Plantations - Advances	0		2146976	
	4) Other Advances & Receivables	1350000		1789013	
			6793791		8153298
			6895452		8254068
	<b>Current Liabilities and Provisions</b>				
	<b>Current Liabilities</b>				
	a) Sundry Creditors				
	For Capital Items	1656979		1656979	
	For Supplies and Services	0		1253504	
	For Expenses & Others	760813		307127	
H	b) Advances from Customers	383925		1897000	
			2801717		5114610
	<b>Other Income</b>				
	Sale of Wood Branches	487953		14100	-
		487953	487953	14100	14,100.00





**INDO AQUATICS LIMITED**  
**SCHEDULE 'E' FIXED ASSETS**  
**DEPRECIATION**

Particulars	Gross Block				Depreciation			Net Block		VALUE IN RS.
	As on 01.04.09	Additions (Deletions) During Year	Total As on 31.03.2010	As on 01.04.09	As on (Deletions) During Year	Total As on 31.03.10	As on 31.03.10	As on 31.03.09		
Land	16087939	143250	16231189				16231189	16087939		
Building	31954627		31954627	24218514		24218514	7736113	7736113		
Borewell	311967		311967	250025		250025	61942	61942		
Ponds	40756424		40756424	35775408		35775408	4981016	4981016		
Other Machinery	46689748	26255	46716003	40732737		40732737	5983266	5957011		
Electrical Equipments	9922032		9922032	8697545		8697545	1224487	1224487		
Furniture & Fixtures	628023		628023	597554		597554	30469	30469		
Office Equipment	976935		976935	869422		869422	107513	107513		
Vehicles	425327		425327	421742		421742	3585	3585		
Total	147753022	169505	147922527	111562947	0	111562947	36359580	36190075		



# INDO AQUATICS LIMITED

SCHEDULES TO ACCOUNTS					
Schedule No		As At 31st March -10		As At 31st March -09	
		Amount	Amount	Amount	Amount
		Rs.	Rs.	Rs.	Rs.
I	<b>Increase/(Decrease) in Stocks :</b>				
	<b>Fish under Culture :</b>				
	Opening Stock	2057321		852310	
	Less : Closing Stock	3722265	1664944	2057321	1205011
			1664944		1205011
J	<b>Other Manufacturing Administrative and Selling Expenses</b>				
	Feeds & Anti Biotics		403402		144430
	Fertilisers & Pesticides		22136		0
	Seabass Seed		48159		32800
	Salaries		658255		171928
	Audit Fee		15000		15000
	Advertisement		2760		0
	Consultancy Charges		2000		0
	Printing & Stationery		7019		10481
	Postage telegrams & Telephones		18245		336
	Office maintenance		0		82082
	Farm Maintenance		84835		0
	Legal & Professional Charges		0		15000
	Travel & Conveyance		28237		6041
	Other Expenses		13440		7016
	Listing Fee		0		816
	Electricity Charges & Electrical Exp		253653		121160
	Rent		0		27500
	Repairs & Maintenance (P&M)		120572		9835
	Repairs & Maintenance (Bunds)		105616		0
	Bank Charges		1349		4243
	vehicle maintenance		19014		10451
	Rates & Taxes		231311		536141
	Transport Charges		8474		9140
			2043477		1204400





## INDO AQUATICS LIMITED

### K. NOTES TO ACCOUNTS:

#### 1. Significant Accounting Policies:

- a) Consequent to total erosion of net-worth, the company was referred to the Board for Industrial and Financial Reconstruction (BIFR), but the application was rejected. Subsequently, the Directors approached the Banks/Financial Institutions for One Time Settlement (OTS). The Directors had already negotiated and settled the dues to State Bank of India and the State Bank of Hyderabad under one time settlement Scheme and released the properties of the Company attached by these Banks. As the Company stopped the business operations only temporarily due to the above financial problems the accounts have been prepared on the basis of principles applicable to a going concern.
- b) Cost Conventions:  
The Accounts have been prepared under Historical Cost Convention.
- c) Revenue Recognition:

All Income and expenditure are accounted on accrual basis except in respect of interest on loans originally obtained from ICICI Bank Ltd which had assigned the said loan in favour of Standard Chartered Bank, which in turn has again assigned the loan in favour of a third Party. In respect of the interest on the said loan, no provision has been made in the accounts for and from the Financial Year 2002-03 since Company became sick. Regarding non provision of interest and effect of the same on the Profit / Loss of the Company, refer to Note No: 11 below.

- d) Fixed Assets:  
Fixed Assets are stated at cost less depreciation.

- e) Depreciation:  
Till last year i.e, upto 31<sup>st</sup> March'2009, depreciation on fixed assets, had been provided on written down value method at the rates prescribed in schedule XIV to the companies Act,1956, in order to cover natural wear and tear to the assets of the company due to sea water. However in the absence of commercial operations during the year under consideration and as sufficient amount of depreciation had already been provided for till last year in order to cover natural wear and tear to the assets of the company, no depreciation has been provided for on the assets of the company for the year under consideration. Had the amount of depreciation been provided as in last year the loss of the company would have been more by the amount of depreciation of Rs.24,93,009/-.





## INDO AQUATICS LIMITED

2) a) Accounting standard 17(Segment reporting) is not applicable to the company in the absence of any commercial operations.

b) Related party transactions:-

<u>Name of the Related person</u>	<u>Nature of Relations ship</u>
Sri J B Reddy	Director

During the year the unsecured loan to the extent of Rs.44,91,361/- has been adjusted and/or repaid to the above related party. The Total amount of unsecured loans obtained earlier from the Directors, present and past, and outstanding as on 31-03-2010 is Rs.2,10,79,922/-

c) Accounting standard 19(Leases) is not applicable as there are no lease transactions entered into by the company.

d) Earnings per share as computed in accordance with the Accounting standard - 20.

	Rs.	Rs.
	<u>2009-10</u>	<u>2008-09</u>
Net Profit/loss after tax(Rs)	-561393	-2842258
No. of Equity Shares of Rs.10/-each	7561400	7561400
Earning per Share (Rs.)	---	---

e) Deferred / Current Taxation:

Though the company has unabsorbed depreciation, carry forward Losses and current losses, deferred Tax assets has not been recognized in the books of account since generation of sufficient taxable income in the near future is not certain.

### 3) AUDIT COMMITTEE:

As a part of good corporate governance and in order to facilitate the Board of Directors in fulfilling the financial responsibilities an audit committee has been constituted.

The brief description of Terms of Reference of the Audit Committee.

- To review the company's financial reporting process and the disclosure of its financial information to ensure the financial statement as correct, sufficient and credible.
- To review financial and risk management policies.
- To review the financial statement audited by the statutory auditors.
- The Audit committee has been constituted with the following three directors



## INDO AQUATICS LIMITED

- |                          |          |
|--------------------------|----------|
| 1) J Boyi Reddy          | Chairman |
| 2) K.Niranjana Reddy     | Member   |
| 3) J. Ravindranath Reddy | Member   |

The Audit committee has met 4 times during the year and all the members of the committee were present for the meetings.

4) Contingent Liabilities:	<u>As on</u> <u>31.03.2010</u> Rs.	<u>As on</u> <u>31.3.2009</u> Rs.
a) Excise demands against the company contested and pending in appeal	1486590	2560989
b) Income-Tax demands against the company contested and pending in appeal	-	670813

5) There are no dues to the Small Scale Industries as on 31 March 2010.

6) The Term Loan Originally obtained from ICICI Bank Ltd which in turn has again assigned the said loan in favour of the Standard Chartered Bank, which in turn has assigned the loan in favour of a third party, is secured by first charge on all movable and immovable properties both present and future. The said loan is further guaranteed by the personal guarantees of one of the present Directors of the company.

7) a) No provision has been made for gratuity in the absence of the eligible employees for the year.

b) As Per the information and explanations given to us, the provisions of Employees Provident Fund Act and Employees State Insurance Act are not applicable to the company for the year of account.

8) Capital Work-in-progress represents the expenditure on capital account in respect of development of Land, Ponds formation and Civil Works.

9) Quantitative details of the stocks, production and turnover of the finished goods are not given since the company did not carry on commercial operations for the past six years and there are no stocks of finished goods.

10) Deposits and advances receivable, creditors and advances from the customers are subject to confirmation from the concerned parties.





## INDO AQUATICS LIMITED

- 11) Since the Company became sick and the negotiations for settlement of dues to the assignee Bank, The Standard Chartered Bank which has again assigned the debt in favor of a third party, are in progress, no interest has been provided in the books of account for and from the Financial Year 2002-03 and the total interest accrued at the contracted rate on the said loan up to the Financial Year ended on 31<sup>st</sup> March, 2009 was Rs. 2101.40 Lakhs approximately and the interest for the year of account accrued on the said Loan at the contracted rate of interest works out to Rs. 105.00 Lakhs. Had the said amount of interest of Rs. 105.00 Lakhs for the year of account been provided in the books of account the loss of the company for the year would have been more by Rs. 105.00 Lakhs.

12.) Earnings Per Share:


	<u>2009-2010</u>	<u>2008-2009</u>
	Rs.	Rs.
Profit/loss after Tax	-561393	-2842258
Nominal Value of Ordinary Share	10	10
Basic / Diluted earnings per Ordinary Share	---	---

SIGNATURE OF SCHEDULES 'A' TO 'J'

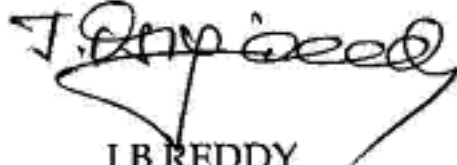
Vide our report of even date

for and on behalf of the Board

For J B Reddy & Company  
Chartered Accountants

  
M. RAJA REDDY  
PARTNER  
ICAI MEMBERSHIP No. 23110  
Firm Registration No. 003256S



  
J B REDDY  
Director

  
J Ravindra Reddy  
Director

Place : Hyderabad  
Date: 01.09.2010

INDO AQUATICS LIMITED  
BALANCE SHEET ABSTRACT AND COMPANY'S  
GENERAL BUSINESS PROFILE AS PER PART-IV  
TO SCHEDULE-VI TO THE COMPANIES ACT, 1956.

I Registration Details

Registration No. 13618 of 1991-92  
Balance Sheet Date: 31.03.2010.

State Code:01

II Capital Raised During the Year(Amount in Rs. '000)

Public Issue

- Nil -

Bonus Issue

- Nil -

Rights Issue

- Nil -

Private Placement

- Nil -

III Position of Mobilization and Deployment of Funds (Amount in Rs.'000)

Total Liabilities

348266

Sources of funds

Paid-up Capital

75614

Secured Loans

187113

Application of funds

Net fixed Assets

36359

Total Assets

348266

Reserves & Surplus

32466

Unsecured Loans

53073

Investments

- Nil -

Capital work in progress/Advance  
for Capital Items

19963

Misc. Expenditure

-

-

Net Current Assets

4094

Accumulated Losses

287850

IV. Performance of Company (Amount in Rs.'000)

Total Income

2153

Net profit before Tax

109

Profit per share in Rs.

---

Total Expenditure

2153

Net profit after Tax

-561

Dividend Rate

NIL

V. Generic names of Three Principal Products/services of the Company

(As per monetary terms)

Product Description:

Item Code No. (ITC Code):

PRAWNS FROZEN






**INDO AQUATICS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010**  
**(Figures Rs. In Lakhs)**

	2009-10	2008-09
<b>A) Cash Flow from Operating Activities</b>		
Profit / Loss Before Tax & Extraordinary items	1.1	-28.42
Adjustment for Depreciation	0	28.57
Waiver of Interest on term Loans	0	0
Adjustment for Prior Period Expenses	-6.71	
Misc. Expenses Written off	0	0
 Operating Profit/Loss before working capital Changes	 -5.61	 0.15
 Working Capital Changes		
Deposits	4.38	0
Inventories	-16.65	-12.05
Advances	27.47	1.75
Trade & Other Payables	-23.13	-13.47
 Cash Generated from Operations	 -13.54	 -23.62
Interest written off		
Direct Taxes Paid		
Cash Flow before Extra-Ordinary items	-13.54	-23.62
Extraordinary items		
<b>Net Cash Flow from Operating Activities</b>	<b>-13.54</b>	<b>-23.62</b>
<b>B) Cash flow from Investing Activities</b>		
Fixed Assets	-1.7	
 <b>NET CASH USED IN INVESTING ACTIVITIES</b>		 0
<b>C) Cash flow from financing activities</b>		0
Long Term & Other Borrowing	15.25	23.39
Deferred payment liabilities		
Subsidy received from MPEDA		0
Dividends paid		0
 <b>NET CASH USED IN FINANCING ACTIVITIES</b>		
Net charge In Cash and Cash Equivalents (A+B+C)	0.01	-0.23
Cash and Cash Equivalents (Opening Balance)	0.19	0.42
Cash and Cash Equivalents (Closing Balance)	0.20	0.19

Note: Figures in brackets represent cash outflows  
for and on behalf of the Board

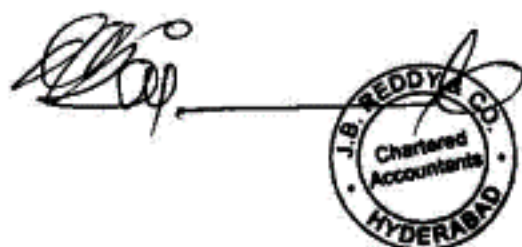
Place : Hyderabad

Date : 01-09-2010

  
J. Ravindra Reddy  
Director

Sd/-

  
J. Ravindra Reddy  
Director



**INDO AQUATICS LIMITED**

Reg. Office: 502 Vamsee Estate, Ameerpet, Hyderabad-16.

**PROXY FORM**

I/We \_\_\_\_\_  
Of \_\_\_\_\_  
In the district of \_\_\_\_\_ being  
The Members/ Members of INDO AQUATICS LIMITED, hereby appoint \_\_\_\_\_  
\_\_\_\_\_ as my/our proxy to vote  
For me/us on my/our behalf at the 18<sup>th</sup> Annual General Meeting of the  
Company to be held on 30<sup>th</sup> September, 2010 at 502, 5<sup>th</sup> Floor,  
Vamsee Estate, Ameerpet Hyderabad 16. at 3.00 P.M. and adjournment thereof.

Signature

Note: The Proxy duly completed must be deposited at the Registered office of  
The Company not less than 48 hours before the time for holding the meeting.  
A proxy need not be a member.

**ATTENDANCE SLIP**

**INDO AQUATICS LIMITED**

Reg. Office: 502 Vamsee Estate, Ameerpet, Hyderabad-16

I hereby record my presence at the 18<sup>th</sup> Annual General Meeting of **INDO AQUATICS LIMITED** at 502, 5<sup>th</sup> Floor, Vamsee Estate, Ameerpet, Hyderabad-16. on 30<sup>th</sup> September 2010 at 3.00 P.M.

1. Full Name of the Member :  
(in Block Letters)
2. Full name of the Proxy :  
(in Block Letters)
3. Regd. Follo No. :
4. Number of Shares held :
5. Signature of the Members/:  
Proxy attending

Note: 1. Members attending must fill in the attendance slip and hand it over at the  
Entrance of the Venue of the Meeting.  
2. Members are requested to bring their copy of the Annual report for the meeting.