

INDO AQUATICS LIMITED

NINETEENTH ANNUAL REPORT

2010-2011

INDO AQUATICS LIMITED

NINETEENTH ANNUAL REPORT 2010-11

BOARD OF DIRECTORS

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

AUDITORS

M/s J B Reddy & Co.,
Chartered Accountants
206, Sreenilaya Estates,
Ameerpet, Hyderabad – 500 016

BANKERS

CANARA BANK,
Ameerpet, Hyderabad -500 016

UNION BANK OF INDIA
Nellore, Andhra Pradesh

REGISTERED OFFICE

502, Vamsee Estate
Ameerpet, Hyderabad – 500 016

FARM & HATCHERY

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

INDO AQUATICS LIMITED

NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of the company will be held on 29th August'2011 at 3.00 PM at 5th 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 31st March, 2011 together with the Auditors Report and the Directors Report thereon.
2. To appoint a Director in place of Sri K. Niranjan 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 & Co., 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.

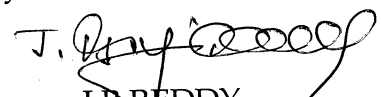
SPECIAL BUSINESS

4. To consider and if deemed fit to pass with or without modifications the following resolution as an Ordinary Resolution

"RESOLVED THAT the company do hereby accord its consent under section 293 (1) (a) of the Companies Act, 1956 to lease out Acres 362.86 cents owned by the company at Kotha Kodur & Eduru Villages, Thotapilly Gudur Mandal, in P.S.Nellore Dist, as and where condition" to Vamsee Blue Tech Farm, Hyderabad for a period of 8 years with lease amount of Rs.5000/- per acre per annum and 10% of the profits earned in the schedule property, arrived at after deducting the lease payable to the lessor and the lessee should leave all the capital investment at site while terminating the lease and subject to other terms and conditions that may be mentioned in lease agreement according the decision of the board.

Place: Hyderabad
Date: 01-08-2011

By order of the Board


J B REDDY
Director

NOTES:

1. The Register of Members and share transfer book of the company will remain closed on 29-08-2011.
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.

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

Item No 4:

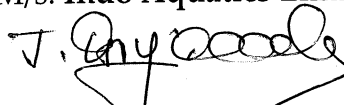
In order to generate some income and to maintain the property in good condition, it is proposed to lease out Acres 362.86 cents owned by the company at Kotha Kodur & Eduru Villages, Thotapilly Gudur Mandal, in P.S.Nellore Dist "as and where condition" to Vamsee Blue Tech Farm, Hyderabad for a period of 8 years with lease amount of Rs.5000/- per acre per annum and 10% of the profits earned in the schedule property, arrived at after deducting the lease payable to the lessor and the lessee should leave all the capital investment at site while terminating the lease and such other conditions that may be mentioned in lease agreement according to the decision of the board.

As per the provisions of Sec 293 (1) (a) of the Companies Act, 1956 any proposal for lease of company's property consent of the Shareholders is required authorizing the board of Directors to execute such lease Agreements on the assets of the Company. Therefore the resolution No 4 was proposed in the notice for your approval

None of the Directors are deemed to be interested or concerned in the resolution.

Date : 01-08-2011
Place: Hyderabad

By Order of the Board
For M/s. Indo Aquatics Limited


J B REDDY
Director

INDO AQUATICS LIMITED

DIRECTORS' REPORT

To
The Members of
INDO AQUATICS LIMITED

The Directors of the company present herewith the Nineteenth Annual Report on the Business and Operations of the company along with the Audited Accounts for the year ended 31st March 2011.

1. FINANCIAL RESULTS:

(Rs.in lakhs)

	Year Ended 31 st March,2011	Year Ended 31 st March,2010
1. Other Income	1.75	4.88
2. Profit/Loss before depreciation	0.36	0.92
3. Depreciation	0.00	0.00
4. Profit/(Loss) after depreciation	0.36	0.92
5. Net Profit/ Loss after prior period expenses	0.36	-5.61
6. Loss brought forward from earlier year	-2878.49	-2872.88
7. Total Net loss carried to Balance Sheet	-2878.13	-2878.49

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 Board has, therefore decided to give the Lands for lease, on lease cum profit sharing basis. Accordingly the necessary resolution for approval of the members is proposed.

INDO AQUATICS LIMITED

3. 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 for the earlier year(s) in installments and accordingly the company has already paid an amount of Rs.75,000/- in the preceding year/s. The Balance amount of Rs.5,95,813/- would be paid in due course in installments as agreed with the department.

4. 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 31st March, 2011, 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 31st March, 2011 on a 'going concern' basis.

5. DIRECTORS:

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

INDO AQUATICS LIMITED

6. 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.

7. EXPLANATION TO AUDITORS COMMENT

VI(b):

1. 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.

2. 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.

VI(c) :

1. NON PROVISION OF DEPRECIATION ON FIXED ASSETS:

Though the Company is not carrying on full scale commercial operations for the past several years, depreciation on fixed assets had been provided every year in the books of the Company upto 31st 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 as stated above 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.

8. 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.

9. 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.5,00,000/- or more per month or Rs.60,00,000/- or more per annum.

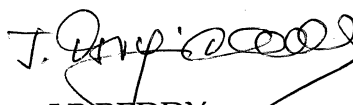
10. STATUTORY INFORMATION:

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.

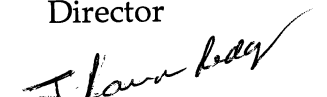
11. ACKNOWLEDGEMENTS:

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

PLACE: HYDERABAD

Date: 01-08-2011

Director

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 only Rs.2,48,075/- on consumption of power and the Company is taking all steps to conserve the power consumption.

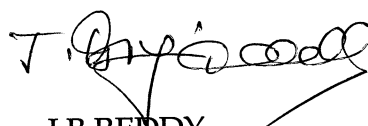
B. RESEARCH AND DEVELOPMENT / TECHNICAL ABSORPTION

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.

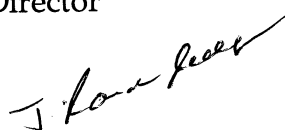
C. FOREIGN EXCHANGE EARNINGS & OUTGO

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: 1/8/2011

AUDITORS' REPORT

To
The Members of
INDO AQUATICS LIMITED

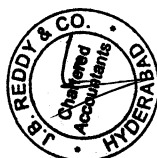
We have audited the attached Balance Sheet of Indo Aquatics Limited as at 31st March 2011, and also the Profit and Loss Account and the Cash Flow Statement for the Year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility 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 31st March, 2011 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 31st March,2011
- 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 & CO.,
Chartered Accountants
Firm Registration No.003256S

Place: Hyderabad
Date: 01-08-2011



M Raja Reddy
Partner
ICAI Member ship No.23110



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) The Company has not granted any loans secured or unsecured, to any party. However, the interest free loans obtained in the earlier years from the parties covered in the register maintained under section 301 of the Companies Act, 1956, with no specific terms as to their repayment, are being continued. The total amount of these loans outstanding at the end of the year is Rs.2,11,23,470/- and the maximum amount of these loans outstanding during the year was Rs.2,14,01,470/-.
- iv) During the year the Company has not accepted any deposits from the public. However, the interest free unsecured loans obtained from the Directors Past and present, during the earlier year(s), when these loans were treated as exempted deposits for the purpose of section 58A of the companies Act, 1956, to the extent they are not repaid are being continued.
- 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 31.03.2011 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. The Company has not incurred cash loss for the year under report. However the company has incurred cash loss in the immediate 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 31st March 2011 as per the books of account of the Company excluding interest for the period from 1st April'2002 to 31st March 2011, 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
- 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: 01-08-2011

For J B Reddy & Co.,
Chartered Accountants
Firm Registration No.003256S



M Raja Reddy
Partner

ICAI Member ship No.23110



INDO AQUATICS LIMITED
BALANCE SHEET AS AT 31.03.2011

SOURCES OF FUNDS:	Schedule		AS AT 31st March-11 Rs.		AS AT 31st March-10 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		52296389		53073389
TOTAL			347489259		348266259
APPLICATION OF FUNDS:					
1 Fixed Capital Expenditure					
A.Fixed Assets	E				
Gross Block		147922527		147922527	
Less:Depreciation		111562947		111562947	
NET BLOCK		36359580		36359580	
B. Capital Work in Progress		17467440		17467440	
C. Advance for Capital Items		1090876	54917896	2495876	56322896
2 Current Assets,Loans and Advances	F	7592389		6895452	
Less: Current Liabilities & Provisions	G	2834953	4757436	2801717	4093735
3 Profit & Loss Account Notes to Accounts	K		287813927		287849628
TOTAL			347489259		348266259

Vide our report of even date

for J B Reddy & Co.,
Chartered Accountants

Firm Registration No.0032566

M.Raja Reddy

Partner

ICAI MEMBERSHIP No.23110



for and on behalf of the Board

J.B. Reddy
Director

J.Ravindra Reddy
Director

Place : Hyderabad

Date: 01-08-2011

INDO AQUATICS LIMITED

Profit & Loss A/c. for the year ended 31.03.2011

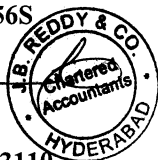
	Schedule	For the year ended 31st March-11	For the year ended 31st March-10
		Rs.	Rs.
INCOME:			
Other Income	H	174600	487953
Increase in Stock	I	684365	1664944
	TOTAL	858965	2152897
EXPENDITURE:			
Manufacturing, Administrative and Selling Expenses	J	823264	2043477
Depreciation		0	0
	TOTAL	823264	2043477
PROFIT/ LOSS :			
Less : Prior Period Expenses		35701	109420
		0	670813
NET PROFIT :		35701	-561393
After Prior Period Expenses			
Add: Loss Brought forward from earlier year(s)		-287849628	-287288235
Total Loss carried to Balance Sheet		-287813927	-287849628
Basic and diluted earnings per share		0.00	-0.07

Vide our report of even date

for J B Reddy & Co.,
Chartered Accountants
Firm Registration No.003256S

M.Raja Reddy
Partner

ICAI MEMBERSHIP No.23110



for and on behalf of the Board

J.B. Reddy
J.B. Reddy
Director

J. Ravindra Reddy
J.Ravindra Reddy
Director

Place : Hyderabad

Date : 01-08-2011

INDO AQUATICS LIMITED

SCHEDULES TO ACCOUNTS					
Schedule No		As At 31st March -11		As At 31st March -10	
		Amount	Amount	Amount	Amount
		Rs.	Rs.	Rs.	Rs.
A	Share Capital :				
	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	Reserves & Surplus:				
	Capital Reserve:				
	Opening Balance :	32465830		32465830	
	(+): Additions during the year	0		0	
	Closing Balance :	32465830	32465830	32465830	32465830
			32465830		32465830
C	Secured Loans:				
	Term Loan Originally obtained from ICICI Bank subsequently assigned	50000000		50000000	
	Interest accrued and Due on Term Loans	136639521	186639521	136639521	186639521
	Amounts due under agreements for Purchase of Assets		473519		473519
			187113040		187113040
D	Unsecured Loans:				
	From Companies		31172919		31671919
	From Directors		21123470		21401470
			52296389		53073389



INDO AQUATICS LIMITED
SCHEDULE OF FIXED ASSETS
DEPRECIATION

VALUE IN RS.

Particulars	Gross Block			Depreciation			Net Block	
	As on 01.04.10	Additions (Deletions) During Year	Total As on 31.03.2011	As on 01.04.10	Additions (Deletions) During Year	Total As on 31.03.11	As on 31.03.11	As on 31.03.10
Land	16231189		16231189				16231189	16231189
Building	31954627		31954627	24218514		24218514	7736113	7736113
Borewell	311967		311967	250025		250025	61942	61942
Ponds	40756424		40756424	35775408		35775408	4981016	4981016
Other Machinery	46716003		46716003	40732737		40732737	5983266	5983266
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	147922527	0	147922527	111562947	0	111562947	36359580	36359580



INDO AQUATICS LIMITED

SCHEDULES TO ACCOUNTS					
Schedule No		As At 31st March -11		As At 31st March -10	
		Amount	Amount	Amount	Amount
		Rs.	Rs.	Rs.	Rs.
F	Current Assets, Loans and Advances				
	<u>I. Current Assets:</u>				
	a) accrued Interest		81615		81615
	b) Stock of Fish under culture		4406630		3722265
	c) Cash & Bank Balances				
	1) Cash on Hand	7338		7136	
	2) Balances with Banks	4880	12218	12910	20046
	c)				
	<u>II. Loans & Advances</u>				
	(Unsecured but considered good, recoverable in cash or kind or for value to be received)				
	1) Deposits	1741926		1721526	
	3) Other Advances & Receivables	1350000		1350000	
			3091926		3071526
			7592389		6895452
G	Current Liabilities and Provisions				
	Current Liabilities				
	a) Sundry Creditors				
	For Capital Items	1656979		1656979	
	For Supplies and Services	13236		0	
	For Expenses & Others	780813		760813	
	b) Advances from Customers	383925		383925	
			2834953		2801717
H	Other Income				
	Sale of Wood Branches	174600		487953	-
		174600	174600	487953	487,953.00



INDO AQUATICS LIMITED

SCHEDULES TO ACCOUNTS					
Schedule No		As At 31st March -11		As At 31st March -10	
		Amount	Amount	Amount	Amount
		Rs.	Rs.	Rs.	Rs.
I	Increase/(Decrease) in Stocks :				
	Fish under Culture :				
	Opening Stock	3722265		2057321	
	Less : Closing Stock	4406630	684365	3722265	1664944
			684365		1664944
J	Other Manufacturing Administrative and Selling Expenses				
	Feeds & Anti Biotics		0		403402
	Fertilisers & Pesticides		0		22136
	Seabass Seed		0		48159
	Chicken Manure & Dung		222900		0
	Salaries & Wages		213390		658255
	Audit Fee		20000		15000
	Advertisement		4030		2760
	Consultancy Charges		0		2000
	Printing & Stationery		7009		7019
	Postage telegrams & Telephones		20133		18245
	Farm Maintenance		6900		84835
	Legal & Professional Charges		23236		0
	Travel & Conveyance		2454		28237
	Electricity Charges & Electrical Exp		248075		253653
	Repairs & Maintainance (P&M)		9238		120572
	Repairs & Maintainance (Bunds)		0		105616
	Bank Charges		3288		1349
	vehicle maintenance		0		19014
	Rates & Taxes		1720		231311
	Transport Charges		0		8474
	Other Expenses		40891		13440
			823264		2043477



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 the year ended on 31st 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 upto the above date 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.21,79,525/-.



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:-

Name of the
Related person

Nature of
Relations ship

Sri J B Reddy

Director – Key Managerial Person

During the year the company has repaid unsecured loans to the extent of Rs.2,78,000/- to the above person and the amount of balance of unsecured loan at the end of the year payable to the above party is Rs.2,11,23,470/-.

There were no transactions entered into by the company with the above party in the preceding year and the balance amount of unsecured loan payable to the above party at the end of the preceding year was Rs.2,14,01,470/-.

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. <u>2010-11</u>	Rs. <u>2009-10</u>
Net Profit/loss after tax(Rs)	35701	-561393
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.

- a) 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.
- b) To review financial and risk management policies.
- c) To review the financial statement audited by the statutory auditors.
- d) The Audit committee has been constituted with the following three directors



INDO AQUATICS LIMITED

- | | |
|--------------------------|----------|
| 1) J Boyi Reddy | Chairman |
| 2) K.Niranjan 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>31.03.2011</u> Rs.	<u>As on</u> <u>31.3.2010</u> Rs.
a) Excise demands against the company contested and pending in appeal	1486590	1486590

5) There are no dues to the Small Scale Industries as on 31 March 2011.

6) The Term Loan Originally obtained from ICICI Bank Ltd which has 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 eight 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 thirty 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 31st March, 2010 was Rs. 2206.40 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>2010-2011</u>	<u>2009-2010</u>
	Rs.	Rs.
Profit/loss after Tax	35701	-561393
Nominal Value of Ordinary Share	10	10
Basic / Diluted earnings per Ordinary Share	---	---

SIGNATURE OF SCHEDULES 'A' TO 'J'

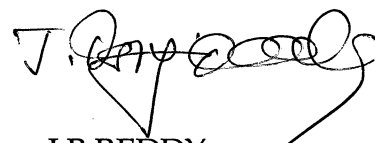
Vide our report of even date

for and on behalf of the Board

For J B Reddy & Co.,
Chartered Accountants
Firm Registration No.003256S



M.RAJA REDDY
PARTNER
ICAI MEMBERSHIP No.23110



J B REDDY
Director



J Ravindra Reddy
Director

Place : Hyderabad

Date: 01-08-2011

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: 31.03.2011.

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

347479

Sources of funds

Paid-up Capital

75614

Secured Loans

187113

Application of funds

Net fixed Assets

36360

Total Assets

347479

Reserves & Surplus

32466

Unsecured Loans

52296

Investments

- Nil -

Capital work in progress/Advance
for Capital Items

18558

Misc. Expenditure

-

-

Net Current Assets

4757

Accumulated Losses

287813

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

Total Income

859

Total Expenditure

823

Net profit before Tax

36

Net profit after Tax

36

Profit per share in Rs.

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,2011
(Figures Rs. In Lakhs)
2010-11 2009-10

A) Cash Flow from Operating Activities

Profit / Loss Before Tax & Extraordinary items	0.36	1.10
Adjustement for Depreciation	0.00	0
Waiver of Interest on term Loans	0.00	0
Adjustement for Prior Period Expenses	0.00	-6.71
Misc. Expenses Written off	0.00	0
 Operating Profit/Loss before working capital Changes	 0.36	 -5.61
 Working Capital Changes		
Deposits	0.20	4.38
Inventories	6.85	-16.65
Advances	-14.93	27.47
Trade & Other Payables	-0.33	-23.13
 Cash Generated from Operations	 -7.85	 -13.54
Interest written off		
Direct Taxes Paid		
Cash Flow before Extra-Ordinary items	-7.85	-13.54
Extraordinary items		
Net Cash Flow from Operating Activities	-7.85	-13.54

B) Cash flow from investing Activities

Fixed Assets	0.00	-1.70
--------------	------	-------

NET CASH USED IN INVESTING ACTIVITIES

C) Cash flow from financing activities		
Long Term & Other Borrowing	7.77	15.25
Deferred payment liabilities		
Subsidy received from MPEDA		
Dividends paid		

NET CASH USED IN FINANCING ACTIVITIES

Net charge In Cash and Cash Equivalents (A+B+C)	-0.08	0.01
Cash and Cash Equivalents (Opening Balance)	0.20	0.19
Cash and Cash Equivalents (Closing Balance)	0.12	0.20

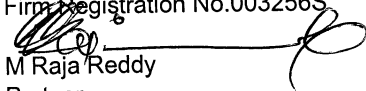
Note: Figures in brackets represent cash outflows
for and on behalf of the Board

Vide our report of even date

For J B Reddy & Co.,

Chartered Accountants

Firm Registration No.003256S


M Raja Reddy

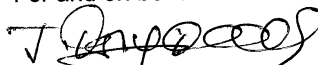
Partner

ICAI Membership No.23110

Place : Hyderabad

Date :01.08.2011

For and on behalf of the board



J. B.Reddy

Director



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 19th Annual General Meeting of the

Company to be held on 29th August'2011 at 502, 5th 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 19th Annual General Meeting of **INDO AQUATICS LIMITED** at 502, 5th Floor, Vamsee Estate, Ameerpet, Hyderabad-16. on 29th August ' 2011 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.

FORM NO. 29B

(See Rule 40B)

Report under section 115JB of the Income-Tax Act, 1961 for computing the book profits of the Company.

1. We have examined the accounts and records of **M/s. INDO AQUATICS LIMITED**, Regd. Office at 6-3-788/32-35, 502, VAMSEE ESTATE, AMEERPET, HYDERABAD.16 (PAN No. AAACI 2694B) of Aquaculture and other allied business activities in order to arrive at the book profit during the year ended on the • 31st March, 2011.
2. We certify that the book profit has been computed in accordance with the provisions of this section. The tax payable under section 115 JB of the Income Tax act in respect of the assessment year 2011-2012 is Rs. NIL which has been determined on the basis of the details in **Annexure - A** to this form.
3. In our opinion and to the best of our knowledge and according to the explanation given to us the particulars given in the **Annexure - A** are true and correct.

*FOR J B REDDY & CO.,
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO.003256S*



*M. RAJA REDDY
PARTNER
ICAI MEMBERSHIP No.23110*



Place : Hyderabad

Date: 01-08-2011

09. Net Profit according to Profit and Loss Account referred to in (7) above : Rs.45,701/-
10. Amount of net Profit as shown in Profit and Loss Account as increased By the amounts referred to in clauses (a) to (f) explanation of subsection (2) of this section (File working separately where required. : Rs.45,701/-
11. The amount as referred to in item 10 as reduced by the amounts referred to in clauses (i) to (vii) of explanation of Sub-Section (2) of this section (file working separately where required : Rs. NIL (Rs.45701/- minus least of unabsorbed depreciation and unabsorbed business loss)
12. Book Profit as computed according to explanation given in sub-section (2) : Rs.NIL
13. 15% of 'Book Profit' as computed in 12 above : Rs. NIL
14. In case Income – Tax payable by the Company referred to at Sl.No.6 is less than Ten percent of its books profits shown in column 12, the amount Income Tax payable by the company Would be 10 % of column 12 i.e. As per (13) : N.A



ANNEXURE – A
(SEE PARAGRAPH 2 OF FORM 56F)

Details relating to computation of book profit for the purpose of
Section 115 JB of the Income Tax Act, 1961.

01. Name of the Assessee : M/s INDO AQUATICS LIMITED
02. Address of the Assessee : 6-3-788/32-35, 502
Vamsee Estates, Ameerpet
Hyderabad – 16.
03. Permanent Account Number : AAACI 2694 B
04. Assessment Year : 2011-2012
05. Total Income of the Company under
the Income Tax Act : Rs. NIL
06. Income Tax payable on total income : Rs. NIL
07. Whether Profit and Loss Account
prepared in accordance with the
provisions of parts II and III of
VI to the Companies Act, 1956
(1 of 1956). : Yes
08. Whether the Profit and Loss
Account referred to in column 7
Above has followed the same
Accounting policies, accounting
Standards for preparing the profits
And loss account and the same
Method of rates for calculating
Depreciation has been adopted for
Preparing accounts laid before the
Company as its Annual General
Body meeting . If not the extent
And nature of variation be specified : Yes

