

# INDO AQUATICS LIMITED



**AQUATICS**  
**LIMITED**

Regd. Office 6-3-788/32-35, 502 Vth Floor  
Vamsee Estate, Ameerpet, Hyderabad - 500016  
Phone: 040 - 2341 0422 Fax: 040 - 2341 0427

**TWENTY SECOND ANNUAL REPORT**

**2013-2014**



**TWENTY SECOND ANNUAL REPORT 2013-14**

BOARD OF DIRECTORS	Sri S. Penchalaiah Sri Y. Shashidhar 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 Branch, Ameerpet, Hyderabad - 500 016  UNION BANK OF INDIA Stone House Peta Branch, Stone House Peta, Nellore, Andhra Pradesh
REGISTERED OFFICE	502, Vamsee Estate Ameerpet, Hyderabad – 500 016
FARM & HATCHERY	Kothakodur Village T.P.Gudur Mandal SPSR Nellore District Andhra Pradesh

## NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting of the Members of M/s. INDO AQUATICS LIMITED will be held on Tuesday, the 30<sup>th</sup> day of September 2014, at 10.30 AM at 502, VAMSEE ESTATE, AMEERPET, HYDERABAD – 500 016 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2014 and the Balance Sheet as at that date and Cash Flow statement for the period from 01.04.2013 to 31.03.2014 together with the reports of the Directors and Auditors thereon and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT the Audited Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, together with the Directors’ Report and the Auditors’ Report thereon as presented to the meeting, be and are hereby, approved and adopted.”

2. To appoint a Director in the place of Mr. JALADANKI BOYI REDDY (DIN: 01650231) who retires by rotation and who, being eligible, offers himself for reappointment.
3. To appoint Statutory Auditors who retire at the Annual General Meeting and to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to Section 139 or any other applicable sections, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, M/s. J.B. REDDY & Co., Chartered Accountants, (bearing ICAI Registration No. 003256S), be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting for Three Consecutive years, subject to ratification at every Annual General Meeting, on such remuneration as may be determined by the Board of Directors.”

### **SPECIAL BUSINESS:**

4. **Shifting of registered office from Hyderabad, Telangana state to Nellore, SPSR Nellore District, Andhra Pradesh state**

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

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## INDO AQUATICS LIMITED

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“RESOLVED THAT pursuant to the provisions of Section 12(5) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and subject to confirmation of the Regional Director (SER) the existing Clause II in the Memorandum of Association of the Company be substituted as under:

- ii. The Registered Office of the Company will be situated in the State of Andhra Pradesh.

RESOLVED FURTHER THAT on the confirmation by the Regional Director (SER), the Registered Office of the Company be transferred from the State of Telangana to the State of Andhra Pradesh.

RESOLVED FURTHER THAT effect may be given to this resolution, at such time and in such manner as the Board of Directors of the Company considers appropriate and the Board of Directors of the Company be and is hereby authorized to take all such steps and actions and give such directions, as may be in its absolute discretion deem necessary and to settle any question that may arise in this regard.”

5. **Appointment of Mr. SAMAYAM PENCHALAI AH, Director, as Non-Executive and Independent Director of the Company.**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any Statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr **SAMAYAM PENCHALAI AH** (holding DIN 01440930), be and is hereby appointed as a Non-Executive and Independent Director of the Company, to hold office for a term of Five Consecutive years from the conclusion of this Annual General Meeting and to receive remuneration by way of fees, reimbursement of expenses for participation in the meetings of the Board and / or Committees in terms of applicable provisions of the Companies Act, 2013 as may be determined by the Board of Directors from time to time.”

6. **Appointment of Mr. SHASHIDHAR REDDY YANATI, Director, as Non-Executive and Independent Director of the Company.**

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

“RESOLVED THAT, pursuant to the provisions of Sections 149, 150, 152, and other applicable provisions of the Companies Act, 2013 and

===== **INDO AQUATICS LIMITED** =====

the rules made thereunder (including any Statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. SHASHIDHAR REDDY YANATI (holding DIN 06803640), be and is hereby appointed as a Non-Executive and Independent Director of the Company, to hold office for a term of Five Consecutive years from the conclusion of this Annual General Meeting and to receive remuneration by way of fees, reimbursement of expenses for participation in the meetings of the Board and / or Committees in terms of applicable provisions of the Companies Act, 2013 as may be determined by the Board of Directors from time to time.”

By order of the Board  
For **M/s.INDO AQUATICS LTD.,**

Date: 28-08-2014  
Place: Hyderabad

Sd/-  
J BOYI REDDY  
Director

**NOTES:**

1. The Explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special businesses is annexed hereto and forms part of the Notice.
2. The Register of Directors' Shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
3. **A member entitled to attend and vote at the meeting is entitled to appoint one or more Proxies to attend and vote instead of himself and the Proxy or Proxies so appointed need not be a member or members, as the case may be, of the Company. Proxies submitted on behalf of companies, societies, etc. must be supported by an appropriate resolution / authority, as applicable. The instrument appointing the Proxy and the Power of Attorney or other authority, if any, under which it is signed or a notarized certified copy of that Power of Attorney or other authority shall be deposited at the Registered Office of the Company, not later than 48 hours before the time fixed for holding the meeting. A person shall not act as a Proxy for more than 50 members and holding in aggregate not more than 10% (Ten) percent of the total Voting Share Capital of the Company. However, a single person may act as a Proxy for a member holding more than 10% (Ten) percent of the total Voting Share Capital of the Company provided that such person shall not act as a Proxy for any other person.**
4. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days between 10:00 a.m. and 12.00 noon up to the date of the Annual General Meeting.
5. Revenue Stamp should be affixed on the Proxy Form. Forms which are not stamped and signed are liable to be considered invalid. Further for identification purposes etc., it is advisable that the Proxy holder's signature may also be furnished in the Proxy Form.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Members/Proxies are requested to bring the attendance slip duly filled in.
8. Members who hold shares in dematerialized form are requested to bring their Depository Account Number (Client ID No.) for easier identification and recording of attendance at the meeting.

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9. The Register of Members and Share Transfer Books of the Company will remain closed from September 26, 2014 to September 30, 2014 (both days inclusive)
10. Members are requested to affix their signature at the space provided on the attendance slip annexed to proxy form and hand over the slip at the entrance of the meeting hall. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for identification.
11. Corporate members are requested to send duly Certified Copy of the resolution / Power of Attorney authorizing their representatives to attend and vote at the Annual General Meeting.
12. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to fill up the form annexed as a part of the Annual Report and send the same to the office of the Registrar and Transfer Agent of the Company.
13. As an austerity measure, copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.
14. In terms of Clause 49 (IV) (G) of the Listing Agreement with the stock Exchange, a brief profile of directors, who are proposed to be re-appointed/appointed in this AGM, nature of their expertise in specific functional areas, their other directorships and Committee memberships, their shareholding and relationship with other directors of the company are annexed hereto.
15. **Voting through Electronic Means:**  
In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rule 2014, the Company is pleased to inform that all the resolutions as stated in the Notice can be transacted by Electronic Voting System and the Company is providing members facility to exercise their right to vote at the Twenty Second Annual General Meeting (AGM) by electronic means through e-voting services to be provided by M/s. Aarthi Consultants Private Limited who are the registrar to the company:

### **The instructions for e-voting are as under:**

#### **(a) Instructions for e-voting**

- a) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).



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- b) Click on “Shareholders” tab.
- c) Now enter your User ID

<b>For Members holding shares in Demat Form</b>	<b>For Members holding shares in Physical Form</b>
For NSDL: 8 Character DP ID followed by 8 Digits Client ID, For CDSL: 16 digits beneficiary ID,	Folio Number registered with the Company

- d) Next enter the Image Verification as displayed and Click on Login.
- e) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- f) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>◆ Physical Shareholders who have not updated their PAN with the Company are requested to use the first two letters of their name in Capital Letter followed by 8 digits folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the folio number. Eg. If your name is Ramesh Kumar with folio number 1234 then enter RA00001234 in the PAN field</li> <li>◆ Demat Shareholders who have not updated their PAN with their Depository Participant are requested to use the first two letters of their name in Capital Letter followed by 8 digit CDSL client id. For example: CDSL Account holder name is Rahul Mishra and Demat A/c No. is 12058700 00001234 then default value of PAN is 'RA00001234'. NSDL Account holder name is Rahul Mishra and DP ID. is IN300000 and client ID 12345678 then default value of PAN is 'RA12345678'.</li> </ul>

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DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.  Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the folio/client id.

- g) After entering these details appropriately, click on “SUBMIT” tab.
- h) Members holding shares in Physical form will then reach directly to the voting screen.
- i) Members holding shares in Demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.  
  
If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- j) Click on the relevant EVSN for the “ABC Company Limited” on which you choose to vote.
- k) On the voting page, you will see Resolution Description and against the same the option ‘YES/NO’ for voting. Enter the number of shares (which represents number of votes) under YES/NO.
- l) Click on the “RESOLUTION FILE LINK” if you wish to view the entire Notice of the Annual General Meeting.
- m) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to

confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

- n) Once you ‘CONFIRM’ your vote on the resolution, you will not be allowed to modify your vote.
- o) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- p) Note for Non-Individual Shareholders & Custodians:
  - ◆ Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - ◆ They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - ◆ After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - ◆ The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - ◆ They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- q) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

**ANNEXURE TO THE NOTICE  
EXPLANATORY STATEMENT**

(Pursuant to Section 102 of the Companies Act, 2013)

**Item No.4**

The Board of Directors has decided to shift the registered office to Nellore, SPSR Nellore District, A.P to have a better control over the Site and ponds located at kothakoduru village, T.P. Gudur Mandal, SPSR Nellore District.

**Item No.5 to 6**

The provisions of Companies Act, 2013, inter alia, prescribed certain specific procedures for selection, appointment and remuneration of Independent Directors (IDs), besides that their term can be for a period up to Five consecutive years and are not liable to retire by rotation during this period.

Accordingly, in terms of Sections 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint SAMAYAM PENCHALIAH and Mr. SHASHIDHAR REDDY YANATI, who were appointed earlier in terms of the erstwhile applicable provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement, as Non-Executive Independent Directors for a term of Five consecutive years, in compliance with the new provisions of the Companies Act 2013.

The Board of Directors believes that the association of the aforementioned Independent Directors with the Company shall be beneficial to the progress of the Company and hence, the Board recommends the appointment of the said Directors as Independent Directors as set out in Item Nos. 5 and 6 for the approval of the Shareholders at the ensuing Annual General Meeting.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2013 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) and such Independent Directors are independent of the management. Further, all the aforesaid Independent Directors have given a Declaration to the Board of Directors to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

By order of the Board  
For **M/s.INDO AQUATICS LTD.**,

Place: Hyderabad  
Date: 28-08-2014

Sd/-  
J BOYI REDDY  
Director

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**Additional Information on Directors seeking Appointment / Re-Appointment (Pursuant to Clause 49 (IV) (G) (i) of the Listing Agreement)**

The brief profiles along with other details of the Directors are as follows:

<b>Name of the Director</b>	Mr. .J B Reddy
<b>Director Identification No.</b>	00142010
<b>Date of joining the Board</b>	December 12, 1991
<b>Profile of the Director</b>	Mr. J B Reddy is a Chartered Accountant. He has more than Two decades of entrepreneurial experience in Aqua Culture. He has vast experience in the field of building business block by block, attracting and managing talent, keen understanding of market & corporate funding and a deep knowledge of manufacturing.
<b>No. of Shares held in the Company</b>	5,18,990
<b>Directorships and Committee memberships in other Companies*</b>	Simhapuri Estates Private Limited
<i>*Directorships and Committee memberships in Indo Aquatics Limited and Foreign Companies are not included in the aforesaid disclosure.</i>	
<b>Name of the Director</b>	<b>SAMAYAM PENCHALAI AH</b>
<b>Director Identification No.</b>	01440930
<b>Date of joining the Board</b>	February 4, 2014
<b>Profile of the Director</b>	Mr. S. Penchalaiah is a Graduate. He has more than 5 years of entrepreneurial experience in Aqua Culture. He has vast experience in the field of building business block by block, attracting and managing talent, keen understanding of market & corporate funding and a deep knowledge of manufacturing.
<b>No. of Shares held in the Company</b>	0

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<b>Directorships and Committee memberships in other Companies*</b>	Nil
<b>Name of the Director</b>	Mr.SHASHIDHAR REDDY YANATI
<b>Director Identification No.</b>	06803640
<b>Date of joining the Board</b>	February 4, 2014
<b>Profile of the Director</b>	Mr. Y. Shashidhar Reddy is a MBA Post Graduate from Australia, who is having sound business knowledge and having vast experience in different areas.
<b>No. of Shares held in the Company</b>	0
<b>Directorships and Committee memberships in other Companies*</b>	Nil

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**INDO AQUATICS LIMITED**

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**DIRECTORS' REPORT**

To  
The Members of  
**INDO AQUATICS LIMITED**  
Hyderabad

The Directors present here with the Twenty Second Annual Report and accounts of the Company for the year ended 31<sup>st</sup> March, 2014 together with the Auditors Report thereon.

**FINANCIAL RESULTS:**

(Rs.in lakhs)

	31-03-2014	31-03-2013
Profit before Interest & Depreciation	20.79	17.74
Less: Interest	0.00	0.00
Profit before Depreciation	20.79	17.74
Less: Depreciation	14.71	16.63
Profit after Depreciation	6.08	1.12
Less: Income Tax & FBT for the Current Year	0.00	0.00
Profit after Tax	6.08	1.12
Balance of profit broughtforward from previous period	-1776.08	-1777.20
Amount available for appropriation	6.08	1.12
Balance carried over	-1770.00	-1776.08

**REPORT ON OPERATIONS OF THE COMPANY:**

The Company had negotiated and settled in the earlier year/s all the loans from banks/financial institutions on one time settlement basis (OTS) and got released the assets of the company.

The company has given on lease its hatchery / building / equipment for rearing prawns seed. The lease period is for a period of three years starting from 01-08-2012. The lease rentals however started accruing from 01-10-2013 after completion of the repairs to the hatchery building and addition of Plant & Machinery and necessary equipment by the lessee for running the hatchery with necessary approvals.

The land of Acrs.27.65 given to P. Yanadaiah earlier by the company is yielding lease since 01.01.2014.

The company also started culture of fish and made sale of fish/prawn of Rs.47.85 lakhs during the year.

The company also started in a small way, repairing the bunds, buildings, Plant & Machinery etc. in order to keep the farm ready for culture operations..

**UNSECURED LOANS:**

The unsecured loans obtained from the promoter Directors and their associates are continuing and outstanding for want of funds, though the term loans were settled and closed under one time settlement schemes. The Directors are discussing, pursuing and are trying to convince the all loan creditors for allotment of equity shares against these loans in near future with the necessary approvals from the shareholders and other relevant authorities.

**DIVIDEND:**

In view of the carried forward losses your Directors are unable to recommend dividend for the year under review.

**AUDITORS :**

M/s. J.B. Reddy &Co., Chartered Accountants, retires at the conclusion of this Annual General Meeting, and is eligible for reappointment.

**PARTICULARS OF EMPLOYEES:**

During the year under review, there were no employees drawing salaries equal or more than the limits laid under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended.

**DEPOSITS:**

The Company has not accepted any deposits from the public within the meaning of Section 58A of Companies Act, 1956.

**PARTICULARS OF CONSERVATION OF ENERGY, TECHNICAL ABSORPTION FOREIGN EXCHANGE EARNING AND OUTGO**

The details of energy conservation, technology absorption and foreign exchange earnings and outgo as required under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (disclosure of particulars, in the report of Board of Directors) Rules 1988.

**CORPORATE GOVERNANCE:**

Pursuant to clause 49 to listing Agreement with the stock exchange separate section titled 'Corporate Governance' has been attached to this annual report. A Certificate from the auditors of the company regarding compliance of the conditions of corporate Governance stipulated in the listing agreement with stock exchanges are annexed to and form part of the Annual Report.

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

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



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- (i) That in the preparation of the Annual Accounts for the financial year ended March 31, 2014 the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) That the Directors had selected such accounting policies and applied them Consistently and made judgments and estimates that were reasonable and prudent, so as to give us 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 year under review.
- (iii) That the Directors had 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.
- (iv) That the Directors had prepared the accounts for the financial year ended March 31, 2014 on a 'going concern' basis.

**INDUSTRIAL RELATION:**

Industrial relations remain cordial throughout the year and your directors express their deep gratitude to all the employees. The Company is pursuing its policy to provide a congenial working environment at work place.

**ACKNOWLEDGEMENT:**

Your Directors take this opportunity to express their grateful appreciation for the co-operation and assistance by Central and State Governments, Banks, Suppliers and business associates as well as shareholders. Your Directors also place on record their appreciation for the devoted services rendered by all employees.

For and on behalf of the Board of Directors

Sd/-  
J BOYI REDDY  
Director

Sd/-  
S PENCHALIAH  
Director

Date: 28-08-2014  
Place: Hyderabad

## **REPORT ON CORPORATE GOVERNANCE**

The Corporate Governance signifies the role of the management as the trustees to the property of the Shareholders and acceptance of the inherent rights of the Shareholders by the Management. Corporate Governance is a framework which helps various Participants viz. Shareholders, Board of Directors and Company's management, in shaping Company's performance and the way it is proceeding towards attainment of its goals.

### **I. Company's Philosophy on the Code of Corporate Governance:**

The Company's philosophy of Corporate Governance is founded on the pillars of fairness, accountability, disclosures and transparency. These pillars have been strongly cemented which is reflected in your Company's business practices and work culture. The sound governance processes and systems guide the Company on its journey towards continued success. The practice of responsible governance has enabled your Company to achieve sustainable growth, while meeting the aspirations of its Stakeholders and societal expectations in spite of crisis in culture and occurrence of frequent diseases.

Through the governance mechanism in the Company, the Board along with its Committees undertakes its fiduciary responsibilities to all its Stakeholders by ensuring transparency, fair play and independence in its decision-making.

The Company's Corporate Governance Philosophy has been further strengthened by adopting a Code of Conduct and Ethics and Code of Conduct for Prevention of Insider Trading for Board and Senior Management Personnel. The Code has been communicated to Directors and the Senior Management Personnel. The Code has also been displayed on the Company's website [www.indoaquatics.com](http://www.indoaquatics.com)

The Company is complying with the latest provisions of Clause 49 of the Listing Agreement, as amended from time to time.

### **II. Board of Directors**

The Company's policy is to have a proper blend of Executive and Non-Executive Directors to maintain independence of the Board, as and when necessary and at the same time separate Board's functions of governance from management. None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than Five Committees as specified under Clause 49, across all the Companies in which he is a Director. Necessary Disclosures regarding Committee positions in other Public Companies as at March 31, 2014 have been made by the Directors.

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As on March 31, 2014, the Company's Board of Directors consisted of 3 (Three) Directors, of whom 2 (Two) are Independent Directors. The Chairman of the Board of Directors is a Promoter Director. The Composition of the Board of Directors is in conformity with Clause 49 of the Listing Agreement entered in to with Stock Exchanges.

The day-to-day management of the Company is conducted by the Director of the Company subject to the supervision, direction and control of the Board of Directors.

The details of the composition, nature of Directorship and relationship of Directors with each other during the financial year are detailed below:

S.No.	Name of the Director	Category	No. of Shares held
1.	Mr. Jaladanki Boyi Reddy	Director / Promoter	5,18,990
2.	Mr. Jaladanki Ravindra Reddy #1	Independent / Non-Executive Director	0.00
3.	Mr. Konduru Niranjan Reddy #	Independent / Non-Executive Director	0.00
4.	Mr Srinivasa Raju Vadapalli #	Independent / Non-Executive Director	0.00
5.	Mr. Shashidhar Reddy Yanati *	Independent / Non-Executive Director	0.00
6.	Mr.Samayam Penchalaiah *	Independent / Non-Executive Director	0.00

\* *Appointed with effect from February 04, 2014;*

# *Resigned with effect from February 04, 2014;*

1. Mr. JALADANKI BOYI REDDY, and Mr. JALADANKI RAVINDRA REDDY are brothers and hence they are related to each other

**Board Procedure**

The Board meets at least once in a quarter to review the Quarterly Financial Results and operations of the Company. In addition to the above, the Board also meets as and when necessary to address specific issues concerning the business.

The Board Meetings are governed by a structured Agenda. The Agenda along with detailed explanatory notes and supporting material are circulated well in advance before each meeting to all the Directors for facilitating effective discussion and decision making. Where it is not practicable to attach any document to the Agenda, then same is placed before the Board at the Meeting. The Board Members may bring up any matter for consideration of the Board, in consultation with the Chairman.

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In case of business exigencies or urgency of matters, resolutions are passed by circulation and same are placed before the Board in the next Meeting. Video conferencing facilities will be used in future if possible, as and when required, to facilitate Directors to participate in the Meetings.

The Board is apprised on the Company's performance, operations, plans and other matters on a periodic basis, covering all business areas of the Company. The Board has complete access to any information within the Company which includes the information as specified in Annexure 'IA' to the Clause 49 of the Listing Agreement such as Annual Operating Plans, Capex budget and its Quarterly updates, Quarterly Results, Minutes of Meetings of Audit Committee and other Committees of the Board, Quarterly details of Foreign Exchange exposures, Risk Management and mitigation measures, Report on compliance of all laws applicable to the Company prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances, if any, etc.

During the year under review, the Board of Directors of the Company met 4 times on May 30, 2013, August 09, 2013, November 14, 2013 and February 12, 2014. The Maximum time gap between any Two Board Meetings has not been more than 4 months.

### Attendance of Directors at Board Meetings and other Directorships during the Financial Year 2013-14:

S.No.	Name of the Director	Attendance Particulars		Total Directorships	Committee Memberships	Committee Chairmanships
		Board Meeting	Last AGM			
1.	Mr. Jaladanki Boyi Reddy	4	Yes	2	3	1
2.	Mr. Jaladanki Ravindra Reddy #	3	Yes	5	3	2
3.	Mr. Konduru Niranjan Reddy #	3	Yes	2	3	0
4.	Mr Srinivasa Raju Vadapalli #	3	No	1	3	0
5.	Mr. Shashidhar Reddy Yanati *	1	Yes	1	3	2
6.	Mr. Samayam Penchalaiah *	1	No	1	3	0

#### Notes:

- The Directorships held by Directors as mentioned above do not include Directorships in Foreign Companies and Private Limited Companies.
- Mr. JALADANKI BOYI REDDY, and Mr. JALADANKI RAVINDRA REDDY are brothers and hence they are related to each other.

**DIRECTORS WITH MATERIAL PECUNIARY OR BUSINESS RELATIONSHIP WITH THE COMPANY**

An Independent Director means a person who is not an officer or employee of the Company or its Subsidiaries or any other individual having a material pecuniary relationship or transactions with the Company which, in the opinion of the Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a Director.

The Non-Executive or Independent Directors of the Company do not have any pecuniary relationship or transactions with the Company, its Promoters, its Directors, its Senior Management, its Subsidiaries and Associates which may affect the independence of the Director, except for payment of Sitting fee and reimbursement of Travelling & Boarding expenses for attending the Board Meetings of the Company.

The details of all remuneration paid or payable to the Directors for the year ended March 31, 2014 are given in the Table below: NIL

**Shares held by Non-Executive Directors as on March 31, 2014**

S.No	Name of the Director	Number of Shares
1.	Mr. SHASHIDHAR REDDY YANATI*	NIL
2.	Mr. SAMAYAM PENCHALAI AH*	Nil

**III. Committees of the Board**

Currently, the Board has the following Four Committees:

1. Audit Committee
2. Stakeholders' Relationship Committee (formerly Share Transfer & Investors' Grievance Committee)
3. Nomination and Remuneration Committee (formerly Remuneration and Compensation Committee)
4. Corporate Social Responsibility Committee (formed at the Board Meeting dated May 30, 2014)

The Board is responsible for constituting, assigning, co-opting the Members of the Committee(s), fixing their terms of reference and also delegating their powers from time to time. The Minutes of the Meetings are circulated to the Board for its information and confirmation. Mr. J. Boyi Reddy is compliance officer of the company and also a member of all the above Committees.

**1. Audit Committee:**

The Audit Committee has been adequately set up with a majority of the Independent Directors, as required under Clause 49(II)(A) of the Listing Agreement, wherein Two of the Three Members are independent. The Committee is headed by an Independent Director as Chairman.

The Constitution of the Audit Committee meets the requirements of Section 292A of the Companies Act, 1956, read with relevant provisions of the Companies Act 2013 as well as Clause 49 of the Listing Agreement.

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. All members of the Audit Committee are financially literate.

The Board at its meeting held on May 30, 2014, has amended and enhanced the terms of reference of the Audit Committee. The current charter of the Audit Committee, after such amendment, is in line with the regulatory requirements mandated by Companies Act, 2013, SEBI and Clause 49 of the Listing Agreement.

### **Brief Description of Terms of Reference**

The broad terms of reference, roles and responsibilities of the Audit Committee as specified in Section 292A of the Companies Act, 1956 and as restated pursuant to the provisions of the Companies Act, 2013 and the rules made thereunder and Clause 49 of the Listing Agreement are as under:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the statutory auditor, fixing of audit fees and approving payments for any other service.
3. Recommending to the Board of Directors, the appointment of Cost Auditor for the Company.
4. Reviewing, with the management, the Annual Financial Statements before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report as per Section 217(2AA) of the Companies Act, 1956;
  - b. Changes in the Accounting policies and practices and the reasons for the same, major accounting entries and significant adjustments made in the financial statements arising out of audit findings;
  - c. Compliance with listing and other legal requirements relating to financial statements;
  - d. Disclosure of any related party transactions; and
  - e. Qualifications in the draft audit report, if any.

5. Reviewing with the management Quarterly Financial Statements, Standalone as well as consolidated before submission to the Board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing of the Cost Auditors' Report.
8. Reviewing with the management performance of Statutory and Internal Auditors.
9. Review and monitor the Auditor's independence and performance, and effectiveness of Audit process;
10. Approval or any subsequent modification of transactions of the Company with related parties;
11. Reviewing the adequacy of Internal Audit function, if any, including the structure of the Internal Audit Department, staffing and seniority of the official heading the Department, reporting structure coverage and frequency of Internal Audit;
12. Discussion with the Internal Auditors on any significant findings and follow-up thereon.
13. Reviewing the internal investigations by the Internal Auditors into matters where there is a suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
14. Discussion with the Statutory Auditors before the Audit commences, about the nature and scope of Audit as well as post-audit discussion to ascertain any area of concern.
15. Reviewing reports furnished by the Internal Auditors and Statutory Auditors and ensuring suitable follow-up thereon.
16. Looking into reasons for substantial defaults in payment to the Depositors, Debenture holders, Shareholders and Creditors, if any.
17. Approval of the appointment of the Chief Financial Officer of the Company (i.e., the Whole Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
18. Reviewing the Company's Internal Financial Control and Risk Management policies.

## INDO AQUATICS LIMITED

19. Scrutiny of Inter Corporate Loans and Investments;
20. Reviewing, with the management and the Statutory Auditors, anticipated changes in the Accounting Standards.
21. Reviewing the Management Discussion and Analysis of the financial condition and results of operations.
22. Reviewing the statements of significant related party transactions, the Financial Statements and investments made by the Unlisted Subsidiary Companies.
23. Review of the Whistle Blower Mechanism of the Company as per the Whistle Blower Policy; and
24. Carrying out any other function referred to by the Board of Directors from time to time.

The Audit Committee is empowered, pursuant to its terms of reference, inter alia, to:

1. Investigate any activity within its terms of reference;
2. Seek information from any employee;
3. Obtain outside legal or professional advice;
4. Secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee invites such of the Executives, as it considers appropriate (and particularly the head of the Finance function) to be present at its Meetings. The Statutory Auditors are also invited to the Meetings.

Four Meetings of the Committee were held during the year under review i.e. on May 30, 2013, August 09, 2013, November 14, 2013 and February 12, 2014. The Composition, Meetings and Attendance of Directors as on March 31, 2014 are as under:

S.No	Name of the Director	Category	Status	No. of Meetings held	No. of Meetings attended*
1.	Mr. Jaladanki Ravindra Reddy #	Independent Director	Chairman	3	3
2.	Mr. Konduru Niranjan Reddy #	Independent Director	Member	3	3
3.	Mr Srinivasa Raju Vadapalli #	Independent Director	Member	3	3
4.	Mr. Shashidhar Reddy Yanati *	Independent Director	Chairman	1	1
5.	Mr. Samayam Penchalaiah *	Independent Director	Member	1	1
6.	Mr. Jaladanki Boyi Reddy	Promoter Director	Member	4	4



The quorum as required under Clause 49(II)(B) of the Listing Agreement was maintained at all the Meetings. The Compliance Officer of the Company, is the member of this Committee.

**2. Stakeholders' Relationship Committee (Formerly Share Transfer & Investors' Grievance Committee):**

Pursuant to provisions of the Companies Act, 2013 and the Rules made thereunder ('the Act'), the Board of Directors, at its Meeting held on May 30, 2014, has changed the nomenclature of the Share Transfer & Investors' Grievance Committee to Stakeholders' Relationship Committee to align it with the requirements of Companies Act, 2013.

The Committee has been set up with an optimum mix of Independent Directors & Promoter Directors. The Committee is headed by an Independent Director as Chairman. Mr. J. BOYI REDDY, is the Compliance Officer of the Company and the member of the Committee.

The Company has appointed M/s. Aarthi Consultants Private Limited as the Registrar and Transfer Agent to handle investor grievances in coordination with the Compliance Officer. All grievances can be addressed to the Registrar and Share Transfer Agent. The Company monitors the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Stakeholders' Relationship Committee aims to facilitate speedy disposal of requests pertaining to Transfer / Transmission of Shares, issue of Duplicate Share Certificates etc. and to redress the Investors' complaints.

The Committee is empowered pursuant to its terms of reference to:

- ◆ Consider and resolve the grievances of security holders of the Company.
- ◆ Specifically look into the redressal of Shareholder(s) and Investors complaints like transfer of Shares, non-receipt of Balance Sheet, non-receipt of declared Dividends etc.
- ◆ Perform such other functions as have been referred / may be referred by the Board or required in accordance with the Act, Listing Agreement or SEBI Regulations as amended from time to time.

**Brief Description of Terms of Reference:**

The Terms of reference / scope and function of the Stakeholders' Relationship Committee include the performance of the functions as recommended in the Listing Agreement and interalia as follows:

- (a) Review the Reports submitted by the Registrar and Share Transfer Agent of the Company at Quarterly Intervals.

## INDO AQUATICS LIMITED

- (b) Interact periodically with the Registrar and Share Transfer Agent to ascertain and look into the quality of the Company's Shareholders / Investors grievance redressal system and to review the report on the functioning of the Investors grievance redressal system.
- (c) To approve / refuse / reject registration of transfer / transmission / transposition of shares.
- (d) To allot shares on exercise of Stock Options and to authorize issue of Share Certificates.
- (e) To redress the Investors' complaints.
- (f) To authorize:
  - a. Issue of Duplicate Share Certificates and issue of Share Certificates after Split / Consolidation / Rematerialisation of Shareholding.
  - b. Printing of Share Certificates.
  - c. Affixation of Common Seal on Share Certificates of the Company.
  - d. Directors / Managers / Officers / Signatories for signing / endorsing Share Certificates.
  - e. Necessary applications / Corporate Actions to Stock Exchanges and Depositories arising out of and incidental to the exercise of options by the employees.

During the year under review, Four Meetings of the Committee were held i.e. on May 30, 2013, August 09, 2013, November 14, 2013 and February 12, 2014. The Composition, Meetings and Attendance of Directors as on March 31, 2014 are as under:

S.No	Name of the Director	Category	Status	No. of Meetings held	No. of Meetings attended*
1.	Mr. Jaladanki Boyi Reddy	Independent Director	Member	4	4
2.	Mr. Jaladanki Ravindra Reddy #	Independent Director	Chairman	3	3
3.	Mr. Konduru Niranjan Reddy #	Independent Director	Member	3	3
4.	Mr. Srinivasa Raju Vadapalli #	Independent Director	Member	3	3
5.	Mr. Shashidhar Reddy Yanati *	Independent Director	Chairman	1	1
6.	Mr. Samayam Penchalaiah*	Independent Director	Member	1	1

The Status of queries and complaints received during the Financial Year ended March 31, 2014 are given herein below:

<b>Number of Shareholders' Complaints received so far</b>	The Company has received <b>NIL</b> Complaints from the Investors of the Company.
<b>Number solved to the satisfaction of Shareholders</b>	<b>NIL</b>
<b>Number of pending Complaints</b>	No Investor Complaints are pending as on March 31, 2014

**3. Nomination and Remuneration Committee (formerly Remuneration and Compensation Committee):**

The Board at its Meeting held on May 30, 2014, changed the nomenclature of existing Remuneration and Compensation Committee to Nomination and Remuneration Committee, and revised its terms of reference.

The Nomination and Remuneration Committee was constituted to discharge the Board's responsibilities relating to the Compensation of the Company's Executive Directors and Senior Management. The Remuneration and Compensation Committee has the overall responsibility of evaluating and approving the Compensation plans, policies and programs for Executive Directors and Senior Management of the Company.

**Brief Description of Terms of Reference**

- (a) Considering succession planning taking into account the challenges and opportunities faced by the Company, and what skills and expertise are needed from members of the Board in the future.
- (b) Ensuring that on appointment to the Board, the Non-Executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment.
- (c) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management and recommending to the Board their appointment and removal.
- (d) Formulating the criteria for determining qualifications, positive attributes and independence of a Director.
- (e) Carrying out evaluation of the performance of the Board, individual Directors and of the various Board Committees.
- (f) Devising a policy on Board diversity.

## INDO AQUATICS LIMITED

- (g) Recommending to the Board a policy, relating to the remuneration to be paid to the Directors, Key Managerial Personnel and other employees of the Company, and revision thereof from time to time based on evaluation of performance, keeping in view the provisions of Listing Agreement with Stock Exchanges.
- (h) Overseeing the Company's Stock Option Scheme(s) and long term Incentive Plan which includes determination of eligibility for benefits and approval of total annual payments.
- (i) Performing such other functions as have been referred / may be referred by the Board or required in accordance with the Act, Listing Agreement or SEBI Regulations as amended from time to time.

During the year under review, Four Meetings of the Committee were held i.e. on May 30, 2013, August 09, 2013, November 14, 2013 and February 12, 2014. The Composition, Meetings and Attendance of Directors as on March 31, 2014 are as under:

S.No	Name of the Director	Category	Status	No. of Meetings held	No. of Meetings attended*
1.	Mr. Jaladanki Boyi Reddy	Independent Director	Member	4	4
2.	Mr. Jaladanki Ravindra Reddy #	Independent Director	Chairman	3	3
3.	Mr. Konduru Niranjan Reddy #	Independent Director	Member	3	3
4.	Mr Srinivasa Raju Vadapalli #	Independent Director	Member	3	3
5.	Mr. Shashidhar Reddy Yanati *	Independent Director	Chairman	1	1
6.	Mr. Samayam Penchalaiah*	Independent Director	Member	1	1

### Remuneration policy

The Nomination and Remuneration Committee determines and recommends to the Board, the compensation payable to the Directors. All Board level compensation is approved by the Shareholders and separately disclosed in the Financial Statements.

- i) The Company's Remuneration Policy is driven by the success and performance of the individual employee and the Company. Through its Compensation Programme, the Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company

follows a compensation mix of fixed pay, benefits and perquisites besides Employee Stock Options. Individual performance is measured through the yearly appraisal process.

- ii) The Company pays remuneration by way of salary, benefits, perquisites and allowances to its Managing Director and other Executive Directors.
- iii) Sitting Fees of Rs.NIL per Meeting for attendance at the Meetings of the Board for Non-Executive Directors as per the Articles of Association of the Company is paid. Further, reimbursement of actual travel and out of pocket expenses incurred for attending such Meetings is also made.
- iv) Currently, no other component of Remuneration is paid to Non-Executive Directors.

The details of remuneration to all the Directors for the period under review are as follows:

**Sitting Fees paid to Independent Directors: NIL**

**Remuneration paid to Executive Directors: NIL**

**1. Corporate Social Responsibility Committee (formed at the Board Meeting dated May 30, 2014)**

During the Financial Year under review, the Board constituted Corporate Social Responsibility Committee ("CSR Committee") comprising of 3 (Three) Directors of whom 2 (Two) Directors are Non-Executive & Independent Directors.

**Brief Description of Terms of Reference**

- (a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII and to ensure that Company's Social, Environmental and Economic activities are aligned with each other;
- (b) To recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
- (c) To monitor the Corporate Social Responsibility Policy of the Company from time to time and to review performance against agreed targets;
- (d) To institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
- (e) To consider such other matters and issues in relation to CSR as may be stipulated by the Board from time to time."

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The Composition of Directors of the CSR Committee is as under:

S.No	Name of the Director	Category	Status
1.	Mr. Jaladanki Boyi Reddy	Director	Chairman
2.	Mr. Shashidhar Reddy Yanati	Independent Director	Member
3.	Mr. Samayam Penchalaiah	Independent Director	Member

#### IV. General Body Meetings:

The Annual General Meeting (AGM) is the principal forum for interaction with Shareholders, where the Board answers specific queries raised by the Shareholders. The Board acknowledges its responsibility towards its Shareholders and therefore encourages open and active dialogue with all its Shareholders, be it individuals, domestic, Institutional Investors or Foreign Institutional Investors.

#### Date, Time and Location, where last Three AGMs held:

Year	Location	Date & Time	Whether any Special Resolutions passed in the previous 3 AGMs
2011	502,Vamsee Estate, Ameerpet, Hyderabad - 500016 (AP)	29.08.2011 at 3.00 pm	YES
2012	502,Vamsee Estate, Ameerpet, Hyderabad - 500016 (AP)	29.09.2012 at 12.30 pm	YES
2013	502,Vamsee Estate, Ameerpet, Hyderabad - 500016 (AP)	31.07.2013 at 12.30 pm	YES

**Whether any Special Resolution passed last year through Postal Ballot – NO**

**Whether any Special Resolution is proposed to be conducted through Postal Ballot:** None of the business proposed to be transacted in the ensuing Annual General Meeting require passing of Special Resolution through Postal Ballot.

#### Procedure for Postal Ballot

The Notice containing the proposed resolutions and Explanatory Statement thereto is sent to the Registered Addresses of all the Shareholders of the Company along with a Postal Ballot Form and a Postage Pre-paid Envelope containing the address of the Scrutinizer appointed by the Board for carrying out the ballot process.

The e-voting facility is provided by the Company to all Shareholders which enable them to cast their vote electronically. The Company has entered into Agreement with M/s. Aarthi Consultants Private Limited, Registrar and

Transfer Agent for providing the e-voting facility to its Shareholders. Under this facility, Shareholders are provided an electronic platform to participate and vote on the Postal Ballots of the Company.

The step-wise process and manner for e-voting is provided in the Postal Ballot Form and also the email which is sent to Shareholders along with the Postal Ballot Notice. The Scrutinizer submits his reports to the Chairman / Director or person authorized by the Board, who on the basis of the report announces the Results of Postal Ballot.

## **V. Shareholders**

### **Disclosures regarding the Appointment or Re-appointment of Directors.**

The brief resumes and other requisite details, as required to be disclosed under Clause 49 of the Listing Agreement, of the Directors seeking appointment / re-appointment at the ensuing Annual General Meeting ("AGM") are given as part of the Notice convening the Twenty Second Annual General Meeting of the Company.

### **Investor Grievances and Share Transfer System**

The Stakeholders' Relationship Committee is responsible to examine and redress complaints from Shareholders and investors. The Company has appointed M/s. Aarthi Consultants Pvt. Ltd., as Registrar and Share Transfer Agent, which is fully equipped to carry out share transfer activities and redress investor complaints. Mr. J. Boyi Reddy will be the Compliance Officer for redressal of all Shareholders' grievances.

## **VI. Code for Prevention of Insider Trading:**

In compliance with the SEBI (Prohibition of Insider Trading) Regulations and the provisions of Companies Act, 2013 on prevention of insider trading, the Company has instituted a comprehensive Code of Conduct for its Directors, Management and Staff, laying down the guidelines and procedures to be followed and Disclosures to be made, while dealing with Shares of the Company and cautioning them of the consequences of violations. The code clearly specifies, among other matters, that Directors and Designated Employees of the Company can trade in the Shares of the Company only during the period when 'Trading Window' is open. The Trading Window is closed during the time of Declaration of Results, Dividend and occurrence of any material events, as per the Code.

All the Board Members and the Senior Management Personnel have affirmed compliance of the Code. A copy of the Code is available on the Company's website <http://indoaquatics.com>

## **VII. Subsidiary Companies**

The Company does not have any Material Non-Listed Subsidiary Company and hence it is not mandatory to have an Independent Director of the Company on the Board of Subsidiary Company. The Audit Committee reviews the Financial Statements, particularly, the investments made by the Company in Non-Listed Subsidiary Companies.

The Accounts of all the Subsidiaries are placed before the Directors of the Company on a Quarterly basis and the attention of the Directors is drawn to all significant transactions and arrangements entered into by the Subsidiary Companies.

## **VIII. Disclosures**

### **Disclosures on Materially Significant Related Party Transactions that may have potential conflict with the interests of the Company at large:**

There are no materially significant related party transactions with the Company's Promoters, Directors, Key Managerial Personnel or their relatives, which may have potential conflict with the interest of the Company at large.

Disclosures on transactions with related parties, as required under the Indian Accounting Standard 18, have been incorporated in the Notes to the Accounts, being part of the Annual Report.

All Disclosures relating to the Financial and Commercial transactions where Directors may have a potential interest are provided to the Board, and the interested Directors do not participate in the discussion nor do they vote on such matters.

### **Details of Non-Compliance:**

The Company has complied with the requirements of the Stock Exchanges, SEBI and other Statutory Authorities on all matters related to Capital Markets during the last Three years; No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authorities relating to the above. There have been no major instances of Non-Compliance with any Statutory Requirements.

### **Disclosures of Accounting Treatment in preparation of Financial Statements:**

The Company's Financial Statements are prepared as per Accounting Standards as laid down by the Institute of Chartered Accountants of India and the Accounting Principles generally accepted in India.



**Whistle Blower Policy / Vigil Mechanism**

The Company promotes ethical behavior in all its business activities and in line with the best international governance practices, it has established a Vigil Mechanism through which employees and business associates may report unethical business practices at work place without fear of reprisal.

The Vigil Mechanism aims to:

- ♦ Allow and encourage employees and business associates to bring, to the Management's notice, concerns about unethical behavior, malpractice, wrongful conduct, actual or suspected fraud or violation of policies.
- ♦ Ensure timely and consistent organizational response.
- ♦ Build and strengthen a culture of transparency and trust.
- ♦ Provide protection against victimization.

The Company has not denied access to any personnel, to approach the management on any issue.

**Compliance with Clause 49:****Mandatory Requirements**

The Company is fully complying with all the applicable mandatory requirements of Clause 49.

**Compliance with Non-Mandatory Requirements:****(1) Remuneration Committee**

The Company has constituted Remuneration Committee of Directors to recommend / review overall compensation structure and policies of the Directors. The Board, at its Meeting held on May 30, 2014, has changed the nomenclature of existing Remuneration & Compensation Committee to Nomination and Remuneration Committee and revised its terms of reference, details of which have been given earlier.

**(2) Shareholders' Rights**

The Quarterly Results of the Company are published in One English (The Business Standard) and One Regional Newspaper (Praja shakthi), having wide circulation in Andhra Pradesh. Further, the Quarterly Results are also posted on the website of the Company – <http://indoaquatics.com>. In view of the forgoing, the Half Yearly Results of the Company are not sent to the Shareholders individually.

**(3) Audit Qualifications**

During the period under review, there were no Audit Qualifications in the Company's Financial Statements. The Company continues to adopt

best Accounting Practices in order to ensure Unqualified Financial Statements.

- (4) Training of Board members / Mechanism for evaluating Non-Executive Board Members

The Directors appointed on the Board are from diverse fields relevant to the Company's business and have long-standing experience and expertise in their respective fields. They have considerable experience in managing large corporate and have been in public life for decades. The enormously rich background of the Directors is of considerable value to the Company.

Non-Executive Directors add substantial value through the deliberations at the Meetings of the Board and Committees thereof. To safeguard the interests of the investors, they also play a controlling role. In important Committees of the Board like the Audit Committee etc., they play an important role by contributing to the deliberations of the Committee Meetings. Besides contributing at the Meetings of the Board and Committees, the Non-Executive Directors also have off-line deliberations with the Management of the Company and also add value through such deliberations.

- (5) Whistle Blower Policy

The Board of Directors of the Company, at its Meeting held on May 30, 2014, has instituted a Vigil Mechanism by adopted a Whistle Blower Policy. It aims at providing avenues for employees to raise complaints and to receive feedback on any action taken and seeks to reassure the employees that they will be protected against victimization and for any whistle blowing conducted by them in good faith. The policy is intended to encourage and enable the employees of the Company to raise serious concerns within the organization rather than overlooking a problem or handling it externally.

The Company is committed to the highest possible standard of openness, probity and accountability. It contains safeguards to protect any person who uses the Vigil Mechanism (Whistle Blower) by raising any concern in good faith. The Company does not tolerate any form of victimization and take appropriate steps to protect a Whistleblower that raises a concern in good faith and treats any retaliation as a serious disciplinary offence that merits disciplinary action. The Company protects the identity of the Whistle Blower if he / she so desires, however the whistle blower needs to attend any disciplinary hearing or proceedings as may be required for investigation of the complaint. The mechanism provides for a detailed complaint and investigation process.

If circumstances so require, the employee can make a complaint directly to the Chairman of the Audit Committee.

#### **IX. Means of Communication**

The Company has established procedures to disseminate, in a planned manner, relevant information to the Shareholders, Analysts, Employees and the Society at large.

i)	<b>Quarterly Results</b>	The Company intimates Un-Audited / Audited Financial Results to the Stock Exchanges, immediately after the Board Meetings at which they are approved. These are also published in the prescribed format as per the provisions of the Listing Agreement.
ii)	<b>Newspapers wherein Results are normally published</b>	The Results of the Company are also published in widely circulated National Newspapers namely "The Business Standard" and the Regional Newspaper "Prajashakthi".
iii)	<b>Website</b>	The Company's Website contains a separate dedicated Section to "Investors" where information sought by the Shareholders is available. The Annual Report of the Company, Shareholding Pattern, Press Releases, Quarterly Reports, Corporate Governance Reports, Details of Unpaid / Unclaimed Dividend Amounts and other related information, apart from the details about the Company, Board of Directors and Management, are available on the website in a user-friendly and downloadable form at <a href="http://www.indoaquatics.com/">www.indoaquatics.com/</a>
iv)	<b>Whether it also displays Official News Releases</b>	The Company gives important Press Releases.
v)	<b>Annual Report</b>	Annual Report containing Audited Standalone Accounts, Consolidated Financial Statements together with Directors' Report, Auditors' Report and other important information are circulated to Members and others entitled thereto.

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## SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralized web based complaints redress system. The system enables centralized database of all complaints, online uploading of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on their complaint and current status.

### X. General Shareholder Information

<b>i</b>	<b>Annual General Meeting</b>	
	Date	September 30, 2014
	Time	10.30 A.M
	Venue	502, Vamsee Estate, Ameerpet, Hyderabad - 500 016. (TG)
<b>ii</b>	<b>Financial Year</b>	April 01, 2013 to March 31, 2014
<b>iii</b>	<b>Date of Book Closure</b>	September 26, 2014 to September 30, 2014 (Both days inclusive) for Annual General Meeting and Payment of Dividend

### Listing on Stock Exchanges:

The Company's Shares are listed on the following Stock Exchanges as on March 31, 2014 are:

S.No	Equity Shares
1.	Chennai Stock Exchange
2.	Kolkata Stock Exchange

The Annual Listing Fees due to the above Stock Exchanges have been paid well within time.

### International Securities Identification Number (ISIN)

ISIN is an identification number for traded Shares. This number needs to be quoted in each transaction relating to the Dematerialization of Equity Shares of the Company. The Company's ISIN Number for Equity Shares is INE663N01010.

### Corporate Identity Number (CIN)

The Company's Corporate Identity Number (CIN), allotted by the Ministry of Corporate Affairs, Government of India, is **U05005TG1991PLC013618** and the Registration Number is **013618**.

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**INDO AQUATICS LIMITED**

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**Registrar and Transfer Agents:** M/s. Aarthi Consultants Pvt Ltd.,  
1-2-285, Domalguda,  
Hyderabad – 500029.  
Tel.: 91-40-27638111/4445;  
Fax: +91-40-27632184  
E-mail: info@aarthicconsultants.com

**Compliance Officer:** **Ms. J B Reddy**  
Compliance Officer  
502, Vamsee Estate,  
Ameerpet, Hyderabad - 500 016  
Email: jbr\_reddy2001@yahoo.com  
Tel No.: 040-23410422  
Fax No: 040-23410427

**Share Transfer System:** The Share Transfer and related operations for the Company are conducted by M/s. Aarthi Consultants Private Limited, Registrar and Share Transfer Agents of the Company. In compliance with the SEBI Circular, the Company maintains Share Registry, terms of both Physical and electronic mode to a single point. Shares received in Physical form for Transfer / Split etc. are processed and the Share Certificates are returned within 10 to 15 days from the date of receipt, subject to documents being complete and valid in all respects.

**Distribution of Shareholding as March 31, 2014:**

S.No	Category (Shares)	No. of Share Holders	% of Share Holders	No. of Shares	% to Shares
1	1 - 5000	4163	82.86	1354490	13544900
2	5001 - 10000	495	9.85	404600	4046000
3	10001 - 20000	181	3.60	278800	2788000
4	20001 - 30000	73	1.45	184140	1841400
5	30001 - 40000	21	0.42	75800	758000
6	40001 - 50000	39	0.78	184700	1847000
7	50001 - 100000	29	0.58	234600	2346000
8	100001 & Above	23	0.46	4844270	48442700
	<b>Total:</b>	<b>5024</b>	<b>100</b>	<b>7561400</b>	<b>75614000</b>

**Dematerialization of Shares and Liquidity:**

As per the SEBI circular the Company's Shares are in dematerialized form and are available for trading Central Depository Services (India) Limited. As

## ===== INDO AQUATICS LIMITED =====

on March 31, 2014, over 47.20% Shares of the Company were held in Dematerialized form (Demat) and the rest in Physical Form.

### **Outstanding GDRs/ADRs/Warrants or any Convertible instruments, Conversion date and likely impact on Equity:**

There are no outstanding GDRs / ADRs / Warrants or any Convertible Instruments issued by the Company.

### **Farm & Hatchery Locations:**

Kothakodur Village,  
T P Gudur Mandal, Nellore (Dt),  
Andhra Pradesh

### **Address for Investor Correspondence**

**Registrars**        The Assistant General Manager,  
M/s. Aarthi Consultants Pvt Ltd., 1-2-285,  
Domalguda, Hyderabad - 500029.  
Tel.: 91-40-2768111/4445; Fax: +91-40-27632184  
E-mail: info@aarthiconsultants.com

**Company**        MR. J B Reddy, Compliance Officer,  
502, Vamsee Estate, Ameerpet,  
Hyderabad - 500016.  
Ph no :23410422  
Email id Indoaquatics@gmail.com

### **Transfer of Unclaimed / Unpaid Dividends:**

There is no dividend history for the company from the date of incorporation so there is no unclaimed/unpaid dividends in the books of accounts.

### **Important Communication to Members:**

Members must be aware that the Ministry of Corporate Affairs (MCA) had undertaken a "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies, whereby Companies have been permitted to send various Notices / Documents, including Annual Report to its Shareholders through electronic mode to the registered e-mail addresses of the Shareholders.

Securities and Exchange Board of India (SEBI) have also, in line with the aforesaid MCA initiatives, permitted Listed Entities to supply soft copies of Annual Reports to all those Shareholders who have registered their email addresses for the purpose.

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**INDO AQUATICS LIMITED**

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In view of the Green Initiatives announced as above, to enable the servicing of documents electronically to the registered email address, the Shareholders are requested to keep their email addresses validated / updated from time to time. Shareholders holding Shares in electronic form are requested to inform any changes in their registered e-mail address to their DP from time to time and Shareholders holding Shares in Physical form are requested to write to our Registrar and Transfer Agent, at their specified address, so as to update their registered email address from time to time. The Annual Report of the Company will also be available on the Company's website [www.indoaquatics.com](http://www.indoaquatics.com) for ready reference. Shareholders are also requested to take note that they will be entitled to be furnished, free of cost, the aforesaid documents, upon receipt of requisition from the Shareholder, any time, as a member of the Company.

Date : 28<sup>th</sup> August, 2014

For and on behalf of the Board of Directors

Place : Hyderabad

Director

## **INDEPENDENT AUDITORS' REPORT**

To

The Members of INDO AQUATICS LIMITED

We have audited the accompanying financial statements of INDO AQUATICS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information



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## INDO AQUATICS LIMITED

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required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014
- b. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that :
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section(1) of section 274 of the Companies Act, 1956.

For J B REDDY & CO.,  
Chartered Accountants  
Firm Registration No.003256S

Place: Hyderabad  
Date: 28/08/2014

M Raja Reddy  
Partner  
ICAI Member ship No.023110

**Annexure to Independent Auditors' Report  
Referred to in Paragraph 1 under the heading of 'Report on Other  
Legal and Regulatory Requirements' of our report of even date**

1. 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 program 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.
2. 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.
3. The Company has not granted any loans secured or unsecured, to any party. However, the interest free loans obtained in the earlier years and also during the year 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.6,44,52,087/- and the maximum amount of these loans outstanding during the year was Rs. 6,44,52,087/-.
4. 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 and as stipulated by the banks at the time of releasing of term loans, to the extent they are not repaid are being continued.*
5. 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.
6. in our opinion, the company has an internal audit system commensurate with the size and nature of its business.
7. 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.
8. 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.

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**INDO AQUATICS LIMITED**

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- 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 31.03.2014 for a period of more than six months from the date they became payable.
9. 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 either for the year under report or for the immediate preceding year.
10. There are no outstanding dues to any banks/financial institutions.
11. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
12. The company is not a chit/nidhi/benefit company
13. The company is not dealing/trading in Shares, Securities, Debentures and other investments.
14. 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.
15. During the year the company has not obtained any term loans.
16. 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.
17. The company has not made any fresh allotment of equity shares during the year.
18. The company has not issued any debentures.
19. During the year the company has not raised any money by public issue of its shares.
20. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For J B REDDY & CO.,  
Chartered Accountants  
Firm Registration No.003256S

Place: Hyderabad  
Date: 28/08/2014

M Raja Reddy  
Partner  
ICAI Member ship No.023110

**INDO AQUATICS LIMITED**

**BALANCE SHEET AS AT 31.03.2014**

Particulars	Note No.	2013-14 Amount in (Rs.)	2012-13 Amount in (Rs.)
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2	7,56,14,000	7,56,14,000
(b) Reserves and surplus	3	(10,75,34,577)	(10,81,43,204)
<b>2 Share application money pending allotment</b>			
		-	-
<b>3 Non-current liabilities</b>			
Long-term borrowings	4	6,44,52,087	6,39,37,087
<b>4 Current liabilities</b>			
Other current liabilities	5	<u>9,51,499</u>	<u>9,46,538</u>
<b>TOTAL</b>		<b><u>3,34,83,009</u></b>	<b><u>3,23,54,421</u></b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
a) Fixed assets			
(i) Tangible assets	6	2,72,98,046	2,81,16,649
(ii) Capital work-in-progress		19,55,000	19,55,000
<b>2 Current assets</b>			
(b) Inventories	7	33,90,300	19,56,200
(c) Cash and cash equivalents	8	93,144	57,402
(d) Other current assets	9	7,46,519	2,69,170
<b>TOTAL</b>		<b><u>3,34,83,009</u></b>	<b><u>3,23,54,421</u></b>

Vide our report of even date

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

Sd/-

**M.Raja Reddy  
Partner  
ICAI MEMBERSHIP No.023110**

**Place : Hyderabad  
Date : 28-08-2014**

for and on behalf of the Board

Sd/-

**J.Boyi Reddy  
Director**

Sd/-

**S. Penchalaiah  
Director**

# INDO AQUATICS LIMITED

## PROFIT & LOSS STATEMENT for the year ended 31<sup>st</sup> March 2014

Particulars	Note No.	2013-14 Amount in (Rs.)	2012-13 Amount in (Rs.)
I. Revenue from operations			
Sale of Fish		47,84,700	32,05,300
II. Other income	10	4,56,250	2,05,000
<b>III. Total Revenue (I + II)</b>		<u>52,40,950</u>	<u>34,10,300</u>
IV. Expenses:			
Cost of materials consumed	11	19,92,850	9,72,400
Changes in inventory of work-in-progress	12	(14,34,100)	(4,85,700)
Employee benefits and expenses	13	7,75,428	3,27,235
Depreciation	6	14,71,041	16,63,223
Other expenses	14	18,27,104	8,21,455
Total expenses		<u>46,32,323</u>	<u>32,98,613</u>
<b>V. Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)</b>		6,08,627	1,11,687
<b>VI. Exceptional items</b>		-	-
<b>VII. Profit / (Loss) before extraordinary items and tax (V - VI)</b>		6,08,627	1,11,687
VIII. Extraordinary Items (Net)	15	-	-
<b>IX. Profit before tax (VII- VIII)</b>		6,08,627	1,11,687
<b>X Tax expense:</b>		-	-
<b>XI Profit / (Loss) for the year</b>		<u>6,08,627</u>	<u>1,11,687</u>
<b>XII Earnings per Equity Share :</b>			
(1) Basic		0.08	0.01
(2) Diluted		0.08	0.01
<b>Significant Accounting Policies</b>	1		

Vide our report of even date

for and on behalf of the Board

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

Sd/-  
**J.Boyi Reddy  
Director**

Sd/-  
**M.Raja Reddy  
Partner  
ICAI MEMBERSHIP No.023110**

Sd/-  
**S. Penchalaiah  
Director**

**Place : Hyderabad  
Date : 28-08-2014**

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**Note 1**

**Significant Accounting Policies**

- a) Consequent to total erosion of net-worth due to losses 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) and all the dues to the banks/financial institutions had been settled on One Time Settlement basis (OTS) in the earlier year/s. As the Business operations were stopped temporarily due to financial problems and again restarted and are continued in the year under report, 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:**
- i) All Income and expenditure are accounted on accrual basis.
  - ii) The company has given on lease its hatchery / building / equipment for rearing prawns seed. The lease period is for a period of three years starting from 01-08-2012. The lease rentals would, however started accruing from 01-10-2013 after completion of the repairs to the hatchery building and addition of Plant & Machinery and necessary equipment by the lessee for running the hatchery with necessary approvals.
  - iii) The land of Acrs.27.65 given to earlier by the company is yielding lease since 01.01.2014.
- d) **Fixed Assets:**  
Fixed Assets are stated at cost less depreciation.
- e) **Depreciation:**  
The depreciation has been provided on written down value basis at the rates prescribed in schedule XIV to the Companies Act, 1956.
- f) **Capital work in progress :**  
The expenditure under this head represents the expenses incurred on earthwork relating to ponds and bunds formation, which is under progress.

# INDO AQUATICS LIMITED

## Note 2

### Share Capital

	AS AT 31st MARCH'2014 Amount (Rupees)	AS AT 31st MARCH'2013 Amount (Rupees)
<b>Authorised</b>		
7850000 Equity Shares of Rs.10/- each	7,85,00,000	7,85,00,000
<b>Issued, Subscribed &amp; Paid up</b>		
7561400 Equity Shares of Rs.10/- each fully paid	<u>7,56,14,000</u>	<u>7,56,14,000</u>
<b>Total</b>	<u>7,56,14,000</u>	<u>7,56,14,000</u>

### Reconciliation of the shares outstanding at the beginning and at the end of the reporting period :

Particulars	AS AT 31st MARCH'2014		AS AT 31st MARCH'2013	
	No. of Shares	Rupees	No. of Shares	Rupees
a) at the beginning of the period	75,61,400	7,56,14,000	75,61,400	7,56,14,000
b) at the closing of the period	75,61,400	7,56,14,000	75,61,400	7,56,14,000

### Details of Equity Shareholders holding more than 5%

Name of the Person	AS AT 31st MARCH'2014		AS AT 31st MARCH'2013	
	No. of Shares	%	No. of Shares	%
J. Bharathi	9,13,227	12.08	9,13,627	12.08
J. Vamsi Krishna	10,68,373	14.13	1,068,373	14.13
J. Venkata Krishna	10,69,380	14.14	1,069,380	14.14
J.B. Reddy	5,18,990	6.86	5,02,890	6.65

## Note 3

Reserves and surplus	2013-14	2012-13
<b>a. Capital Reserves</b>		
Opening Balance	6,94,65,830	6,94,65,830
(+) Principal amount of the Term Loan waived by the ICICI Bank	-	-
Closing Balance	6,94,65,830	6,94,65,830
<b>b. Surplus</b>		
Opening balance	(17,76,09,034)	(1,777,20,721)
(+) Net Profit For the current year	6,08,627	1,11,687
Closing Balance	<u>(17,70,00,407)</u>	<u>(1,77,609,034)</u>
<b>Total</b>	<u>(10,75,34,577)</u>	<u>(1,081,43,204)</u>

## Note 4

Long Term Borrowings	2013-14	2012-13
<b>Unsecured</b>		
a) Loans from Companies	4,51,42,617	4,49,37,617
b) Loan from Directors	1,93,09,470	1,89,99,470
<b>Total</b>	<u>6,44,52,087</u>	<u>6,39,37,087</u>

## Note 5

Other Current Liabilities	2013-14	2012-13
1) Creditors -		
(a) for supplies & services	13,000	13,483
(b) for expenses and others	3,42,686	8,83,055
2) Advance from Customers	<u>5,95,813</u>	<u>50,000</u>
<b>Total</b>	<u>9,51,499</u>	<u>9,46,538</u>

**INDO AQUATICS LIMITED**

**NOTE - 6 FIXED ASSETS**

(VALUE IN Rupees)									
Particulars	Gross Block			Depreciation			Net Block		
	As on 01.04.13	Additions (Deletions) During Year	Total As on 31.03.2014	As on 01.04.13	Additions (Deletions) During Year	Total As on 31.03.14	As on 31.03.14	As on 31.03.13	
<b>A) Tangible Assets</b>									
Land	16231189	-	16231189	-	-	-	16231189	16231189	
Building	31954627	-	31954627	26878963	507568	27386531	4568096	5075664	
Borewell	311967	-	311967	271327	4064	275391	36576	40640	
Ponds	40756424	-	40756424	38020344	380588	38400932	2355492	2736080	
Other Machinery	46716003	-	46716003	43429386	457168	43886554	2829449	3286617	
Electrical Equipments	9922032	623838	10545870	9249419	110677	9360096	1185774	672613	
Furniture & Fixtures	628023	28600	656623	614315	2480	616795	39828	13708	
Office Equipment	976935	-	976935	917878	8216	926094	50841	59057	
Vehicles	425327	-	425327	424246	280	424526	801	1081	
<b>Total</b>	<b>147922527</b>	<b>652438</b>	<b>148574965</b>	<b>119805878</b>	<b>1471041</b>	<b>121276919</b>	<b>27298046</b>	<b>28116649</b>	
<b>B) Capital Work in Progress</b>									
Bunds formation under Progress	1955000	-	1955000	-	-	-	1955000	1955000	
<b>Total</b>	<b>1955000</b>	<b>-</b>	<b>1955000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1955000</b>	<b>1955000</b>	



# INDO AQUATICS LIMITED

	2013-14	2012-13
<b>Note 7</b>		
<b>Inventories</b>		
Work-in-progress (Fish Under Culture)	33,90,300	19,56,200
<b>Total</b>	<u>33,90,300</u>	<u>19,56,200</u>
<b>Note 8</b>		
<b>Cash and cash equivalents</b>		
a. Balances with banks	59,628	17,367
b. Cash on hand	33,516	40,035
<b>Total</b>	<u>93,144</u>	<u>57,402</u>
<b>Note 9</b>		
<b>Other Current Assets</b>		
<b>Particulars</b>		
Electricity Deposit (Unsecured, considered good)	4,66,519	2,69,170
Other advances	<u>2,80,000</u>	-
<b>Total</b>	<u>7,46,519</u>	<u>2,69,170</u>
<b>Note 10</b>		
<b>Other income</b>		
<b>Particulars</b>		
a) Sale of wood branches	-	205000
b) Lease Income	4,56,250	-
<b>Total</b>	<u>4,56,250</u>	<u>2,05,000</u>
<b>Note 11</b>		
<b>Cost of materials consumed</b>		
a) Baby Fish / Fish seed	5,94,650	1,54,200
b) Chicken Manure & Dung	13,98,200	8,18,200
<b>Total</b>	<u>19,92,850</u>	<u>9,72,400</u>
<b>Note 12</b>		
<b>Changes in inventory of work-in-progress</b>		
<b>Opening Stock :</b>		
Fish Under Culture	19,56,200	14,70,500
<b>Closing Stock :</b>		
Fish Under Culture	33,90,300	19,56,200
<b>Increase / (Decrease) :</b>	<u>14,34,100</u>	<u>4,85,700</u>
<b>Note 13</b>		
<b>Employee Benefits Expenses</b>		
(a) Salaries and incentives	7,54,937	3,27,000
(f) Staff welfare expenses	20,491	235
<b>Total</b>	<u>7,75,428</u>	<u>3,27,235</u>

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**INDO AQUATICS LIMITED**

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<b>Note 14</b>	<b>2013-14</b>	<b>2012-13</b>
<b>Other expenses</b>		
Power and fuel	734786	4,88,808
Repairs & Maintenance		
Plant & Machinery	-	-
Others	355656	100
Rates and taxes, excluding, taxes on income.	90809	1,37,641
<b>Payments to the auditor as</b>		
Audit Fee	20000	20,000
Miscellaneous expenses,	19340	1,74,906
Advertisement	29,760	-
Bank Charges	3,445	-
Conveyance	30,291	-
Travelling Expenses	51,974	-
Machinery Rent	207,706	-
Office Rent	39,000	-
Other Expenses	112,806	-
Postage	767	-
Printing & Stationery	15,413	-
Professional Charges	82,787	-
Telephone Charges	25,664	-
Transport Charges	6,900	-
<b>Total</b>	<u>1827104</u>	<u>8,21,455</u>

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**INDO AQUATICS LIMITED**

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2)a) Related party transactions:-

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

Nature of Transactions:

Particulars	2013-2014	2012-2013
Un secured loans		
Opening Balance	18999470	18999470
Receipts during the year	2900000	—
Payments during the year	2590000	—
Closing Balance	19309470	18999470

b) Deferred / Current Taxation:

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

2) Dues to the Micro, Small and Medium Enterprises NIL NIL

3) 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.

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

5) Earnings Per Share:	2013-2014	2012-2013
Profit/loss after Tax	Rs.6,08,627/-	Rs.1,11,687/-
Nominal Value of Ordinary Share	Rs.10/-	Rs.10/-
Basic / Diluted earnings per Ordinary Share	Rs. 0.08	Rs. 0.01

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Vide our report of even date

for and on behalf of the Board

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

**J.Boyi Reddy  
Director**

**M.Raja Reddy  
Partner  
ICAI MEMBERSHIP No.023110**

**S. Penchalaiah  
Director**

**Place : Hyderabad  
Date : 28-08-2014**

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**INDO AQUATICS LIMITED**

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**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014****(Figures Rs. In Lakhs)**

	<b>2013-14</b>	<b>2012-13</b>
<b>A) Cash Flow from Operating Activities</b>		
Profit / Loss Before Tax & Extraordinary items	6.08	1.12
Adjustment for Depreciation	14.71	16.63
Waiver of Interest on term Loans	-	-
Adjustment for Prior Period Expenses	-	-
Misc. Expenses Written off	-	-
Operating Profit/Loss before working capital Changes	20.79	17.75
Working Capital Changes		
Deposits	-	-
Inventories	(14.34)	(4.85)
Advances	(4.78)	-
Trade & Other Payables	0.05	0.01
Cash Generated from Operations	1.72	12.90
Interest written off	-	-
Direct Taxes Paid	-	-
Cash Flow before Extra-Ordinary items	1.72	12.90
Extraordinary items	-	-
<b>Net Cash Flow from Operating Activities</b>	<b>1.72</b>	<b>12.90</b>
<b>B) Cash flow from investing Activities</b>		
Fixed Assets - Capital work in progress	(6.52)	(19.55)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		
<b>C) Cash flow from financing activities</b>		
Long Term & Other Borrowing	5.15	6.98
Increase the capital Reserves	-	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		
Net charge In Cash and Cash Equivalents (A+B+C)	0.35	0.33
Cash and Cash Equivalents (Opening Balance)	0.58	0.25
Cash and Cash Equivalents (Closing Balance)	0.93	0.58
Note: Figures in brackets represent cash outflows		

**Vide our report of even date****for and on behalf of the Board****for J B Reddy & Co.,  
Chartered Accountants  
Firm Registration No.003256S****J.Boyi Reddy  
Director****M.Raja Reddy  
Partner  
ICAI MEMBERSHIP No.023110****S. Penchalaiah  
Director****Place : Hyderabad****Date : 28-08-2014**

## PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN :  
Name of the Company :  
Registered Office :

Name of the Member(s) :  
Registered Address :  
E-mail Id :  
Folio No/ Client Id :  
DP ID :

I/ We being the member(s) of \_\_\_\_\_ Shares of the above named Company hereby appoint:

1. Name : .....  
Address : .....  
E-mail Id : .....  
Signature : ....., or failing him
2. Name : .....  
Address : .....  
E-mail Id : .....  
Signature : ....., or failing him
3. Name : .....  
Address : .....  
E-mail Id : .....  
Signature : ....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22<sup>nd</sup> Annual General Meeting of the Company, to be held on Tuesday the 30<sup>th</sup> day of September 2014 At 10.30 A.M. at **502, Vamsee Estate Hyderabad - 500016** and at any adjournment thereof in respect of such resolutions as are indicated below:

Signed this ..... day of ..... 2014

Signature of the Member .....

Signature of Proxy holder(s)

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

# **INDO AQUATICS LIMITED**

**CIN: U05005TG1991PLC013618**

**Regd. Office:** 502, Vamsee Estate,  
Ameerpet, Hyderabad - 500016. (A.P) INDIA.

## **ATTENDANCE SLIP**

Twenty Second Annual General Meeting - September 30, 2014

DP ID : \_\_\_\_\_

Folio No. / Client ID \_\_\_\_\_

I / We hereby record my / our presence at the 22<sup>nd</sup> ANNUAL GENERAL MEETING of the Company at **502, Vamsee Estates, Ameerpet, Hyderabad - 500016** at 10.30 AM on Tuesday, the 30<sup>th</sup> day of September, 2014 and at any adjournment(s) thereof.

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

**Note:** Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Your entry to the Meeting will be regulated by this attendance slip.

**Form No. SH-13**  
**Nomination Form**

[Pursuant to Section 72 of the Companies Act, 2013 and Rule 19(1) of  
the Companies (Share Capital and Debentures) Rules 2014]

To,

**INDO AQUATICS LIMITED**

502, Vamsee Estates  
Ameerpet, Hyderabad - 500 016.

I/We \_\_\_\_\_ the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my / our death.

- (1) PARTICULARS OF THE SECURITIES  
(in respect of which nomination is being made)

Nature of Securities	Folio. No.	No. of Securities	Certificate No.	Distinctive No.

- (2) PARTICULARS OF NOMINEE/S —

- (a) Name:
- (b) Date of Birth:
- (c) Father's/Mother's/Spouse's name:
- (d) Occupation:
- (e) Nationality:
- (f) Address:
- (g) E-mail id:
- (h) Relationship with the security holder:

- (3) IN CASE NOMINEE IS A MINOR—

- (a) Date of birth:
- (b) Date of attaining majority:
- (c) Name of guardian:
- (d) Address of guardian:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Name of the Security Holder(s) \_\_\_\_\_

Signature: \_\_\_\_\_

Witness with Name and Address \_\_\_\_\_

## BOOK-POST

To

If undelivered, please return to:

**INDO AQUATICS LIMITED**

Reg. Office : 502,

Vamsee Estate,

Ameerpet, Hyderabad - 500 016