

11th Annual Report 2009-10



Oil & Gas



Power



Pharmaceutical



Infrastructure

enabling
global
businesses

Aqua Logistics Limited

11th Annual General Meeting

Day & Date : Friday, September 3, 2010

Time : 10:00 a.m

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

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CORPORATE INFORMATION

Board of Directors

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

Chief Financial Officer

Mr. C. R. Karikal Valavan

Company Secretary & Compliance Officer

Mr. Bhupendra N. Shah

STATUTORY AUDITORS

M/S. Anil Nair & Associates

Chartered Accountants

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

Secretarial Auditor

M/S. Pankaj & Associates

Company Secretaries

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

Bankers

Bank of India

Yes Bank

HDFC Bank

Registered Office & Corporate Office

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

Mumbai Office

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

Bangalore Office

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

Delhi Office

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

Chennai Office

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

Kolkata Office

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

Wholly-owned Subsidiary Companies

Hong Kong office

Aqua Logistics HK Pvt. Ltd.

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

Sharjah Office

Aqua Logistics, FZE

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

Registrar And Transfer Agents

M/S Link Intime India Pvt. Ltd.

C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai 400078

Website

www.aqualogistics.com

E-mail

investor@aqualogistics.com

Corporate Identity Number (CIN)

L63090MH1999PLC121803

Demat ISIN NSDL and CDSL

INE544K01018

Listing

Bombay Stock Exchange

National Stock Exchange

Scrip Code

BSE: 533159

NSE: AQUA

Bloomberg: AQUA:IN

Reuters: AQUA.NS

Aqua Logistics Limited

From Chairman's Desk

Dear Shareholders,

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

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

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

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

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

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

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

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

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

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

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

Rajesh G. Uchil
Chairman

Our Business

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

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

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

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

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

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

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

Aqua Logistics Limited

Notice

NOTICE is hereby given that the 11th Annual General Meeting of the Members of Aqua Logistics Limited will be held on Friday, September 3, 2010 at 10:00 A.M. at Crystal Hall, Vits Hotel, Andheri - Kurla Road, Andheri (East), Mumbai - 400059 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2010 and the Profit & Loss Account for the financial year ended on that date together with the Report of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Ravi Sharma who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Anil Nair & Associates, Chartered Accountants, as Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

4. INCREASE IN AUTHORISED SHARE CAPITAL:

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

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

5. SUB-DIVISION OF SHARES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Bhupendra N. Shah
Company Secretary**

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

Notes

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The Instrument appointing a proxy must be deposited with the Company at its Registered Office, not less than 48 hours before the time for holding the Annual General Meeting.
3. The notice of the Annual General Meeting will be sent to those members whose names appear on the register of members as on August 6, 2010.
4. Annual Report is available at the website of the Company at www.aqualogistics.com in the Investor Relations Section.
5. The Register of Members of the Company will remain closed from August 28, 2010 to September 3, 2010 (both days inclusive).
6. Members are requested to:
 - (a) Notify the change in address if any, with Pin Code numbers immediately to the Company. (In case of shares held in physical mode).
 - (b) Bring their copy of the Annual Report and Attendance Slip with them at the Annual General Meeting.
 - (c) Quote their Regd. Folio Number/DP and Client ID Nos. in all their correspondence with the Company or its Registrar and Share Transfer Agent.
7. Consequent upon the introduction of Section 109A of the Companies Act, 1956, Shareholders desirous of making a nomination are requested to send their requests in Form 2B in duplicate (which will be made available on request) to the Registrar and Share Transfer Agent of the Company.
8. Corporate members are requested to send a duly certified copy of the board resolution /power of attorney authorizing their representative to attend and vote at the Annual General Meeting.
9. Members having any questions on accounts are requested to send their queries at least 10 days in advance to the

Company at its registered office address to enable the Company to collect the relevant information.

10. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting and the same will be available for inspection at the Annual General Meeting.
11. Explanatory Statement relating to the Special Business under item no. 4 to 7 as required under Section 173 (2) of the Companies Act 1956 is annexed hereto.

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

Place: Mumbai
Date: August 7, 2010

Bhupendra N. Shah
Company Secretary

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

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

ITEM NO.4

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

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

Your Directors recommend the above Resolution for your approval.

ITEM NO.5

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

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

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

Your Directors recommend the above Resolution for your approval.

ITEM NO.6

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

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

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

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

Your Directors recommend the above Resolution for your approval.

Item No. 7

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

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

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

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

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

Your Directors recommend the above Resolution for your approval.

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

Place: Mumbai
Date: August 7, 2010

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

Bhupendra N. Shah
Company Secretary