

AQUA PUMPS INFRA VENTURES LTD.

(Formerly known as Choice Infra Ventures Limited)

23RD ANNUAL REPORT

2014-15



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BOARD OF DIRECTORS

CA Kamal Poddar
Mrs. Bindi Vora
Mr. Hasmukh Mehta
Mr. Lalit Menghnani
Mr. Rameshchandra Purohit

Managing Director & CEO
Whole Time Director & CFO
Non-Executive and Independent Director
Non-Executive and Independent Director
Non-Executive and Independent Director

REGISTERED OFFICE

1001, Sumer Plaza Opp. Tirupati Hotel,
Marol Maroshi Road, Andheri (E) - 400059
Tel: 022 – 6707 9999; Fax: 022 – 6707 9959
Email: aquapiv@gmail.com
Website: www.aquapivl.com

COMPANY SECRETARY & COMPLIANCE OFFICER

CS Karishma Shah

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited
C-13, Pannalal Silk Mill Compound,
L.B.S. Marg, Bhandup (w),
Mumbai – 400 078
Ph. 2596 3838/ Fax: 2594 6969
E-mail: Mumbai@linkintime.co.in

STATUTORY AUDITORS

M/s. Agarwal Desai & Shah
Chartered Accountants
Ground Floor,
Bandra Arcade Building,
Opp. Railway Station,
Bandra West, Mumbai – 400 050

BANKERS TO THE COMPANY

HDFC Bank Ltd.
AXIS Bank Ltd.

SECRETARIAL AUDITORS

M/s. R M Mimani & Associates LLP
Company Secretaries
A/ 101, Excellance,
Old Raviraj Complex, Jessal Park,
Bhayander (East), Thane – 401105

MESSAGE FROM MANAGING DIRECTOR

Dear Shareowners,

I am extremely proud to communicate with you once again to update you on performance of Aqua Pumps Infra Ventures Limited. Now we are at our 23rd year and now it is time to look ahead and gear up for further years and onwards on a path that will be more exciting, enriching, challenging and fulfilling. We started the journey with a principled intention, pursued our goals sincerely and built an organisation on strong foundations of values, ethics and principles. We are sure that next years for the company would be full of opportunities and promises.

Company vision itself to be the leading knowledge and ideas powerhouse for innovation and to deliver the best throughout the sector using the emerging technologies and to bring the enhanced management to enable policy reform for exclusive growth and sustainable living.

This year again we took important steps towards future growth. We unveiled ground breaking new technologies, expanded our global presence, sales and service capabilities in high-growth markets, and to increase value for our customers and enhance growth momentum as part of our new strategy. Capacity expansion, capabilities' consolidation and gaining execution experience are being pursued in various business verticals to enhance share of Industry Segment in turnover-mix.

The advancement in Infrastructure & engineering determines the economic growth of a nation. Our projects provide distinct solution to the infrastructural requirement of Urban and Rural India. We offer assistance by providing project management consultancy, conduct intense research and prepare DPR in a range of development areas like buildings, roads, & highway, rail networks, water supply systems, electrical grids and pipelines.

Your Company is multi-expertise consulting Firm. Your Company has built integrated solutions for today and tomorrow by providing a range of innovative & sustainable resolutions which can suffice the requirement of Nations on the basis of their geographical and topographical necessity. Company is preferred partner for mega projects involving direct government & ministries, unilateral & multilateral companies, further company is an active members of some of the biggest projects in the fields of economic and urban development across the planet. Company also excel in rehabilitation & resettlement plans, raising state level municipal development funds, designing e-governance strategy, housing & social development projects, bind issues helping raise funds & social development.

Company offers the full range of its practice in the rural development sector. We have been helping in economic planning, comprehensive district planning and convergence across various programmes at the Panchayat level as well as to develop a National Level Panchayat Accounts Manual for all the Panchayats in India. Your Company plays an important role in Education development. Company core idea is to strengthen formal and non-formal education through technical assistance and programme management, research, curriculum development, vocationalization and skill development. Company has a well - earned reputation in tourism and allied areas of advising and working on a variety of projects. We categorically dedicate ourselves in intense research, capacity building and study programmes; this helps us to garner distinct solution for Slum development, Poverty Reduction, Community Mobilization, Socio-Economy Development and build a fabric of safety at grass-root level. Company offers sustainable and comprehensive solutions for health care, nutrition, water and sanitary. Company is introducing new and innovative technologies, health MIS, organisational review & development, monitoring and evaluation of the health nutritional index (HNI).

As I write my last communication in the Annual Report as Managing Director of the Company. I have had my own share of challenges over the past years. I feel happy that I have addressed these challenges head on and will be leaving behind a stronger and more dynamic company. I am happy to welcome CA Govind Patodia as Managing Director of the Company.

I would like to thank all my colleagues across the country for their dedication, commitment and contribution towards the growth of the Company. Your company would be grateful to all its stakeholders for their continued support in future also.

**Sd/-
Kamal Poddar**

Dear Members,

The Board of Directors ("Board") of Aqua Pumps Infra Ventures Limited ("APIVL") with immense pleasure present their Twenty Third Annual Report on the business and operations of your Company for the financial year 2014-15. This Report is being presented along with the audited financial statements for the year.

1) **COMPANY PERFORMANCE**

The global economic climate posed several challenges, but we made the best use of our resources and abilities for growth. The overall performance for the year spelled growth, both for us and for our clients. During the financial year the Company's Gross Income was ₹ 4562.58 Lakhs. The Profit before Tax for the FY 2014-15 increased by 21.75% to ₹ 157.75 Lakhs as against ₹ 129.57 Lakhs in FY 2013-14. The Net Worth of the Company as on March 31, 2015 was ₹ 3276.41 Lakhs as against Rs. 3173.11 Lakhs as on March 31, 2014.

Financial Highlights of the Company

(₹ In Lakhs)

| Particulars | Year Ended 31.03.2015 | Year Ended 31.03.2014 |
|--|----------------------------------|----------------------------------|
| Total Income | 4562.58 | 4363.07 |
| Total Expenditure | 4404.83 | 4233.50 |
| Profit Before Tax | 157.75 | 129.57 |
| Provision for Tax | 54.44 | 41.99 |
| Profit After Tax | 103.30 | 87.58 |
| Add: Surplus brought forward during the year | 230.35 | 142.78 |
| Profit available for Appropriations | 333.65 | 230.35 |
| Appropriations: | Nil | Nil |
| Surplus carried forward | 333.65 | 230.35 |

2) **RESERVES**

All material transfers to or from reserves or provisions during the financial year have been disclosed in the financial statements.

3) **DIVIDEND**

In order to conserve the resources, your Directors does not recommend any dividend for the year ended March 31, 2015.

4) **SHARE CAPITAL**

The paid up Equity Share Capital as on 31st March, 2015 was ₹ 151,276,000. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

5) **GOING CONCERN :**

These financial statements are prepared under the assumption that the Group is a going concern. The directors of the Group believe that, on the basis of the future business plans & cash flows and the ability to raise funds as required, they have a reasonable expectation that the Group will continue as a going concern.

6) EMPLOYEE INVOLVEMENT :

It is Group's policy for the management of its subsidiaries to meet at regular intervals with representatives of various sections of employees at which relevant information and developments are discussed. It is also Group's policy to ensure that any local legislative requirements for employee representation or participation are fully adhered to. Information on the Group is provided through internal newsletters, intranet portal and notices. Regular meetings are held with the employees to discuss operations and the financial progress of the business. Leadership assessment programs as well as succession planning is also practiced to identify & develop potential leaders. Training programmes for staff continue to focus on technical, consulting and people skills to meet the needs of high growth business. An induction plan is in place for all new joiners of the Group.

7) SUBSIDIARY COMPANY:

Your company has one subsidiary company "Choice Realty Private Limited", during the year, the Board of Director's reviewed the affairs of the subsidiary. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the company and its subsidiary, which form the part of the Annual Report. Further, a statement containing silent features of the financial statement of our subsidiary in the prescribed format AOC- 1 is appended as Annexure attached to the Board's report. The statement also provides details of performance, financial position of subsidiary.

8) DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Arun Poddar (DIN : 012819581) retired by rotation as Director of the Company on 27th September, 2014 and pursuant to his unwillingness to act as a Director, ceased to be the Director of the Company with effect from 27th September, 2014.

At the Annual General Meeting of the Company held on September 27, 2014, the Members had approved the appointment of Mr. Hasmukh Mehta (DIN: 00344774), Mr. Lalit Meghnani (DIN: 06614582) and Mr. Ramesh Chandra Purohit (DIN:02422493) as Independent Directors for a term of 5(five) consecutive years.

During the year, Mrs. Bindi Vora (DIN: 02167147) was appointed as the Chief Financial Officer (CFO) under section 203 of the Companies Act, 2013 w.e.f September 1, 2014 and consequentially a Whole-time Director of the Company w.e.f 1st October, 2014 as approved by the shareholder in the Annual General Meeting held on September 27, 2014 .

Mrs. Bindi Vora, Whole Time Director will retire by rotation at the ensuing Annual General Meeting and, being eligible, has offered herself for reappointment.

Appropriate resolutions for the appointment/re-appointment of Directors are being placed for your approval at the ensuing Annual General Meeting.

Composition of Key Managerial Personnel (KMPs):**The Company has the following KMP:**

| Name of the KMP | Designation | Date of Appointment |
|------------------------|--------------------|---------------------------------------|
| Mr. Kamal Poddar | CEO & MD | 16/02/2010 |
| Mrs. Bindi Vora | CFO & WTD | 01/09/2014 & 01/10/2014, Respectively |
| Ms. Karishma Shah* | Company Secretary | 25/05/2015 |

* With effect from 25th May 2015, Mr. Sandeep Likhamania ceases to be the Company Secretary & Compliance Officer of the Company and Ms. Karishma Shah has been appointed in his place.

Board and Committee Meetings

The Board met Four times during the financial year and details of the composition of the Board and its Committees and of the Meetings held and attendance of the Directors at such Meetings are provided in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Act and the Listing Agreement.

Separate Meeting Of Independent Directors:

The Independent Directors were fully kept informed of the Company's activities in all its spheres. During the year under review, a separate meeting of Independent Directors was held on February 13, 2015 and the Independent Directors reviewed the performance of:

- a)** non-Independent Directors viz., Mr. Kamal Poddar, Managing Director and Mrs. Bindi Vora, whole time Director and CFO; and
- b)** the board as a whole.

They reviewed the performance of Chairman after taking into account the views of Executive and Non-Executive Directors.

They also assessed the quality, quantity and timeliness of flow of information between the Company's Management and the Board that are necessary for the Board to effectively and reasonably perform their duties. All the Independent Directors were present at the meeting.

Declaration from Independent Directors

The Company has received declaration from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

Performance Evaluation

Clause 49 of the Listing Agreement mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual Directors. Schedule IV to the Companies Act, 2013, states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated. The Board works with the Nomination & Remuneration Committee to lay down the evaluation criteria for the performance of executive/ non-executive/ independent directors.

Independent directors have three key roles — Governance, Control and Guidance. Some of the performance indicators based on which the independent directors are evaluated include:

- a)* Ability to contribute to and monitor our corporate governance practices.
- b)* Ability to contribute by introducing international best practices to address top-management issues.
- c)* Active participation in long-term strategic planning.
- d)* Commitment to the fulfilment of a director's obligations and fiduciary responsibilities; these include participation in Board and Committee meetings.

The evaluation of all the Directors, Committees and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The Board approved the evaluation results as collated by the Nomination & Remuneration Committee.

9) CHANGE OF NAME

The Company has changed its name from "Choice Infra Ventures Limited" to "Aqua Pumps Infra Ventures Limited" with effect from November 24, 2014. It was approved by the members in the Annual General Meeting of the Company held on September 27, 2014. The Registrar of Companies, Mumbai, Maharashtra, has on November 24, 2014, issued the new Certificate of Incorporation recording the change in the name of the Company.

10) CHANGE OF REGISTERED OFFICE WITHIN THE SAME CITY

Registered Office address of our Company has been changed to 1001, Sumer Plaza Opp. Tirupati Hotel, Marol Maroshi Road Andheri (E) – 400059 with effect from August 07, 2015. It was approved by the Board of Directors at their meeting held on August 07, 2015.

11) STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

In accordance with Clause 49 of the listing agreement, the Board has established a Risk Management Policy which formalizes the Company's approach to overview and manage material business risks. The policy is implemented through top down and bottom up approach identifying, assessing, monitoring and managing key risks across the Company's business units.

The main objective of this policy is to ensure sustainable business growth with stability and to promote a proactive approach in reporting, evaluating and mitigating risks associated with the business. The policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same. The Risk Management Policy is also hosted on the Company's website i.e. www.aquapivl.com.

During the year, your Directors have constituted a Risk Management Committee details pertaining to composition of Risk Management Committee are included in the Corporate Governance Report which forms a part of this Report.

The Company has a system of monitoring, reporting and mitigating the major risks and uncertainties that can impact its ability to achieve its strategic business plans. The Company has instituted adequate Internal Controls and processes to have a cohesive view of Risks, Optimal Risk Mitigation Responses and Efficient Management of Internal Control and Assurance activities.

In the opinion of the Board, there are no risks which may threaten the existence of the Company.

12) INTERNAL FINANCIAL CONTROL

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

13) MATERIAL CHANGES AND COMMITMENTS

There have been not any material changes and commitments affecting the financial position of the company between the end of financial year of the company as on March 31, 2015 and the date of this report.

14) LISTING WITH STOCK EXCHANGES

The Equity Shares of the Company are listed on BSE Limited. The annual listing fees for the financial year 2015-16 have been paid to the exchange.

15) REMUNERATION POLICY

The Company has adopted a Remuneration Policy for the Directors, Key Managerial Personnel and other employees, pursuant to the provisions of the Act and Clause 49 of the Listing Agreement. The details pertaining to composition of Nomination and Remuneration Committee and Remuneration Policy are included in the Corporate Governance Report which forms a part of this Report.

16) CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR:

The Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178 (3) of the Act and Clause 49 of the Listing Agreement.

Independence: In accordance with the above criteria, a Director will be considered as an 'Independent Director' if he/ she meets with the criteria for 'Independent Director' as laid down in the Act and Clause 49 of the Listing Agreement.

Qualifications: A transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender. It is also ensured that the Board has an appropriate blend of functional and industry expertise. While recommending the appointment of a Director, the Nomination and Remuneration Committee considers the manner in which the function and domain expertise of the individual will contribute to the overall skill-domain mix of the Board.

Positive Attributes: In addition to the duties as prescribed under the Act, the Directors on the Board of the Company are also expected to demonstrate high standards of ethical behavior, strong interpersonal and communication skills and soundness of judgment. Independent Directors are also expected to abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Act.

17) COMMITTEES OF BOARD

During the year, Board has constituted some new Committees and also re-constituted some of its existing Committees in accordance with the Companies Act, 2013 and the listing agreement.

The details of all the Committees of the Board including the Audit Committee, along with their charters, composition and meetings held during the year, are provided in the Report on Corporate Governance which forms part of this Annual Report.

18) AUDITORS***Internal Auditor***

The Internal Auditors, of M/s Sajjan Kanodia & Compnay, Chartered Accountants have conducted internal audits periodically and submitted their reports to the Audit Committee. Their reports have been reviewed by the Statutory Auditors and the Audit Committee.

Statutory Auditors

The Company's Auditors, M/s Agarwal Desai & Shah Chartered Accountants, Mumbai (Firm's Regn No. 124850W), were appointed as the Statutory Auditors upto the conclusion of the 23RD Annual General Meeting of the Company, subject to ratification by members at every Annual General Meeting of the Company. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for reappointment as Auditors of the Company. As required under Clause 49 of the Listing Agreement, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Secretarial Auditors

As required under Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has appointed R M MIMANI & ASSOCIATES LLP, Company Secretaries, Mumbai to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith the report.

The Statutory Audit Report and the Secretarial Audit Report for the financial year 2014-15 does not contain any qualification, reservation or adverse remarks by the Auditors.

19) CODE OF CONDUCT:

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviours of any form and the Board has laid down the directives to counter such acts. The Code has been posted on the Company's website www.aquapivl.com.

20) WHISTLE BLOWER POLICY/VIGIL MECHANISM

To create enduring value for all stakeholders and ensure the highest level of honesty, integrity and ethical behavior in all its operations, the company has formulated a Vigil Mechanism named as 'Whistle Blower Policy' in addition to the existing code of conduct that governs the actions of its employees. This Whistle Blower Policy aspires to encourage all employees to report suspected or actual occurrence(s) of illegal, unethical or inappropriate events (behaviors or practices) that affect Company's interest / image.

The Policy is disclosed on the Company's website at www.aquapivl.com under investors/policy documents/Vigil Mechanism Policy link.

21) PREVENTION OF INSIDER TRADING:

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for