

SHANTANU SHEOREY

Aquakult

L I M I T E D



18th

Annual Report

2010-2011

SHANTANU SHEOREY
Aquakult
L I M I T E D

BOARD OF DIRECTORS:

SHRI SHANTANU SHEOREY,	Director
SMT. NAYANTARA KATKAR SHEOREY,	Director
SHRI BHARAT D. BELOSE	Director

Bankers:

The United Western Bank Ltd.,
Bank of India
State Bank of India
Oriental Bank of Commerce

Auditors:

K. R. THANAWALLA
Chartered Accountant

Registered Office:

Pandey House, 3rd Floor,
94/B, August Kranti Marg,
Mumbai - 400 036.

NOTICE

NOTICE is hereby given that the **EIGHTEENTH ANNUAL GENERAL MEETING OF SHANTANU SHEOREY AQUAKULT LTD.** will be held at Maher Hall, Opp. Portuguese Church, Dadar (W), Mumbai 400 028 on Friday 30th September, 2011 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Director's Report and Audited Profit and Loss Account for the year ended 31st March, 2011 and Balance Sheet as at that date.
2. To appoint a Director in place of Mr. Bharat D. Belose, who retires by rotation and is eligible for re-appointment.
3. To appoint Mr. K. R. Thanawalla as Auditor of the Company from the conclusion of this meeting upto the conclusion of next meeting and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution :

"Resolved that pursuant to Section 257 of the Companies Act, 1956 Mr. Cyrus M. Bhot be and is hereby appointed as Director, who was appointed as an additional director in the Board of Directors Meeting and as such who holds office up to the date of ensuing annual general meeting."

By Order of the Board of Directors
SHANTANU SHEOREY AQUAKULT LIMITED

Date: 19th August, 2011

SHANTANU SHEOREY
Director

Notes:

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY NEED NOT BE A MEMBER.
- (b) The Register of members of the Company will remain closed from 24th September 2011, to 30th September 2011 (both days inclusive). The Transfer Books of the Company will also remain closed for the aforesaid period.
- (c) Members desiring any information on Accounts are requested to write to the Company at least one week before the Meeting so as to enable the Management to keep the information ready. Replies will be provided only at the Meeting.
- (d) Members/Proxies should bring the attendance slip sent herewith, duly filled in, for attending the Meeting.
- (e) Shareholders are requested to kindly bring their copies of Annual Report to the Meeting.
- (f) Explanatory Statement, as required under Section 173 (2) of the Companies Act, 1956.

SHANTANU SHEOREY AQUAKULT LIMITED

ITEM NO. 4

During the year Mr. Cyrus M. Bhot was appointed as Additional Director in the Board of Directors meeting in order to meet the corporate governance requirement at stock exchange. Therefore, it is in the interest of the Company to appoint him as regular director of the Company. The board recommended the acceptance of the resolution. None of the directors is deemed to be interested or concerned in the said resolution except Mr. Cyrus M. Bhot, Director of the Company.

- (g) As required in terms of paragraph VI (A) of Clause 49 of the Listing Agreement, the details of the directors retiring by rotation and eligible for reappointment is furnished below:

Mr. Bharat D. Belose

Mr. Bharat D. Belose, 43 is Diploma holder in Civil Engineering and has been involved in construction and aquaculture activities for over 7 years

Outside Directorship: None

Committee Membership: Audit Committee, Share Transfer Committee and Investors' Grievance Committee of Shantanu Sheorey Aquakult Ltd.

Mr. Cyrus M. Bhot

Mr. Cyrus M. Bhot, 47 is a B.Com graduate and has cleared Intermediate examination of Chartered Accountancy course. He is having an experience of around 24 years in the field of finance, accountancy and taxation work.

Outside Directorship: None

Committee Membership: Audit Committee, Share Transfer Committee and Investors' Grievance Committee of Shantanu Sheorey Aquakult Ltd.

By Order of the Board of Directors
SHANTANU SHEOREY AQUAKULT LIMITED

Date: 19th August, 2011

SHANTANU SHEOREY
Director

DIRECTORS REPORT TO THE MEMBERS

Your Directors present their **EIGHTEENTH ANNUAL REPORT** together with the Audited Statement of the Accounts for the year ended 31st March '2011.

1. FINANCIAL RESULTS:

	<u>2010-11</u> (Rs. in Lakhs)	<u>2009-10</u> (Rs. in Lakhs)
The Profit before Depreciation and Taxes for the year ended 31 st March, 2011 was	(0.41)	(0.29)
Deducting therefrom Depreciation of	-	-
Profit/(Loss) Before Tax Was	<u>(0.41)</u>	<u>(0.29)</u>
Deducting therefrom Taxes of	-	-
Profit/(Loss) After Tax Was	<u>(0.41)</u>	<u>(0.29)</u>
After deducting prior year's adjustments of	-	-
Balance in Profit and Loss Account	<u>(1783.64)</u>	<u>(1783.35)</u>
Balance Carried forward	<u>(1784.05)</u>	<u>(1783.64)</u>

2. DIVIDEND:

In view of carried forward loss for the year under report, your Directors do not recommend any Dividend.

3. PERFORMANCE & OPERATIONS :

In the financial years 2005-06 and 2006-07 consortium banks sold off entire project ie farm land including structures and ancillary assets standing on it and Hatchery land together with the structures and ancillary assets/material stocks on the land including moveable assets related to farm division under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

Company feels that the said properties are disposed off at a throw away price, since the actual cost of farm land and hatchery land including structures and ancillary assets standing on them were much higher. Company is of the opinion that the price realized on sale of said assets are much below the ongoing market rates and hence it was undersold.

Management feels that due to drastic action taken by consortium banks, company's hopes of salvaging the project, suffered a serious setback.

4) AUDITORS' REPORT:

Regarding the Auditor's comments in their report, Note No. 7 of Notes to Accounts deal these with. In respect of other remarks, Auditor's report is self explanatory and do not require any further explanations.

- 5) **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION etc:**
The Company is involved in the aquaculture activities and at present does not have any manufacturing activity. No particulars, therefore, are given in terms of provisions of section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of the Board of directors) Rules, 1988 relating to energy conservation, technology absorption etc. There is neither foreign exchange outgoing nor foreign exchange earning.
- 6) **PARTICULARS OF EMPLOYEES:**
The Company has no employee covered under Section 217 (2A) of the Companies Act, 1956.
- 7) **DIRECTORS:**
Mrs. Nayantara Katkar Sheorey is retiring by rotation at the forthcoming Annual General Meeting and being eligible, offer herself for reappointment.
- 8) **AUDITORS:**
Mr. Kirit R. Thanawalla, Chartered Accountant, Bombay, retires at the conclusion of the ensuing Annual General meeting and is eligible for reappointment as Auditors.
- 9) **Corporate Governance**
Pursuant to clause 49 of the Listing Agreement with the Stock Exchange, a separate section on Corporate Governance and certificate obtained from Auditors of the Company, for Compliance of Corporate Governance which is annexed to and forms part of this report.

The Board of Directors supports the broad principles of corporate governance. In addition to the basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity.
- 10) **Directors' Responsibility Statement:**
As required under the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors report that:
- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
 - (ii) The directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period under review;
 - (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 - (iv) The Directors have prepared the annual accounts on a going concern basis.
- 11) **ACKNOWLEDGEMENTS:**
The Board wishes to place on record its appreciation for the hard and dedicated work put in by all the ex – workers/ employees' in spite of such a bad position in which Company is pushed into by the banks/institution.

For and on behalf of the Board of Directors,

Place : MUMBAI
Date : 19th August 2011

SHANTANU SHEOREY
Director

ANNEXURE TO THE DIRECTORS' REPORT

Corporate Governance Report

a) Company's philosophy on code of Governance

The Company believes that good corporate governance is essential to achieve long term goals and also to enhance the shareholders value. The Company engaged in aqua activities and now believes to create value that can sustained over a long term for all its shareholders, customers, government and others.

a. **Board of Directors :**

The Board of your Company consists of three Directors including non-executive independent Director. All the members of the Board are eminent with sound knowledge and background in different field.

The Board is headed by Shri Shantanu Sheorey.

Board Meetings and procedure

The Board of Directors of your Company met Six times during the year on 26.04.2010, 28.07.10, 20.08.10, 26.10.10, 28.01.11 and 28.03.11. The details pertaining to the name and category of Directors on the Board, their attendance at the Board Meetings held during the financial year 2010 – 11 and at the last Annual General Meeting of the Company and the no. of Directorship on the Board or membership/chairmanship in committee held by them across all the Companies are as under :

Name of Directors	Position /Status	Board Meeting	Last AGM	Directorship	Attended No. of Other Committee Membership/ Chairmanship
Mr. Shantanu Sheorey	ENI	6	Y	-	-
Mrs. Nayantara Sheorey	ENI	6	Y	-	-
Mr. Bharat Belose	NEI	6	Y	-	-

ENI = Executive Not Independent, NEI = Non-executive Independent Director

b. **Audit Committee**

The Board of Directors has constituted Audit committee of Directors to exercise powers and discharge function as stipulated in Section 292A of the Companies Act, 1956 During the year four meetings were held on 6.04.10, 28.07.10, 26.10.10 and 28.01.11, all the members had attended all meeting. The role and terms of reference of the audit committee covers the matter specified for audit committees under clause 49 of the listing agreement and provisions of Companies Act, 1956. The committee comprises of two Directors and one member who are Non-executive.

SHANTANU SHEOREY AQUAKULT LIMITED

The Composition of Audit Committee is as under :

<u>S.No.</u>	<u>Name of the members</u>	<u>Status</u>	<u>Director Status</u>
1.	Bharat Belose	Chairman	Non-Executive & Independent
2.	Shantanu Sheorey	Member	Executive & Not-Independent
3.	Cyrus Bhot	Member	Non-Executive & Independent

Terms of reference :

The terms of reference of this committee are wide enough covering the matters specified for Audit Committee under Clause 49 of the Listing Agreement as amended.

- Overseeing of the Company's financial reporting process and disclosure of financial information.
- Review of quarterly financial statement ensuring compliances with regulatory guidelines before submission to the Board
- Recommended appointment, removal of statutory auditors and payment of fees to them.
- Statement of significant related party transactions.

c. Remuneration Committee

The Board has not constituted any Remuneration Committee which is non mandatory however the details of remuneration paid to the Directors for the year 2010 - 11 are as under :

Managerial Remuneration :

Salary	:	-
Commission	:	-
Other Perquisite	:	-
Total	:	-

d. Shareholders / Investors Grievance Committee

The Board has constituted a share transfer committee consisting of Mr. Shantanu Sheorey, Mr. Bharat Belose and Mr. Cyrus Bhot, and Mr. Cyrus Bhot is designated as Compliance Officer. As on 31st March, 2011 there were no complaints pending and no share transfer pending for registration for more than 30 days as on the said date.

e. General Body Meeting

i. Location and time where last three Annual general Meeting (AGMs) were held:

AGM held	Day, Date & Time	Venue
2009-2010	Thurs., 20 th Sept., 2010 10.00 a.m.	Maher Hall, Opp. Portugese Church, Dadar (W), Mumbai
2008-2009	Tues., 29 th Sept., 2009 10.00 a.m.	Maher Hall, Opp. Portugese Church, Dadar (W), Mumbai
2007-2008	Mon., 29 th Sept., 2008 10.00 a.m.	Maher Hall, Opp. Portugese Church Dadar (W), Mumbai

No special resolution were put through postal ballot last year and nor is there any proposal for this year.

i. Disclosures

There are no materially significant transactions with related parties, viz. Promoters, directors or the management, their subsidiaries or relatives conflicting with company's interests. However the necessary details is given in notes to accounts of the Company.

No penalty or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years.

ii. Means of Communication

The Company proposes to published its quarterly results in the "Free Press Journal and Lokshakti" newspapers. The Company does not have any website for displaying results or official news.

Management Discussion and Analysis is a part of the Annual Report.

a) General Shareholders Information

- 1) AGM – Date, time and venue :
Date : 30th September, 2011 Time : 10.00 a.m.
Venue : Maher Hall, Opp. Portuguese Church, Dadar (West), Mumbai-400 028.
- 2) Financial year ending : 31st March
- 3) AGM : September
- 4) Date of book closure from 24th September, 11 to 30th September, 11. (both days inclusive.)
- 5) Dividend payment date : not applicable since no dividends is recommended by the Board.
- 6) ISIN No. : NA
- 7) Reporting of Un-audited Financial Result : In respect of year 11 – 12
 - a) First quarter : Last week of July, 11
 - b) Second quarter : Last week of October, 11
 - c) Third quarter : Last week of January, 12
 - d) Fourth quarter : Last week of April, 12
 - e) Annual General Meeting (For 11 – 12) : By August / September, 12
- 8) Listing on Stock Exchanges: Bombay Stock Exchanges.
- 9) Stock Code : The Bombay Stock Exchange Ltd., Mumbai - 531925
- 10) Market Price Data – High/Low during the each month of the financial year 2010 – 2011 is not available since Company shares are suspended at Bombay Stock Exchange Ltd.
- 11) Registrar & Share Transfer agent (RTA) : Shantanu Sheorey Aquakult Ltd.
3rd Floor, Pandey House,
94/B, August Kranti Marg,
Mumbai – 400 036
- 12) Share Transfer System : Share transfers are registered and returned within a period of 15 days except few transfer, from the date of receipt, if the documents are cleared in all respects by the Committee.
- 13) Distribution of shareholding as on 31.03.2011

Shareholding of Nominal Value	Shareholders No.	% of Total	Share Amount Rs.	% of Total
1 – 5000	668	91.63	32,91,300	6.58
5001- 10000	32	4.39	2,90,000	0.58
10001 - 20000	2	0.27	26,000	0.52
20001 – 30000	4	0.55	92,000	0.18
30001 – 40000	2	0.27	74,000	0.15
40001 – 50000	1	0.14	50,000	0.10
50001 – 100000	1	0.14	50,100	0.10
More than 100001	19	2.61	4,61,26,600	92.26
	729	100	5,00,00,000	100.00

SHANTANU SHEOREY AQUAKULT LIMITED

14) Shareholding pattern as on 31.03.2011

Category	No. of Shares	% of Total
Director & their Relatives	3290550	65.81
Other Bodies Corporate	857540	17.15
Public	851910	17.04
Total	5000000	100.00

15) Dematerialisation of shares and liquidity : Nil % of the share capital has been dematerialised as on 31st March, 2011.

3) The Company has not issued any GDRs/ADRs/Warrants. None of the instruments issued by the Company is pending for conversion into equity shares.

4) Site Location : Mumbai

5) Address for correspondence : Tarabai Hall, 97, Shivprasad Building, Marine Drive, Mumbai – 400 002.

Compliance :

This section of the report together with the information given under Management Discussion and Analysis and brief resume of Directors constituted a detailed report on Corporate Governance.

The Company has complied with Mandatory requirement of Corporate Governance. The Board would review implementation of Non – Mandatory Requirements of Corporate Governance Code in due course of time.

Auditors Certificates regarding compliances of conditions of corporate Governance is annexed to this report.

For and on behalf of the Board of

Place : MUMBAI
Date : 19th August 2011

SHANTANUSHEOREY
Director

Declaration on Compliance of the Company's Code of Conduct:

The Company has framed a Code of Conduct for the Members of the Board of Directors and the Senior Management personnels of the Company pursuant to Clause 49 of the Listing Agreement with Stock Exchanges to further strengthen corporate governance practice in the Company. They have affirmed compliance with the said code.

For and on behalf of the Board of

Place : MUMBAI
Date : 19th August 2011

SHANTANUSHEOREY
Director

CEO & CFO CERTIFICATION

The Board of Directors

Shantanu Sheorey Aquakult Ltd.

Mumbai

Re- financial Statements for the year 2010-11 – Certification

We, Shantanu Sheorey, Director and Cyrus Bhot, General Manager – Finance, on the basis of the review of the financial statements and the cash flow statement for the financial year ending March 31, 2011 and to the best of our knowledge and belief, thereby certify that: -

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are to the best of our knowledge and belief, no transaction entered into by the company during the year ended March 31, 2011 which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting, we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that :
 - a) There have been no significant changes in the internal control over financial reporting during this year.
 - b) There have been no significant changes in accounting policies during this year and that the same have been disclosed in the notes to the financial statements.
 - c) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

SHANTANU SHEOREY
Director

Cyrus M. Bhot
General Manager - Finance

Place : MUMBAI
Date : 19th August 2011

MANAGEMENT DISCUSSION AND ANALYSIS

Overview :

The company purely engaged in aqua business.

Industry Overview :

In spite of the effects of the major competitors, your company is bidding competitive prices for the services rendered and overcoming from the effects of the same. However there is activity carried out by the Company, however management is confident in starting the same in current year.

Opportunities and Threats :

Your Company has strengthened its infrastructure, technical skills, strategic alliances and positioned itself to reap the benefits of the potential economic growth of the country. With the induction of the new Directors, the Company is in a much stronger position in the market both financially and in terms of access to the latest opportunities. The new Director has rich experience in and the same will help your company into exploring new opportunities for the available market in India.

Internal Controls :

The Audit Committee of the Board of Directors meets on a regular basis to review the control systems and to take stock of the situation. Any significant findings are reviewed by the Audit Committee.

The Company is in process to set up internal systems and control mechanisms to ensure:

The role of audit committee is already explain under the head audit committee in our report.

Risk Management :

The Company has realized the need to ensure that it has a proper and continuous risk identification and management process.

Risk Mitigation :

Your Company continues to witness cost push inflation. Efforts are being made to counter this through both price adjustments and elimination of operational inefficiencies as well as incorporation of escalation clauses in longer period contracts wherever possible.

Financial Risk :

Financial risks include liquidity for working capital requirements and repayment of existing loans of the Company.

Statutory Compliance :

Compliance of SEBI regulations and the provisions of the Listing Agreement are ensured by the Board of Directors.

CAUTIONARY STATEMENT :

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable securities laws and regulations. These are based on certain assumptions and expectations of future events. The Company does not guarantee that these assumptions and expectations are accurate or will be realized. The actual results or performance could differ materially from those expressed or implied. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.

AUDITORS' CERTIFICATE

To,
**The Members,
Shantanu Sheorey Aquakult Ltd.,**

We have examined the compliance of conditions of Corporate Governance by Shantanu Sheorey Aquakult Ltd., for the year ended on 31st March, 2011 as stipulated in Clause-49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of the Corporate Governance. It is neither an Audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to best of our information and according to the explanations given to us, we certify that the Company has complied with conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders'/Investors' Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For and on behalf of the Board of

**Mumbai
Date: 19th August, 2011**

**(K. R. THANAWALLA)
CHARTERED ACCOUNTANT)**

AUDITORS' REPORT

**TO THE MEMBERS OF
SHANTANU SHEOREY AQUAKULT LIMITED**

I have audited the attached Balance Sheet of **SHANTANU SHEOREY AQUAKULT LIMITED** as at **31st March, 2011** and also the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit

I report as follows:

I conducted my audit in accordance with Auditing Standards generally accepted in India. Those Standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

- 1) As required by Companies (Auditor's report) Order, 2003 as amended by the Companies (Auditor's Report) Amendment Order, 2004 issued by the Government of India in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as I considered appropriate and according to the information and explanations given to me during the course of the audit, I am enclosing the Annexure a Statement on the matters specified in Paragraphs 4 and 5 of the said Order.
- 2) Further to my comments in the annexure referred to in paragraph (1) above:
 - a) Subject to what is stated in paragraph 2 (d) below, I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of my audit.
 - b) In my opinion, proper books of account as required by law have been kept by the company as far as appears from my examination of the books.
 - c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - d) The accounts of certain parties in respect of unsecured loans taken, creditors, debtors and loans and advances, deposits given are subject to confirmations, reconciliations and consequent adjustments, if any. (Refer Note No. 3 in Schedule 'K')
 - e) In my opinion, the Balance Sheet and Profit and Loss Account comply with the accounting standards referred to in section 211 (3C) of the Companies Act, 1956.
 - f) Based on representations made by all the Directors of the Company and the information and explanations as made available, directors of the Company do not prima facie have any disqualification as referred to in clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - g) In my opinion, and to the best of my information and according to the explanation given to me, the said Balance Sheet and the Profit and Loss Account read together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011 and
 - (ii) in the case of the Profit and Loss Account, of the loss for the year ended on that date.
 - (iii) In the case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

**Mumbai
Date: 19th August, 2011**

**(K. R. THANAWALLA)
CHARTERED ACCOUNTANT)**

ANNEXURE TO THE AUDITORS' REPORT

(Referred to paragraph (1) of my report of even date)

- (i) The company has maintained proper records showing full particulars including quantitative details and situation of remaining fixed assets. A major portion of the assets has been physically verified by the Management in accordance with a phased programme of verification adopted by the Company. In my opinion, the frequency of verification is reasonable. Subject to discrepancies stated in point no. 7 of Notes to Accounts (Schedule K), to the best of my knowledge, no material discrepancies have been noticed on verification.
- (ii) None of the Fixed Assets have been revalued during the year.
- (iii) Subject to discrepancies stated in point no. 7 of Notes to Accounts (Schedule K), there are no stocks of stores, spare parts and raw materials left during the year, hence physical verification of such stocks did not arise.
- (iv) The Company has not taken any loan, secured or unsecured from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. I am informed that there are no companies under the same management as defined under Section 370 (1B) of the Companies Act, 1956.
- (v) The Company has not given any loans to the parties listed in the Register maintained under Section 301 of the Companies Act, 1956. I am informed that there are no companies under the same management as defined under Section 370 (1B) of the Companies Act, 1956.
- (vi) As explained to me, the Company has a regular procedure for the determination of unserviceable or damaged stores, raw materials and finished goods.
- (vii) The Company has not accepted any deposits from the public.
- (viii) In my opinion, reasonable records have been maintained by the Company for the sale and disposal of realizable scrap. There are no by-products.
- (ix) The central Government has not prescribed maintenance of cost records u/s 209 (1) (d) of Companies Act, 1956.
- (x) Provident Fund and Employees State Insurance are not applicable to the Company. However Company had started Provident Fund for the employees drawing salary upto Rs. 5,000/- p.m. According to the records of the Company, there were no dues in arrears as at Balance Sheet date.
- (xi) On the last day of the financial year, there was no amount outstanding in respect of undisputed Income-Tax, Wealth Tax, Sales Tax, Custom Duty and Excise Duty which were due for more than six months from the date they became payable, except for Rs. 20.09 lakhs in respect of Tax Deducted at Source.
- (xii) According to the information and explanations given to me and the records of the company examined by me, no personal expenses of employees or directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
- (xiii) The Company has become a sick industrial Company within the meaning of clause (o) of sub section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

Mumbai
Date: 19th August, 2011

(K. R. THANAWALLA)
CHARTERED ACCOUNTANT

SHANTANU SHEOREY AQUAKULT LIMITED

BALANCE SHEET AS AT 31ST MARCH 2011

	SCHEDULE	As at 31st March 2011 (Rs. in Lakhs)	As at 31st March 2010 (Rs. in Lakhs)
I. SOURCES OF FUNDS			
1. Shareholders Funds			
Share Capital.....	A	500.00	500.00
2. Loan Funds			
a) Secured Loans.....		-	-
b) Unsecured Loans.....	B	1200.18	-
		-----	-----
		1200.18	1200.18
		-----	-----
		1700.18	1700.18
		=====	=====
II. APPLICATION OF FUNDS			
1. FIXED ASSETS.....			
a) Gross Block.....		4.15	4.15
b) Less Depreciation.....	C	1.65	1.65
		-----	-----
c) Net Block.....		2.50	2.50
2. CURRENT ASSETS, LOANS & ADVANCES			
a) Inventories.....	D	0.39	0.39
b) Sundry Debtors.....	E	1.68	1.68
c) Cash & Bank Balances	F	0.03	0.03
d) Loans & Advances	G	9.30	9.03
		-----	-----
		11.40	11.40
Less: CURRENT LIABILITIES & PROVISIONS			
Liabilities.....	H	97.77	97.36
		-----	-----
		(86.37)	(85.96)
Net Current Assets			
3. MISCELLANEOUS EXPENDITURE			
a) Preliminary & Preop. Exp	I	-	-
b) Profit & Loss A/c		1784.05	1783.64
		-----	-----
		1784.05	1783.64
		-----	-----
		1700.18	1700.18
		=====	=====

As per my report attached.

K.R. Thanawalla
Chartered Accountant

Date: 19th August, 2011
Place: Mumbai.

Shantanu Sheorey
Director

Date: 19th August, 2011
Place: Mumbai

For Shantanu Sheorey Aquakult Ltd.,
Nayantara Katkar Sheorey **Bharat D. Belose**
Director Director

Cyrus M. Bhot
General Manager - Finance

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March 2011

SCHEDULE	Year ended 31st March 2011 (Rs. in Lakhs)	Year ended 31st March 2010 (Rs. in Lakhs)
I. INCOME		
1. Sales	-	-
2. Income	-	-
3. Finished Goods	-	-
	=====	=====
II. EXPENDITURE		
Raw materials consumed.....	-	-
Employees Remuneration & Benefits.....	-	-
Operating & other expenses..... J	0.41	0.29
Interest.....	-	-
Depreciation	-	-
Preliminary and Pre-operative Expenses written off	-	-
	0.41	0.29
	=====	=====
Profit before Tax	(0.41)	(0.29)
Provision for Tax	-	-
Less: Prior Year Adjustments	-	-
	(0.41)	(0.29)
TOTAL	(1783.64)	(1783.35)
Profit/Loss of Previous Year		
	(1784.05)	(1783.64)
Balances transferred to Balance Sheet		

As per my report attached.

K.R. Thanawalla
Chartered Accountant

Date: 19th August, 2011
Place: Mumbai.

Shantanu Sheorey
Director

Date: 19th August, 2011
Place: Mumbai

For Shantanu Sheorey Aquakult Ltd.,
Nayantara Katkar Sheorey **Bharat D. Belose**
Director Director

Cyrus M. Bhot
General Manager - Finance

SHANTANU SHEOREY AQUAKULT LIMITED

Schedules Forming Part of the Balance Sheet

	As at 31st March 2011 (Rs. in Lakhs)	As at 31 st March 2010 (Rs. in Lakhs)
A. SHARE CAPITAL		
Authorised:		
55,00,000 Equity Shares of Rs.10/-each (Previous Year 55,00,000 Equity Shares of Rs.10/- each)	550.00	550.00
Issued, Subscribed & Paid up Capital:		
50,00,000 Equity Shares of Rs.10/- each (includes 3,39,400 Equity Shares issued for consideration other than Cash : Rs.33,94,000/-) (Previous Year : Rs.33,94,000/-).	500.00	500.00
TOTAL	500.00	500.00
B. UNSECURED LOANS		
1. RUPPE LOANS FROM BANK		
i) The United Western Bank Ltd		
Cash Credits	6.62	6.62
Packing Credit	55.99	55.99
ii) Bank of India	97.06	97.06
iii) Term Loan		
- The United Western Bank Ltd.	212.04	212.04
- Bank of India	192.48	192.48
2. FOREIGN CURRENCY LOAN		
- ICICI	324.28	324.28
- Bank of India	242.03	242.03
Short Term Loans		
i) From Bodies Corporate	50.00	50.00
ii) From others	19.68	19.68
TOTAL	1200.18	1200.18

(Rs. in Lakhs)

Schedules Forming Part of the Balance Sheet

c	FIXED ASSETS	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
		As at 31.3.10 (Rs.)	Additions during the year (Rs.)	Deductions/ Adjustments during the year (Rs.)	As at 31.3.11 (Rs.)	As at 31.3.10 (Rs.)	Deductions/ Adjustments during the year (Rs.)	For the year 2010-11 (Rs.)	As at 31.3.11 (Rs.)	As at 31.3.10 (Rs.)	As at 31.3.11 (Rs.)
	Particulars										
	Freehold land	-	-	-	-	-	-	-	-	-	-
	Buildings & Structures	-	-	-	-	-	-	-	-	-	-
	Plant & Machinery	4.15	-	-	4.15	1.65	-	1.65	2.50	2.50	
	Electrical Installations	-	-	-	-	-	-	-	-	-	
	Furniture, Fittings & Eqpt.	-	-	-	-	-	-	-	-	-	
	Motor Vehicles	-	-	-	-	-	-	-	-	-	
	TOTAL	4.15	-	-	4.15	1.65	-	1.65	2.50	2.50	
	Previous Year	4.15	-	-	4.15	1.65	-	1.65	2.50	2.50	

SHANTANU SHEOREY AQUAKULT LIMITED

	As at 31st March 2011 (Rs. in Lakhs)	As at 31st March 2010 (Rs. in Lakhs)
D. INVENTORIES		
Raw materials (at cost)	0.39	0.39
Stores & Spares (at cost)	-	-
Finished Goods	-	-
TOTAL	<u>0.39</u>	<u>0.39</u>
	As at 31st March 2011	As at 31st March 2010
E. SUNDRY DEBTORS (unsecured and considered good)		
i) Over six months	1.68	1.68
ii) Others	-	-
TOTAL	<u>1.68</u>	<u>1.68</u>
F. CASH AND BANK BALANCES		
i) Cash in hand	0.01	0.01
ii) Balance with scheduled banks:- - In Current Accounts	0.02	0.02
TOTAL	<u>0.03</u>	<u>0.03</u>
G. LOANS AND ADVANCES (Unsecured and considered good)		
i) Deposits with MSEB, BEST, BSE etc.....	2.06	2.06
ii) Advance Payment of Taxes.....	-	-
iii) Advances recoverable in cash or in kind or for value to be received [including -	7.24	7.24
a) Rs. NIL (Previous Year Rs.Nil) due from officers of the Company - maximum amount due from Officers during the year Rs.Nil (Previous Year Rs. Nil).		
b) Rs. Nil. (Previous Year Rs. Nil) Due from the Directors of the Company - maximum amount due from the Directors of the Company during the year Rs.Nil (Previous Year Rs. Nil).		
TOTAL	<u>9.30</u>	<u>9.30</u>

Schedules Forming Part of the Balance Sheet

	As at 31st March 2011 (Rs. In Lakhs)	As at 31 st March 2010 (Rs. In Lakhs)
H. CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities:		
Acceptances.....	-	-
Sundry Creditors:		
- for goods.....	11.98	11.98
- for expenses.....	17.01	16.91
Advances from customers.....	1.00	1.00
Interest accrued on loans	-	-
Others.....	67.78	67.47
TOTAL	97.77	97.36
I. MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
i) Preliminary Expenses.....	-	-
ii) Public Issue Expenses.....	-	-
	-	-
	-	-
	-	-
	-	-
J. OPERATING AND OTHER EXPENSES		
Loss on Disposal of Stores	-	-
Power and Fuel	-	-
Labour Charges	-	-
Repairs and Maintenance		
Plant and Machinery	-	-
Buildings	-	-
Others	-	-
	-	-
Rent	-	-
Rates and Taxes	-	-
Insurance	-	-
Travelling and Conveyance	-	-
Auditors Remuneration and Expenses		
Audit Fees	0.10	0.10
Other services rendered	-	-
Out-of-pocket expenses	-	-
	0.10	0.10
Loss on disposal of assets	-	-
Freight and Transport charges	-	-
Miscellaneous Expenses	0.31	0.19
TOTAL	0.41	0.29

Schedule to the Balance Sheet & Profit & Loss Account

K NOTES TO ACCOUNTS

1) Significant Accounting Policies:-

(i) System of Accounting:

The financial statements are prepared under the historical cost convention on accrual basis.

(ii) Fixed Assets and Depreciation:

a) Fixed assets are stated at cost less depreciation. The cost of fixed assets includes interest on specific borrowings obtained for the purposes of acquiring fixed assets upto the date of commencement of commercial production and other incidental and pre-operation expenses incurred upto that date.

b) Depreciation is provided on Straight Line Method at the rates and in the manner specified in Sch.XIV to the Companies Act, 1956.

(iii) Current Assets:

a) Current assets are accounted at cost or realisable value whichever is lower.

b) Inventories are valued at cost or market value whichever is lower, where cost is worked out on weighted average basis.

(iv) Preliminary and Pre-Operative Expenses:

All expenses incurred on the formation of the Company and other expenses upto the date of commercial production is grouped under Preliminary and Pre-Operative Expenses. Preliminary and Public issue expenses was written off over a period of 10 years.

2) Contingent Liabilities not provided for in respect of:

	As at 31 st March 2011	As at 31 st March 2010
i) Disputed demands from MSEB towards Electricity Charges.	5,27,122.11	5,27,122.11
ii) Damages u/s 14B of EPF on delayed payment of Provident fund dues.	1,28,528/-	1,28,528/-
iii) Amount of interest liability/penalty, if any on delayed/non payments of certain creditors/ loans/statutory dues and penal interest/liquidated damages on secured/unsecured borrowings.		Amount presently Unascertainable

3) Unsecured loans, Sundry Debtors, Creditors balances, Loans and advances and deposits are subject to confirmation from the parties.

4) Interest on term loan and other loan facilities from banks/institution is provided upto the date of recalling of advances by them. Due to paucity of funds and operations being suspended, there is a delay in payment of interest on other advances/short term loans and hence interest actually paid is accounted.

- 5) As stated in earlier years annual reports, the Farm and Hatchery land together with the structures and ancillary assets/material stocks on the land including moveable assets related to farm division, which was mortgaged with the consortium banks, was disposed off by the banks in the financial year 2005-06 and 2006-07 respectively by holding auction sale under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. Besides the sale of above moveable and immoveable assets, banks also auctioned the agricultural land kept as collateral security by one of the promoters with the lending banks at the time of disbursement of loan. Since there was neither any feedback nor any intimation by the banks regarding the ratio in which they distributed amongst themselves the said realised amount, it is apportioned between the consortium banks in proportion to the various loans outstanding and provided in the books till the date of recalling of advances by individual banks.
- 6) Cash Credit, Packing Credit and Demand working capital loan from banks were secured by hypothecation of stocks and book debts and Term loan from banks were secured by pari-passu charge on all the immoveable properties of the Company at Nandgaon and Murud and hypothecation of moveable assets at those locations. On sale of said properties including moveable assets during the year by the banks under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, the amount against said facilities and loans has been shown as unsecured loan in the accounts.
- 7) Fixed Assets includes Fump Motors costing Rs. 2.38 lakhs and stocks representing PVC pipes confiscated by Group Gram Panchayet - Nandgaon against non-payment of Property Tax.
- 8) No provision for Income-Tax has been made for the financial year 2010-2011 in view of set off available in respect of unabsorbed loss/depreciation under the Income Tax Act.

	<u>2010-11</u> (Rs. in Lakhs)	<u>2009-10</u> (Rs. in Lakhs)
9) Managing/whole time Directors		
Salaries	-	-
Perquisites	-	-
	-----	-----
	-	-
	=====	=====

10) Auditors Remuneration and Other Expenses:-

	<u>2010-11</u> (Rs. in Lakhs)	<u>2009-10</u> (Rs. in Lakhs)
Audit Fees	0.10	0.10
Other Services	0.00	0.00
	-----	-----
	0.10	0.10

11) Information pursuant to Para 4D of Part II of Schedule VI to the Companies Act, 1956:

	<u>2010-11</u> (Rs. in Lakhs)	<u>2009-10</u> (Rs. in Lakhs)
Foreign Exchange used	Nil	Nil
Foreign Exchange received	Nil	Nil

SHANTANU SHEOREY AQUAKULT LIMITED

12) The office of the Company Secretary has been vacant since May'1997, in the circumstances; authentication by Company Secretary does not appear in the Accounts.

13) As per the information available, there are no outstanding dues to Small Scale Industrial Undertaking.

14) Details of Raw Materials consumed:-

14) Quantitative Details:-

a) Shrimp Seeds	Qty (in Millions)	2009-10 (Rs. in Lakhs)	Qty (in Millions)	20008-09 (Rs. in Lakhs)
Licensed capacity	-	N.A.	-	N.A.
Installed capacity	-	-	-	-
Production	-	-	-	-
Opening Stock	-	-	-	-
Sales	-	-	-	-
Closing Stock	-	-	-	-
b) Black Tiger Prawns	Qty (in Tons)	2009-10 (Rs. in Lakhs)	Qty (in Tons)	20008-09 (Rs. in Lakhs)
Licensed capacity	-	N.A.	-	N.A.
Installed capacity	-	-	-	-
Production	-	-	-	-
Opening Stock	-	-	-	-
Sales	-	-	-	-
Closing Stock	-	-	-	-

Note:

As consortium banks disposed off the production units and the related properties/ ancillary assets, no disclosure is made under above heads.

15) As there are no operational activities carried by the Company, Accounting Standard 17 - "Segment Reporting" issued by the Institute of Chartered Accountants of India, does not apply.

16) Related Party Disclosures:

(a) List of Related Parties and Relationships	Relationship
Party	
Mr. Shantanu Sheorey	Director of the Company
(b) Transactions with related party	Rs. in Lakhs
Receivable/(Payable) as at 31 st March 2011	(39.60)
Receivable/(Payable) as at 31 st March 2010	(39.30)

17) Earnings per Share:

	31st March 2011	31st March 2010
Profit/(Loss) after Tax (Rs. in Lakhs)	(0.41)	(0.29)
Number of Equity Shares	50,00,000	50,00,000
Earning per Share (Rs.)	(0.08)	(0.06)

18) There is unabsorbed business loss of Rs. 837.21 lakhs as per Income – Tax assessment. However, in view of suspension of operations, no deferred tax asset has been recognised in the books of account as prescribed under Accounting Standard 22, Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India. The above unabsorbed loss does not include loss suffered on sale of the part of the company's total assets disposed off by the banks under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. The profit or the loss as the case may be, will be calculated and claimed once the entire project, which is under pari-passu charge, is disposed off and or settled by the consortium banks against their loans.

19) Previous year's figures are regrouped wherever necessary.

SIHANTANU SHEOREY AQUAKULT LIMITED

Balance Sheet Abstract and Company's General Business Profile
 (Submitted in terms of Part IV of Schedule VI
 to the Companies Act, 1956)

(i) **Registration Details:-**

Registration No. : State Code No. :

Balance Sheet Date :
 Date Month Year

(ii) **Capital Raised during the year:- (Rs. in Thousands)**

Public Issue

Rights Issue

Bonus Issue
 N I L

Private Placement

(iii) **Position of Mobilisation and Deployment of Funds:- (Rs in Thousands)**

<p>Total Liabilities <input type="text" value="179795"/></p> <p>Sources of Funds</p> <p>Paid-up Capital <input type="text" value="50000"/></p> <p>Secured Loans <input type="text" value="-"/></p> <p>Total <input type="text" value="170018"/></p>	<p>Total Assets <input type="text" value="179795"/></p> <p>Reserves & Surplus <input type="text" value="-"/></p> <p>Unsecured Loans <input type="text" value="120018"/></p>
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Application of funds

<p>Net Fixed Assets <input type="text" value="250"/></p> <p>Net Current Assets <input type="text" value="(8637)"/></p> <p>Profit & Loss Account <input type="text" value="178405"/></p> <p>Total <input type="text" value="170018"/></p>	<p>Investments <input type="text" value="-"/></p> <p>Miscellaneous Expenditure <input type="text" value="-"/></p>
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------

(iv) Performance of Company:- (Rs. in Thousands)

Turnover (Gross Revenue)

□ □ □ □ □ □ □ □ - -

Total Expenditure

□ □ □ □ □ □ □ □ 0 4 1

Profit/Loss Before Tax

□ □ □ □ □ □ □ □ - 0 4 1

Profit/Loss After Tax

□ □ □ □ □ □ □ □ - 0 4 1

Earning Per Share (in Rs.)

□ □ □ □ □ □ □ □ N I L

Dividend Rate %

□ □ □ □ □ □ □ □ N I L

(v) Generic Names of Three Principal Products/Services of Company (as per monetary terms):-

Item Code No.

(ITC Code)

□ □ □ □ □ □ □ □ N A

Product Description

S H R I M P S E E D S

□ □ □ □ □ □ □ □ N A

B L A C K T I G E R P R A W N S

As per my report attached.

K.R. Thanawalla
Chartered Accountant

Date: 19th August, 2011
Place: Mumbai.

Shantanu Sheorey
Director

Date: 19th August, 2011
Place: Mumbai

For Shantanu Sheorey Aquakult Ltd.,

Nayantara katkar Sheorey Bharat D. Belose
Director Director

Cyrus M. Bhot
General Manager - Finance

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011

	2010-11 (Rs. in Lakhs)	2009-10 (Rs. in Lakhs)
A) Cash Flow from Operating Activities		
Net Profit before tax and Extraordinary items	(0.41)	(0.29)
Adjustments for:		
Depreciation	-	-
Interest	(0.41)	(0.29)
Operating Profit before Working Capital charges	(0.41)	(0.29)
Adjustments for:		
(Increase)/Decrease in trade and other receivables	-	-
(Increase)/Decrease in Inventories	-	-
(Increase)/Decrease in Misc.Exp.not written off	0.41	0.29
Increase/(Decrease) in trade payables	(0.41)	(0.29)
Cash generated from operation	-	-
Interest paid	(0.41)	(0.29)
Net Cash from Operating Activities	(0.41)	(0.29)
B) Cash Flow from Investing Activities		
Purchase of Fixed Assets (including Capitalisation of Pre-operative Expenses Rs.345.28Lakhs)	-	-
Loans and Advances	-	-
Interest received	-	-
Purchase of Investment	-	-
Net Cash from Investing Activities	-	-
C) Cash Flow from Financing Activities		
Proceeds from Public/Private Issue	-	-
Proceeds from Borrowings net	-	-
Net Cash from Financing Activities	-	-
Net Increase in Cash and Cash Equivalents (A + B +C)	(0.41)	(0.29)
Cash & Cash Equivalents at beginning of the Year	0.03	0.03
Cash and Cash Equivalents at the end of the Year	0.03	0.03

Notes: 1. All figures in brackets are outflow.
Previous years have been regrouped wherever necessary.

AUDITORS' REPORT

I have examined the above cash flow statement of Shantanu Sheorey Aquakult Ltd., for the year ended March 31, 2011. The statement has been prepared by the company in accordance with the listing requirements of the listing agreement with Stock Exchanges and is based on and derived from the audited accounts of the Company for the year ended March 31, 2011.

As per my report attached.

K.R. Thanawalla
Chartered Accountant

Date: 19th August, 2011
Place: Mumbai.

Shantanu Sheorey
Director

Date: 19th August, 2011
Place: Mumbai

For Shantanu Sheorey Aquakult Ltd.,
Nayantara Katkar Sheorey Bharat D. Belose
Director Director

Cyrus M. Bhot
General Manager - Finance

Book - Post

To,

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SHANTANU SHEOREY AQUAKULT LIMITED
97, Shivprasad Building,
Tarabai Hall, Marín Drive,
Mumbai - 400 002.