





# THE WATERBASE LIMITED

*22nd Annual Report 2008 - 2009*

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# THE WATERBASE LIMITED

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## *22nd Annual Report 2008 - 2009*

### **BOARD OF DIRECTORS**

Mr. VIKRAM M THAPAR, Chairman  
Mr. ANIL KUMAR BHANDARI  
Mr. ADARSH SARAN  
Lt.Gen. DEEPAK SUMMANWAR, (Retd.)  
Mrs. JYOTHI THAPAR  
Mr. MANEESH MANSINGKA

### **CHIEF EXECUTIVE**

Mr. ASHOK NANJAPA

### **COMPANY SECRETARY**

Ms. SUGUNA KRISHNAMURTHY

### **AUDITORS**

MITRA KUNDU & BASU  
CHARTERED ACCOUNTANTS  
1, ACHARYA J.C. BOSE ROAD  
KOLKATA - 700 020

### **REGISTERED OFFICE & WORKS**

ANANTHAPURAM VILLAGE  
T.P. GUDUR MANDAL  
NELLORE - 524 344  
ANDHRA PRADESH

### **SHARE TRANSFER AGENTS**

DATA SOFTWARE RESEARCH CO. PVT. LTD.  
SHREE SOVEREIGN COMPLEX  
22, 4TH CROSS STREET,  
TRUSTPURAM, KODAMBAKKAM,  
CHENNAI - 600 024

### **LISTING IN STOCK EXCHANGE**

THE STOCK EXCHANGE, MUMBAI

### **BANKERS**

STATE BANK OF INDIA, OVERSEAS BRANCH, CHENNAI - 600 001  
CANARA BANK, OVERSEAS BRANCH, CHENNAI - 600 002  
UNION BANK OF INDIA, OVERSEAS BRANCH, CHENNAI - 600 017  
STATE BANK OF HYDERABAD, INDUSTRIAL FINANCE BRANCH, CHENNAI - 600 001.



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## NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting of the Company will be held on Tuesday, September 08, 2009 at 11.30 a.m. at the Registered Office of the Company at Ananthapuram Village, T P Gudur Mandal, Nellore - 524 344 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup>, March 2009 and the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mrs. Jyothi Thapar who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr. Maneesh Mansingka who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s Mitra Kundu & Basu, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be decided by the Board of Directors.

Registered Office:  
Ananthapuram Village  
Nellore - 524 344

By Order the Board  
For **THE WATERBASE LIMITED**

New Delhi, July 27, 2009

**SUGUNA KRISHNAMURTHY**  
*COMPANY SECRETARY*

### 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. A proxy need not be a member.**
2. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Book of the Company will remain closed from Wednesday, September 2, 2009 to Tuesday, September 8, 2009 (both days inclusive).



## DIRECTORS' REPORT

Your Directors have pleasure in presenting their Twenty Second Annual Report together with the Audited Accounts for the financial year ended 31<sup>st</sup> March 2009.

Rs. million

Particulars	Current Year	Previous Year
Gross Sales /Services	335.23	396.49
Operating Profit/ (Loss) before Interest, Depreciation, Extra Ordinary Item, Prior Period Expenses and Tax	(175.42)	44.34
Profit after Tax, Extra Ordinary Item and Prior Period Adjustment	10.46	(43.06)

### OPERATIONS

The operating Profit after interest, depreciation, tax and extraordinary item is Rs.10.46 Million as against a loss of Rs. 43.06 million in the previous year and the operating loss before Interest, depreciation and Extra Ordinary Item is Rs.175.42 million as against profit of Rs. 44.34 million in the previous year.

The year under review was an extremely difficult year. The Industry faced an unprecedented turbulence in the wake of the global economic meltdown, which affected the demand for shrimps, and consequently shrimp feed production.

The Indian government has recently approved the farming of the exotic species called Vannamei. Given the advantage of this species, which is widely exported by shrimp farming countries to US and other countries, it is hoped that the Industry would benefit by way of increase in farming area and consequently increase in production of the shrimps. It is expected that the full benefit of this introduction would be felt in the year 2010.

The US government reduced the Anti – Dumping Duty to 0.79% and has also agreed to withdraw the bond requirements for Exporters.



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These developments would help to mitigate the adverse effects of the economic slowdown.

During the year, the company had revalued its lands to reflect the increase in land value following the development of Krishnapatnam Port situated near our factory.

The Company sold its excess agricultural lands. This will have no impact on normal working capacity or future growth of the company.

## **FINANCE**

During the year, the company deposited the unclaimed debenture amounts into the Investor Education and Protection Fund.

Part of the sale proceeds from sale of land were utilized for reduction in the working capital loans and liquidating long term debts. This will help to reduce the interest burden.

## **PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information pursuant to Section 217(1) (e) of the Companies Act 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given Annexure-A of the Report.

## **PARTICULARS OF EMPLOYEES**

During the year under review, no employee of the Company was in receipt of remuneration requiring disclosure under section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

## **DIRECTORS**

Mrs. Jyothi Thapar and Mr. Maneesh Mansingka, Directors of the Company retire by rotation and offer themselves for reappointment at the ensuing Annual General Meeting.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirements under Section 217 (2 AA) of the Companies Act, 1956 with respect to Director's Responsibility Statement, it is hereby confirmed that;



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(1) In the preparation of the Annual Accounts for the financial year ended 31st March 2009, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.

(2) The Directors have 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 the affairs of the Company at the end of the financial year and of the loss of the Company for the year under review.

(3) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

(4) The Directors have prepared the Annual Accounts on a going concern basis.

## **CORPORATE GOVERNANCE**

The Company has over the years been committed to good governance practices. A separate report on corporate Governance together with Auditor's certificate regarding Compliance of conditions of Corporate Governance under clause 49 of the listing agreement forms part of the Annual Report.

## **AUDITORS**

The Auditors M/s Mitra Kundu & Basu, Chartered Accountants, retire and being eligible, offer themselves for re-appointment.

## **ACKNOWLEDGEMENT**

Your Directors place on record their appreciation for the assistance and support extended by the Government Authorities and Banks.

Your Directors express their appreciation for the dedicated and sincere services rendered by the employees of the company.

For and on behalf of the Board of Directors

New Delhi, July 27, 2009

**Vikram M Thapar**  
Chairman



## ANNEXURE TO THE DIRECTOR'S REPORT

### CONSERVATION OF ENERGY

Your Company has implemented a system for continuous review of energy costs, to reduce energy generation costs and optimize energy utilization.

#### FORM A

##### A. Power and Fuel Consumption (During the period of Manufacture)

	2008-09	2007-08
<b>1. Electricity</b>		
a) Purchased: – Units(Kwh)	2568690	3264660
– Total Amount-Rs.	10176790	13756424
– Rate / Unit	3.96	4.21
b) Own Generation:		
i) Through Diesel Generator: – Units (Kwh)	39011	91016
– Total Amount –Rs.	476219	1092988
– Rate / Unit	12.2	12.01
ii) Through Steam Turbine / Generator	NA	NA
<b>2. Coal (Quality and where used)</b>	NA	NA
<b>3. Furnace Oil: – Quality (K.Lts)</b>	23.02	78.94
– Total Amount Rs.	61072	1848235
– Average Rate Rs.	26.53	23.39
<b>4. Other / Internal Generation</b>	NA	NA
<b>Consumption per unit of production</b>		
Electricity (Unit / MT)	468.39	474.44
Furnace Oil (Litres / MT)	10.98	11.30

#### FORM B

### TECHNOLOGY ABSORPTION

##### A. Research and Development (R & D)

The company is constantly striving to improve its shrimp feed and has developed an organic feed. Trials are being conducted in the Company's R & D facilities in association with a number of International Companies on nutritional aspects of shrimps.

##### B. Technology Absorption, Adaptation and Innovation

The company is constantly making efforts to use alternative raw materials in its feed manufacture.

### FOREIGN EXCHANGE EARNINGS AND OUTGO

	(Rs. Million)	
	2008-09	2007-08
Foreign Exchange Income	86.45	103.07
Foreign Exchange Outgo	10.94	12.63

For and on behalf of the Board

**Vikram M Thapar**  
Chairman

New Delhi, July 27, 2009



## CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company is firmly committed to the best practices of corporate governance that aims to protect the interest of all stakeholders through accountability, transparency and sustained growth. In compliance with Clause 49 of the Listing Agreement, a report on Corporate Governance is given below.

### BOARD OF DIRECTORS:

#### (a) Composition:

The present strength of the Board is six Directors. The Company has a Non-executive Chairman. All the directors are Non-executive directors. Three directors are Promoter directors. Three are Independent directors. The number of independent Directors is one half of the total number of directors. All the directors are non-executive directors, and this conforms with the requirements of Corporate Governance Code under the Listing Agreement. during the year there has been no change in the composition of the Board. During the year, apart from the sitting fees paid for attending Board meetings, the Company has not had any pecuniary relationship with any of the directors.

#### (b) No of Board Meetings and dates on which held

During the year, five Board Meetings were held as follows: May 28, 2008, June 30, 2008, July 25 2008, October 30 , 2008, and January 22, 2009.

#### (c) Attendance of the directors at the Board Meetings/ the last Annual General Meeting

Name of the Director	Category	Attendance Particulars		No. of other Directorships and Committee Memberships (other than TWL)		
		Board Meeting	Last AGM	No of Directorship	Member	Chairman
Mr. Vikram M Thapar, Chairman	Non Executive Promoter	4	Yes	7	Nil	2
Mrs. Jyoti Thapar	Non Executive, Promoter	1	No	3	Nil	1
Mr. Anil Kumar Bhandari	Non Executive, Independent	5	Yes	3	Nil	Nil
Mr. Adarsh Saran	Non Executive, Promoter	1	No	6	Nil	2
Mr. Maneesh Mansingka	Non Executive, Independent	3	No	4	Nil	Nil
Lt. Gen. Deepak Summanwar (Retd).	Non Executive, Independent	4	Yes	4	Nil	Nil

None of the directors of the Board is a member of more than 10 Committees and Chairman of more than 5 Committees as specified in clause 49 of the Listing Agreement.



## AUDIT COMMITTEE

### (a) Composition, No. of Meetings and attendance during the year.

Name of the Member	Category	Meetings attended
Mr. Anil Kumar Bhandari Chairman	Non Executive Independent	4
Mr. Vikram M Thapar	Non Executive Promoter	4
Mr. Maneesh Mansingka	Non Executive Independent	2
Lt. Gen. Deepak Summanwar (Retd)	Non Executive Independent	3

The Chief Executive, Financial Controller and Internal Auditor attend the meetings as invitees. The Company Secretary acts as the Secretary of the Audit Committee. The Company has complied with the requirements of the Companies Act 1956 and Clause 49(II)(A) of the Listing Agreement in the constitution and working of the Committee. The Audit Committee held meetings on June 30, 2008, July 25 2008, October 30, 2008, and January 22, 2009. The Audit Committee met on July 30, 2009 to review the audited Annual Accounts for the year ended 31st March 2009 and recommended approval of the Annual Accounts to the Board of Directors of the Company.

### (b) Terms of reference:

The terms of reference of Audit Committee cover all the areas prescribed by Clause 49(II)(D) and Section 292 A of the Companies Act 1956 and includes the following:

- (i) Review of Company's financial reporting process, quarterly and annual financial statements, and disclosure of financial information
- (ii) Review with the management, internal and external auditors, the adequacy of the internal control systems
- (iii) Review of reports of the Internal Auditor and functioning of the Internal Audit teamd) Post Audit review with Statutory Auditors and discussions on findings, suggestions, and any areas of concern,
- (iv) Recommending the appointment/removal of statutory auditor , fixation of audit fees and approval for payment for any other services.

## REMUNERATION COMMITTEE

The Remuneration Committee consists of Mr. Anil Kumar Bhandari, Chairman, Mr. Maneesh Mansingka and Lt. Gen. Deepak Summanwar. The broad terms of reference of the Remuneration Committee is to determine and approve remuneration payable to the Managerial personnel of the Company within the provisions of the Companies Act 1956 and amendments thereto.

## INVESTOR / SHAREHOLDERS GRIEVANCE COMMITTEE AND SHARE TRANSFER COMMITTEE

The Committee comprises of two Non executive directors Mr. Anil Kumar Bhandari, the Chairman and Mr. Maneesh Mansingka. Ms.Suguna Krishnamurthy, Company Secretary is the Compliance Officer of the Company. Share transfers in the physical form are approved' on a fortnightly basis by the Company Secretary and these are confirmed by the Committee at its meetings. The Committee met four times during the year under review. Requests for Demat



of shares are processed within a period of 20 days by the Company's Registrars. During the year under review, the company received 71 cases of share transfer / transmission / transposition, out of which 59 cases were transferred/ transmitted and 12 cases were rejected on account of technical reasons. As on March 31, 2009 no case was pending for transfer. During the year, 68 queries/complaints were received 22 pertaining to change of address, 35 for nondescript of share certificates, annual reports, dividend, and 11 for other matters. All the queries/complaints were duly attended and resolved to the satisfaction of the Investors. The share transfers are processed within 30 days from the date of receipt, subject to the transfer instrument being valid in all respects. In compliance with the Listing / SEBI guidelines:

- a) A practising Company Secretary audits the system of de-materialised and shares in physical form every quarter and necessary certificates are filed with the Stock Exchanges / Depositories. The shares in demat and physical form tally with the issued / paid up capital of the Company.
- b) A practising Company Secretary carries out a Secretarial Compliance Audit pertaining to share transfers and transmissions every six months and the required report is filed with the Stock Exchanges.

### GENERAL BODY MEETING

Date, time, and location of last three General Meetings:

Year	Date	Time	Location
2005-06	29.07.2006	11.00 a.m	at Regd. office Ananthapuram Village, Nellore
2006-07	21.09.2007	12.00 noon	at Regd. office Ananthapuram Village, Nellore
2007-08	26.09.2008	12.15 p.m.	at Regd. office Ananthapuram Village, Nellore

No postal ballots were used for voting at these meetings in respect of special resolutions passed.

### NOTE ON DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT AS REQUIRED UNDER CLAUSE 49 (VI) A OF THE LISTING AGREEMENT

1. Name	Mrs. Jyothi Thapar	Mr. Maneesh Mansingka
2. Date of birth & Age	12.11.1957/ 51 years	24.07.1972 / 37 years
3. Appointed on	10.7.2001	28.10.2002
4. Qualification	I.S.C	B Com
5. Experience	20 years	16 years
6. Directorship held in other Public Companies	Gourmet Delicatessen Ltd	Noblegrain India(P) Ltd Arvind Silk Mills(P) Ltd Ilingworth Marketing (P) Ltd Diethelm Travel (I) (P) Ltd Shree Charities
7. Membership/Chairmanship at Committees across public companies	Nil	Nil



## DISCLOSURES:

### (a) **Materially significant related party transactions**

There was no materially significant related party transactions entered into by the Company with its promoters, Directors or Management, or relatives that may have potential conflict with the interests of the company at large. There were no contracts or transactions entered by the company in which Directors were interested.

### (b) **Details of noncompliance by the Company, penalties strictures imposed on the Company by the Stock Exchange, SEBI or any other authority on any matter related to capital markets in the last three years.**

There have been no such cases in the last three years.

### (c) **Compliance with mandatory requirements**

The Company has complied with all mandatory requirements of Code of Corporate Governance stipulated under Clause 49 of Listing Agreement with the Mumbai Stock Exchange. The Company has also complied with the requirements of amended Clause 49 after it came into force.

### (d) **Declaration of Compliance with the code of Conduct/Ethics**

All the Director and Senior Management Personnel have affirmed compliance with the Code of Conduct /Ethics as approved and adopted by the Board of Directors.

## MEANS OF COMMUNICATION:

The Quarterly, Half yearly and the Annual results of the company are sent to the Stock exchanges immediately after the Board's approval, first by fax and then by courier immediately after the Board approved the same. The results are also published in the Newspapers "Vaartha", and "News Today". The Management Discussions & Analysis Report forms part of the Annual Report.

## GENERAL SHAREHOLDERS INFORMATION:

<b>The Twenty Second Annual General Meeting</b>	<b>Financial Calender</b>
<b>Venue</b> : Registered Office at Ananthapuram Village, Nellore – 524 344.	Publication of first quarter results – in July 2009
<b>Date</b> : September 09, 2009	Publication of second quarter results – in October 2009
<b>Time</b> : 11.30 a.m.	Publication of third quarter results – in January 2010
	Publication of Audited results for 2009-10 – in June 2010

## BOOK CLOSURE:

The Register of Members & Share Transfer Books of the Company shall remain closed from Wednesday September 02, 2009 to Wednesday September 09,2009 (both days inclusive)

## UNCLAIMED DEBENTURES

All unclaimed debentures together with interest have been transferred to the Investor Education and Protection Fund established by the Central Government, pursuant to Section 205(C) of the Companies Act 1956. No claims will lie against the Company or the Fund in respect of the unclaimed amounts so transferred.

## LISTING ON STOCK EXCHANGES:

At present the Company is listed with the Mumbai Stock Exchange. The Annual Listing fee to the Mumbai Stock Exchange, Custodial Fees to NSDL / CDSL have been paid.

## REGISTRARS AND SHARE TRANSFER AGENT:

M/s. The Data Software Research Co. Pvt. Ltd (DSRC) is the Registrars & Share Transfer Agents of the Company for effecting transfer/transmission etc.

## DEMATERIALISATION OF SHARES:

The Company has connectivity with M/s National Securities Depositories Ltd. (NSDL) and Central Depository Services Ltd (CDSL), through the Registrars M/s DSRC Ltd. As on 31/3/2009, 47.32% of the paid up share capital has been dematerialized as against 47.18% in the previous year.

**DISTRIBUTION OF SHAREHOLDING:**

CATEGORY:	No. of Equity Shares	% of Shareholdings
<b>A. Promoters holdings</b>		
Indian Promoters/Persons acting in concert	70,22,376	28.39
<b>B. Non Promoters holdings:</b>		
Mutual Funds and UTI	7,000	0.02
Financial Instns. and Banks	3,42,123	1.39
Foreign Institutional Investor	1,600	0.01
Private Corporate Bodies	27,07,956	10.95
Indian Public	95,03,215	38.41
NRIs/OCBs	51,51,230	20.83
<b>Total</b>	<b>2,47,35,500</b>	<b>100.00</b>

**MARKET PRICE DATA: (Rs.)**

Month	High	Low	Month	High	Low
April 08	7.61	5.88	October 08	5.18	2.70
May 08	7.69	6.00	November 08	4.15	2.86
June 08	6.39	4.40	December 08	3.64	2.87
July 08	5.57	4.41	January 09	3.96	3.00
August 08	6.20	4.99	February 09	4.69	3.30
September 08	6.30	4.40	March 09	4.70	3.55

**PLANT LOCATION:** The Company's Factory is located at Ananthapuram Village, Nellore – 524 344.

**ADDRESS FOR CORRESPONDENCE:**

Registered office at Ananthapuram Village, Nellore 524344.

Corporate Office at PB No.4902, No.22, Sadasivam Street, Off Lloyds Road, Gopalapuram, Chennai – 600 086.

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT****To The Members of The Waterbase Limited**

We have examined the compliance of conditions of Corporate Governance by The Waterbase Limited (the Company) for the year ended 31st March 2009 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 compliances of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the company.

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Directors and Management, we certify that the company has complied with the conditions on Corporate Governance as stipulated in above mentioned listing Agreement.

As required by the guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India, we state that the Registrars of the company have certified that as on 31st March 2009, there were no investor grievances remaining unattended/pending for a period exceeding one month.



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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  
**MITRA KUNDU & BASU**  
*Chartered Accountants*

**SIBAJI DAS**

*Partner*

New Delhi, July 27, 2009

Membership No. 51391

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## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Industry Structure and Trends**

For the Indian economy as also the rest of the world 2008-09 was one of the difficult years. What started as a sub-prime crisis in US in 2007 transformed into a major world financial crisis. This led to lower consumer spending thereby strengthening the vicious cycle that governments around the world are currently engaged in breaking.

The company's performance must be viewed against this backdrop.

Black Tiger known as *Penaeus Monodon* is the major shrimp species farmed in India. India has been exporting this farmed black tiger shrimps and USA is a major importer of Indian farmed Shrimps.

Other major exporting countries like China, Thailand, Vietnam etc. have been exporting a species called *Vannemei*. The main advantage of this *Vannemei* species is its faster growth, higher yield and lower cost of Production than that of Black Tiger Shrimp

For the past few years farming in Asia has been undergoing a dramatic transformation. The white shrimp called *Vannemai* is rapidly replacing the Black Tiger as the main farmed species as its cost of production is very low compared to Black Tiger which is widely farmed in India and this places India at a disadvantage in terms of matching International pricing.

In view of this, the Government of India has permitted the farming of the *Vannemei* in India and has also given approval to Hatcheries to import the Brood stock.

The benefit of the introduction of the new species should be felt from the season beginning in 2010.

### **Threats / Risks and Concerns**

USA is the world's largest consumer of shrimps. The continuing global economic recession is having its impact on the Shrimp Industry. Your company is also affected by this.

The Shrimp Industry depends on wild brood stock sourced from the sea which is prone to infection. Till such time as the Industry gets disease free shrimps the Industry would be plagued by fear of infected brood stock.

The new species which is being introduced in India has to get the acceptance of the Indian farmers in terms of comfort in farming and its pricing in the market..

### **Product Performance**

All our brands of shrimp feed continue to enjoy high brand equity.

The company has recently introduced a new brand for the *Vannemei* species which has been well accepted in the market.

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## Outlook

The Government of India's approval to farm the Vannemei species in India is a path forward to revive the Industry. The low cost of production, faster growth and higher yield of this variety would help India to compete internationally, as most of the other exporting countries are farming and exporting this variety,

The reduction in Anti dumping duty imposed by USA and also the withdrawal of the Anti - Dumping Bond requirement will help in the turnaround of the Industry.

The various measures being taken by the government's world over to contain and overcome the recession should result in better International demand and price.

## Internal Control System

The Company has adequate Internal control systems and procedures, with regard to all activities of the company including purchase of raw materials, stores, spares and to ensure that the assets are safeguarded and accounted for. The policies and procedures are continuously monitored.

The Audit Committee reviews the report of the internal auditors and their suggestions are put into operation.

## Discussion on Financial Performance with respect to Operational Performance

The company's performance in financial year 2008-09 is given below:

- The company's turnover is Rs 335.23 million
- Loss after Tax but before Extraordinary item is Rs 247.25 million
- The Company had made a profit of Rs. 257.71 million on sale of its excess agricultural land.
- Profit after tax and Extraordinary item is Rs.10.46 million
- The Earnings per share before Extraordinary item is (-) Rs.10/.
- The Earnings per share after Extraordinary item is Rs.0.42

## Social Obligation

The Company continues to meet its social obligation as well as its obligation to the farming community by rendering necessary technical services and medical facilities to near by villages.

## Human Resources / Industrial relations

The Employees relationship is cordial and the Directors wish to place on record their appreciation for their continued contribution to the Company.

The company also provides necessary training facility to enhance their skills and personal development.

The Statement in this Management discussion and analysis report detailing the Company's objectives, projections, estimates and expectations may be "Forward-looking statements" within the meaning of applicable security laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include economic conditions affecting global and Indian demand / supply and the price conditions, in the domestic and overseas markets, material availability, climatic conditions, changes in the government regulations, tax laws and other statutes and other incidental factors.



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## AUDITOR'S REPORT

### The Members of The Waterbase Limited

We have audited the attached Balance Sheet of The Waterbase Limited, as at 31st March, 2009 and the Profit and Loss account and the Cash Flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we are giving in the Annexure a statement on the matter specified in paragraph 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that :

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books ;
- (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
- (d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement read with significant Accounting Policy and Notes to Accounts as referred in Schedule - 19 comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- (e) On the basis of the written representations received from the Directors as on 31st March, 2009 and taken on record by the Board of Directors , we report that none of the Director is disqualified as on 31st March, 2009 from being appointed as a Director in term of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read with the Notes in Schedule - 19 give the information required by the Companies Act, 1956 (as amended) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
  - (ii) In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
  - (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **MITRA KUNDU & BASU**  
*Chartered Accountants*

**SIBAJI DAS**  
*Partner*

New Delhi, July 27, 2009

Membership No.51391

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**ANNEXURE TO THE AUDITOR'S REPORT**  
**(referred to in paragraph 3 of our report of even date)**

- (i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed during such verification.
- (c) The Company has disposed off unused agricultural land including ponds and building on the said land. The sale of land will not have any effect on the normal working of the company.
- (ii)(a) The inventory of the Company has been physically verified by the management at reasonable intervals during the year
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of records of inventory, in our opinion, the Company has maintained proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) The Company has neither granted / taken any loans, secured or unsecured to/from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, clauses (iii) (b), (c), (d), (f) and (g) of paragraph 4 of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with size of the Company and the nature of its business with regard to the purchases of inventory and fixed assets and for sale of goods and services. Further, on the basis of our examinations, and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control system.
- (v) In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956, hence paragraph (v) (b) of the Order is not applicable.
- (vi) The Company has not accepted any deposits under the provision of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.
- (viii) To the best of our knowledge, the Central Government has not prescribed the maintenance of cost records by the Company under Section 209 (1) (d) of the Companies Act, 1956 for any of its products.
- (ix) (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues with the appropriate authorities and no undisputed amounts payable in respect of the aforesaid dues are outstanding as at 31st March, 2009 for a period of more than six months from the date of becoming payable.



- (b) According to the records of the Company and the information and explanations given to us, there are no disputed dues on account of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess matters that have not been deposited.
- (x) The Company has not incurred cash loss during the financial year ended 31st March, 2009. The Company has incurred cash losses during the previous years and its accumulated losses are less than fifty percent of its networth
- (xi) In our opinion and according to the explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures, and other securities.
- (xiii) The provision of any special statute as specified under paragraph (xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained
- (xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of the Company, in our opinion, there are no funds raised on a short term basis which have been used for a long term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
- (xix) The Company has not issued any debentures during the period covered by our report.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) According to the information and explanations given to us, during the year, no material fraud on or by the Company has been noticed or reported.

For **MITRA KUNDU & BASU**  
*Chartered Accountants*

**SIBAJI DAS**  
*Partner*

New Delhi, July 27, 2009

Membership No. 51391



## BALANCE SHEET AS AT 31st MARCH, 2009

PARTICULARS	Sch. No.	As at 31ST MARCH, 2009		As at 31ST MARCH, 2008	
		Rs.	Rs.	Rs.	Rs.
<b>SOURCES OF FUNDS</b>					
<b>SHARE HOLDERS FUNDS</b>					
Share Capital	1		247,355,000		247,355,000
Reserves and Surplus	2		399,377,761		277,604,519
<b>LOAN FUNDS</b>					
Secured Loans	3		221,974,115		360,248,782
<b>TOTAL</b>			<b>868,706,876</b>		<b>885,208,301</b>
<b>APPLICATION OF FUNDS</b>					
<b>FIXED ASSETS</b>					
Gross Block			528,298,825		812,890,789
Less: Depreciation			326,838,521		437,085,558
Net Block	4		201,460,304		375,805,231
<b>INVESTMENTS</b>	5		1,270,400		5,081,800
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>					
Inventories	6		410,603,631		413,748,644
Sundry Debtors	7		380,773,786		373,003,301
Cash and Bank Balances	8		79,860,847		29,073,608
Loans & Advances	9		357,297,647		347,795,608
			<b>1,228,535,911</b>		<b>1,163,621,161</b>
Less: Current Liabilities & Provisions	10		562,559,739		659,299,891
Net Current Assets			<b>665,976,172</b>		<b>504,321,270</b>
<b>TOTAL</b>			<b>868,706,876</b>		<b>885,208,301</b>
Notes on Accounts	19				

Note: Schedules 1 to 10 & 19 referred to above form an integral part of the Accounts

For and on behalf of the Board

As per our report of even date

**VIKRAM M THAPAR**  
Chairman

**ANIL KUMAR BHANDARI**  
Director

For **MITRA KUNDU & BASU**  
Chartered Accountants

**ASHOK NANJAPA**  
Chief Executive

**SUGUNA KRISHNAMURTHY**  
Company Secretary

**SIBAJI DAS**  
Partner  
Membership No. 51391

New Delhi, July 27, 2009



## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

PARTICULARS	Sch. No.	YEAR ENDED			
		31ST MARCH, 2009		31ST MARCH, 2008	
		Rs.	Rs.	Rs.	Rs.
<b>INCOME:</b>					
Sales & Services	11		335,230,034		396,487,832
Other Income	12		9,589,641		10,342,479
Increase/(Decrease) in Stocks	13		(3,144,991)		65,513,649
<b>TOTAL</b>			<b>341,674,684</b>		<b>472,343,960</b>
<b>EXPENDITURE:</b>					
Manufacturing Expenses	14		289,375,893		333,647,734
Payment & Provisions For Employees	15		38,877,668		40,047,191
Other Expenditure	16		151,998,716		15,261,396
Selling Expenses	17		28,234,750		33,204,726
Interest & Financing Charges	18		57,127,019		69,706,346
Depreciation			27,053,837		35,928,007
<b>TOTAL</b>			<b>592,667,883</b>		<b>527,795,400</b>
<b>Profit / (Loss) Prior to Extra Ordinary Item</b>			<b>(250,993,199)</b>		<b>(55,451,440)</b>
Prior Period Adjustment			-		4,732,172
Extra-ordinary Item - Profit on Sale of Land			257,711,250		-
<b>Profit/(Loss) before tax</b>			<b>6,718,051</b>		<b>(50,719,268)</b>
Provision for - Fringe Benefit Tax			1,534,278		162,762
- Deferred Tax			(5,278,474)		(7,812,127)
<b>Profit / (Loss) after tax</b>			<b>10,462,247</b>		<b>(43,069,903)</b>
<b>Surplus / (Loss) carried forward to Balance Sheet</b>			<b>10,462,247</b>		<b>(43,069,903)</b>
Notes on Accounts	19				

Note: Schedules 11 to 18 & 19 referred to above form an integral part of the Accounts

For and on behalf of the Board

As per our report of even date

**VIKRAM M THAPAR**  
Chairman

**ANIL KUMAR BHANDARI**  
Director

For **MITRA KUNDU & BASU**  
Chartered Accountants

**ASHOK NANJAPA**  
Chief Executive

**SUGUNA KRISHNAMURTHY**  
Company Secretary

**SIBAJI DAS**  
Partner  
Membership No. 51391

New Delhi, July 27, 2009



## SCHEDULES FORMING PART OF THE ACCOUNTS

PARTICULARS	As at 31ST MARCH, 2009		As at 31ST MARCH, 2008	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE 1 : SHARE CAPITAL</b>				
<b>AUTHORISED</b>				
50,000,000 (PY 50,000,000) Equity Shares of Rs.10/- each		500,000,000		500,000,000
<b>ISSUED, SUBSCRIBED AND PAID UP</b>				
24,735,500 Equity Shares (PY 24,735,500 Shares)		247,355,000		247,355,000
of Rs 10/- each, fully paid up in cash				
<b>TOTAL</b>		247,355,000		247,355,000
 <b>SCHEDULE 2 : RESERVES AND SURPLUS</b>				
<b>Securities Premium Account</b>				
Balance in Securities Premium Account		117,349,276		117,349,276
<b>Revenue Reserve</b>				
Deferred Tax		141,457,729		136,179,255
<b>Revaluation Reserve</b>				
on Revaluation Value of Land	106,032,522			
Less : Transfer to General Reserve on Sale of Land	94,690,276	11,342,246		
<b>General Reserve - Opening Balance</b>	24,075,987		59,017,035	
Additions During the Year	-		8,128,856	
Add : Transfer from Revaluation Reserve	94,690,276		-	
	118,766,263		67,145,890	
Transfer from Profit and Loss Account	10,462,247	129,228,510	(43,069,903)	24,075,987
<b>TOTAL</b>		399,377,761		277,604,518
 <b>SCHEDULE 3 : LOAN FUNDS</b>				
<b>SECURED LOANS</b>				
Term Loans	20,500,000		20,500,000	
Interest accrued and due on loans	-	20,500,000	261,870	20,761,870
Partly Convertible Debentures				
(Non-Convertible part)		-		20,837,590
From Banks		201,474,115		318,649,322
<b>TOTAL</b>		221,974,115		360,248,782

- (a) The Term Loans are secured by a first mortgage and charge on all immovable and movable assets of the Company both present and future, subject to the prior charge on specified movables created in favour of Company's bankers to secure borrowings for working capital, ranking pari-passu with charges created in favour of participating institutions.
- (b) Loans from banks are secured by way of Hypothecation of stocks of movable assets such as raw materials, work in progress, stores and spares and consumables both present and future, and a second charge on the fixed assets.



**Schedules forming part of the Accounts (continued)**

**SCHEDULE 4 : FIXED ASSETS**

S. NO.	PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK		
		COST AS AT 1-Apr-08	ADDITIONS FOR THE YEAR	ADDITION ON REVALUATION*	DELETIONS FOR THE YEAR	DELETION ON REVALUATION	COST AS AT 31-Mar-09	AS AT 1-Apr-08	Depn. For the Year	On Deletion	AS AT 31-Mar-09	AS AT 31-Mar-09	AS AT 31-Mar-08
1.	LAND	8,522,778	-	106,032,522	7,510,724	94,690,276	12,354,300	0	0	0	0	12,354,300	8,522,778
2.	BUILDINGS	161,686,138	120,730	-	60,218,266	-	101,588,602	64,135,547	3,731,125	25,649,866	42,216,807	59,371,795	97,550,592
3.	PONDS AND RESERVOIRS	117,565,079	0	-	116,178,293	-	1,386,786	44,551,655	795,652	45,126,905	220,402	1,166,384	73,013,424
4.	PLANT AND MACHINERY	488,113,961	2,032,049	-	110,439,836	-	379,706,174	315,693,189	20,270,093	65,086,278	270,877,005	108,829,175	172,420,773
5.	FURNITURE AND FIXTURES	9,860,999	1,772,340	-	0	-	11,633,339	5,782,516	650,086	0	6,432,504	5,200,736	4,078,483
6.	VEHICLES	19,448,849	0	-	2,825,549	-	16,623,300	6,922,651	1,606,881	1,437,825	7,091,708	9,531,590	12,526,188
	<b>SUB TOTAL</b>	<b>805,197,796</b>	<b>3,925,119</b>	<b>106,032,522</b>	<b>297,172,668</b>	<b>94,690,276</b>	<b>523,292,502</b>	<b>437,085,558</b>	<b>27,053,837</b>	<b>137,300,874</b>	<b>326,838,525</b>	<b>196,453,981</b>	<b>368,112,238</b>
7.	CAPITAL WORK IN PROGRESS	7,692,993	4,971,963	-	7,658,633	-	5,006,323	0	0	0	0	5,006,323	7,692,993
	<b>TOTAL</b>	<b>812,890,789</b>	<b>8,897,082</b>	<b>106,032,522</b>	<b>304,831,301</b>	<b>94,690,276</b>	<b>528,298,825</b>	<b>437,085,558</b>	<b>27,053,837</b>	<b>137,300,874</b>	<b>326,838,525</b>	<b>201,460,304</b>	<b>375,805,231</b>
	<b>PREVIOUS YEAR</b>	<b>812,036,811</b>	<b>1,810,545</b>	<b>-</b>	<b>1,016,490</b>	<b>-</b>	<b>812,890,789</b>	<b>401,432,648</b>	<b>35,928,007</b>	<b>275,094</b>	<b>437,085,558</b>	<b>375,805,231</b>	<b>410,664,164</b>

\*Note: During the year 520.195 acres of land was revalued. The Company sold 464.550 acres during the year and the proportionate revaluation amount has been adjusted accordingly.

**PARTICULARS**

**As at 31ST MARCH, 2009**

**As at 31ST MARCH, 2008**

**Rs.**

**Rs.**

**Rs.**

**SCHEDULE 5 : INVESTMENTS (AT COST)**

Trade - Unquoted

- Shares in Moana Technologies India Pvt Ltd  
(12704 equity shares of Rs. 100 each fully paid)

**1,270,400**

**5,081,800**

**TOTAL**

**1,270,400**

**5,081,800**

**SCHEDULE 6 : INVENTORIES**

(As valued and certified by the Management)

Consumable Stores

**16,804,443**

**16,548,803**

Raw Materials

**159,883,268**

**160,138,931**

Process Stock

**5,167,979**

**5,419,418**

Finished Goods

**228,747,941**

**231,641,492**

**TOTAL**

**410,603,631**

**413,748,644**

**SCHEDULE 7 : SUNDRY DEBTORS**

Unsecured considered good

- Debts Outstanding for a period exceeding six months

**270,794,354**

**277,589,188**

- Debts Outstanding up to six months

**109,979,432**

**95,414,113**

**TOTAL**

**380,773,786**

**373,003,301**



**Schedules forming part of the Accounts (continued)**

PARTICULARS	As at 31ST MARCH, 2009		As at 31ST MARCH, 2008	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE 8 : CASH AND BANK BALANCES</b>				
Cash & Cheques on hand		438,812		442,699
With Scheduled Banks - Current Accounts		57,364,712		3,123,232
- As Margin Money		22,057,323		25,507,677
<b>TOTAL</b>		<b>79,860,847</b>		<b>29,073,608</b>
<b>SCHEDULE 9 : LOANS &amp; ADVANCES</b>				
<b>(Unsecured)</b>				
Advances/Deposits recoverable in cash or in kind or for value to be received				
- Considered good	204,359,698		199,368,695	
- Considered doubtful	1,421,529	205,781,227	1,421,529	200,790,224
Deferred Tax Asset		147,130,739		141,435,854
Balances with Excise and Sales Tax Dept.		2,851,403		2,609,034
Advance Tax		1,534,278		2,960,496
<b>TOTAL</b>		<b>357,297,647</b>		<b>347,795,608</b>
<b>SCHEDULE 10: CURRENT LIABILITIES AND PROVISIONS</b>				
<b>CURRENT LIABILITIES</b>				
Acceptances		52,834,279		26,065,279
Sundry Creditors - Trade Creditors	6,313,955		5,939,709	
- Others	385,469,579	391,783,534	503,472,003	509,411,712
Advances received from customers and employees		99,427,770		102,293,060
<b>PROVISIONS</b>				
Interest Accrued but not due on Loans		-		786,160
Provision for Fringe Benefit Tax		4,987,959		2,960,496
Provision for Deferred Tax Liability		5,278,474		7,812,127
Provision for Employee Benefits		8,247,723		9,971,057
<b>TOTAL</b>		<b>562,559,739</b>		<b>659,299,891</b>



*Schedules forming part of the Accounts (continued)*

	YEAR ENDED	
	31ST MARCH, 2009	31ST MARCH, 2008
	Rs.	Rs.
<b>SCHEDULE 11: SALES &amp; SERVICES</b>		
Sales - Export	90,461,315	111,101,343
- Domestic	243,001,773	272,377,737
Services	1,766,946	13,008,752
<b>TOTAL</b>	<b>335,230,034</b>	<b>396,487,832</b>
<b>SCHEDULE 12: OTHER INCOME</b>		
- Margin Money deposits with banks	5,216,868	6,215,888
- Miscellaneous Income	4,372,773	4,126,591
<b>TOTAL</b>	<b>9,589,641</b>	<b>10,342,479</b>
<b>SCHEDULE 13: INCREASE/(DECREASE) IN STOCKS</b>		
<b>Opening Stock:</b>		
Work in Process	5,419,418	3,255,486
Finished goods	231,641,493	168,291,776
<b>TOTAL</b>	<b>237,060,911</b>	<b>171,547,262</b>
<b>Closing Stock :</b>		
Work in Process	5,167,979	5,419,418
Finished goods	228,747,941	231,641,493
<b>TOTAL</b>	<b>233,915,920</b>	<b>237,060,911</b>
<b>INCREASE/(DECREASE)</b>	<b>(3,144,991)</b>	<b>65,513,649</b>
<b>SCHEDULE 14 : MANUFACTURING EXPENSES</b>		
Raw Materials Consumed	116,477,650	153,921,247
Procured Shrimps / Crabs	135,327,848	140,223,813
Repairs and Maintenance		
Buildings	2,571,545	3,673,522
Equipment	1,256,168	1,613,961
Horticulture Expenses	-	19,952
Processing Charges	8,756,663	3,001,356
Power and Utilities	11,930,204	14,849,415
Consumables and Stores Consumed	6,012,039	8,402,910
Other Manufacturing Expenses	1,861,506	3,579,661
Insurance	5,182,270	4,361,897
<b>TOTAL</b>	<b>289,375,893</b>	<b>333,647,734</b>

**Schedules forming part of the Accounts (continued)**

	YEAR ENDED			
	31ST MARCH, 2009		31ST MARCH, 2008	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE 15: PAYMENTS AND PROVISIONS FOR EMPLOYEES</b>				
Salaries, Wages, Bonus & Gratuity		32,328,693		33,050,334
Contribution to Provident and Superannuation Fund		2,275,224		2,285,461
Staff Welfare Expenses		4,273,751		4,711,396
<b>TOTAL</b>		<b>38,877,668</b>		<b>40,047,191</b>
<b>SCHEDULE 16: OTHER EXPENDITURE</b>				
Rent		2,082,087		2,412,916
Rates & Taxes		124,489		347,816
Payment to Auditors:				
Audit Fees	82,725		84,270	
Tax Audit Fees	16,545		16,854	
Reimbursement of Expenses	5,504		18,942	
		104,774		120,066
Loss on Retired/Sale of Fixed Assets		137,472,502		291,487
Travelling Expenses		2,980,113		2,792,582
Lease Rentals		990,062		793,896
Vehicle Maintenance		1,639,773		2,289,125
Business Communication Costs		958,563		1,315,350
Miscellaneous Expenses		1,912,041		2,136,215
Secretarial Expenses		762,912		760,036
Consultancy Charges		1,713,848		727,540
Advertisement		71,980		89,171
Legal and other professional charges.		1,185,572		1,185,196
<b>TOTAL</b>		<b>151,998,716</b>		<b>15,261,396</b>
<b>SCHEDULE 17: SELLING EXPENSES</b>				
Discount on Sales		21,608,399		17,571,137
Freight Outward		1,174,830		3,193,178
Insurance		167,381		230,201
Anti Dumping Duty		-		5,109,681
Others		5,284,140		7,100,529
<b>TOTAL</b>		<b>28,234,750</b>		<b>33,204,726</b>
<b>SCHEDULE 18: INTEREST &amp; FINANCING CHARGES</b>				
Interest				
Fixed Loans	1,224,150		2,448,300	
Others	48,463,029		63,313,488	
	49,687,179		65,761,788	
Less: Interest Received	1,164,510	48,522,669	1,899,000	63,862,788
Bank Charges		8,604,350		5,843,558
<b>TOTAL</b>		<b>57,127,019</b>		<b>69,706,346</b>



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*Schedules forming part of the Accounts (continued)*

**SCHEDULE 19 : NOTES ON ACCOUNTS**

**1. SIGNIFICANT ACCOUNTING POLICIES**

- (a) **Accounting Convention:** The Financial Statement are prepared under the historical cost convention, in accordance with the generally accepted Accounting Principles and the provisions of the Companies Act 1956. The preparation of Financial Statements requires estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities and assets as at the Balance sheet date and the reported amounts of income and expenses during the year. Differences between the actual results and estimation are recognized in the year in which the results are known / materialized.
  - (b) **Revenue Recognition:** The Company follows the mercantile system of accounting and recognizes income & expenditure on accrual basis except in case of significant uncertainties.
  - (c) **Fixed Assets:** Fixed Assets are stated at the cost of acquisition / revaluation
  - (d) **Depreciation:** Depreciation on fixed assets has been provide on straight line method as per the rates prescribed in Schedule XIV of the Companies Act 1956, as amended.
  - (e) **Inventories:** Raw materials and Stores are valued on weighted average basis. Finished goods are valued at cost or net realisable value, whichever is lower.
  - (f) **Foreign Currency:** Transaction in foreign currencies is recorded at the exchange rate prevailing on the date of transaction. Foreign currency monetary assets and liabilities are translated at the year-end exchange rate. Exchange differences arising on settlement of transaction and translation of monetary items are recognized as income or expenses in the year in which they arise.
  - (g) **Investment:** Long-term investments are carried at cost less provision, if any for permanent diminution in value of such investments.
  - (h) **Employee Benefits:**
    - (i) In the case of defined contribution plans such as Provident Fund etc.,the company's contribution to these plans are charged to Profit and Loss Account as incurred.
    - (ii) Liability for defined benefit plans are provided on the basis of valuations as at the Balance Sheet date, carried out by an actuary using the Projected Unit credit method. Actuarial gains and losses arising on such valuation are recognized immediately in the Profit and Loss Account.
  - (i) **Taxes on income:** Taxes on income for the current period are determined on the basis of taxable income and tax credits computed in accordance with provision of the Income Tax Act, 1961. Deferred tax is recognized for all timing differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
  - (j) **Impairment of Assets:** The carrying amounts of Assets are reviewed at each balance sheet date if there is any indication of impairment based on internal /external factors. An asset / cash-generating unit is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.
2. Export sales include DEPB benefits to the extent of Rs. 4.01 million (Rs.6.78 million).



### 3. CONTINGENT LIABILITIES

Rs. million

	2008-09	2007-08
Guarantees given by bankers on behalf of the Company and Outstanding	52.69	61.24

### 4. The Manager's Remuneration is as below:-

Rs. million

Particulars	2008-09	2007-08
a. Salary / Incentive	1.82	1.94
b. Contribution to PF & Superannuation Funds	0.32	0.32
c. Perquisites	-	0.06

5. (a) Accounting standard in respect of Segment reporting is not applicable to the company as the operations of the company is in the nature of an integrated system of function.
- (b) Information about Secondary Segments : Geographical

Rs. million

Revenue by Geographical Market	2008-09	2007-08
India	244.77	285.37
Outside India	90.46	111.10
<b>Total</b>	<b>335.23</b>	<b>396.47</b>

6. (a) With regard to related party transactions, the key management personnel is Mr. Ashok Nanjapa, Chief Executive. Remuneration paid to him including perquisites is Rs. 2.14 million.
- (b) Transaction with relatives of key management personnel - nil.
7. During the financial year the company revalued its land by Rs. 106.03 million.
8. During the year the Company deposited the unclaimed Debenture amounts into The Investors Education and Protection Fund.
9. The Company has sold excess agricultural land to the extent of 464.55 acres which has no negative impact on its business. Further as per Accounting standard issued by the Institute of Chartered Accountants of India, fixed assets worth Rs. 70.90 million is accounted as retired assets as no further benefit is expected from it. The break-up of retired assets/ loss on sale of assets shown under Schedule 16 are :
- (a) Loss on sale of Fixed Assets Rs. 66.48 million.
- (b) Retired assets on the land sold Rs. 70.90 million.
10. The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small & Enterprises Development Act, 2006) claiming their status as on 31st March 2009 as micro small or medium enterprises. Consequently the amount paid/payable to these parties during the year is nil.
11. Provident Fund the company has no further obligation beyond making the contribution.
12. Employee Benefits: In case of defined contribution plans, the companies contribution are charged to Profit and Loss Account since the Company has no further obligation beyond making the contribution.

In case of defined benefit plans the actuarial gain and losses arising on actuarial valuation based on projected unit credit method are charged to Profit and loss account.

Consequent upon adopting accounting standard on Employee benefits the following disclosures are made.



**Reconciliation of Opening and closing balances of the present value of the defined benefit obligation**

	2008-09		2007-08	
	Gratuity (Unfunded) (Rs. Million)	Leave encashment (unfunded) (Rs. Million)	Gratuity (unfunded) (Rs. Million)	Leave encashment (unfunded) (Rs. Million)
Obligation at period beginning	4.49	1.27	4.00	-
Current Service Cost	0.42	0.87	0.37	0.19
Interest Cost	0.31	0.89	0.27	0.07
Actuarial (gain) / loss	(0.20)	0.81	0.59	1.28
Benefits paid	(1.48)	(1.11)	(0.74)	(0.27)
<b>Obligations at the year end</b>	<b>5.04</b>	<b>1.46</b>	<b>4.49</b>	<b>1.27</b>

**Reconciliation of present value of the obligation and the fair value of plan asset**

Fair value of plan assets at the end of the year	NA	NA	NA	NA
Present value of the defined benefit obligations at the end of the year	5.04	1.46	4.49	1.27
<b>Liability/ (Asset) recognised in the Balance Sheet</b>	<b>5.04</b>	<b>1.46</b>	<b>4.49</b>	<b>1.27</b>

**Cost for the Year**

Current service Cost	0.42	0.87	0.37	0.19
Interest cost	0.31	0.89	0.27	0.07
Expected return on plan assets	NA	NA	NA	NA
Actuarial ( gain)/loss	(0.20)	0.81	0.59	1.28
<b>Net Cost recognised in the Profit and Loss Account</b>	<b>(0.53)</b>	<b>2.57</b>	<b>1.23</b>	<b>1.54</b>

**Assumptions used to determine the benefit obligations:**

Interest Rate	7.00	7.00	7.00	7.00
Estimated rate of return on plan assets	NA	NA	NA	NA
Expected Rate of increase in salary	4.00	4.00	4.00	4.00
<b>Actual return on plan assets</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>

**13. Particulars in respect of goods manufactured and installed capacities**

The provisions of Industries (Development and Regulation) Act, 1951 relating to licenced capacities are not applicable to the Company. The installed capacity is 1712 tonnes of processed prawns (from integrated Farm including hatchery, Feed Mill and Processing Unit), on Single shift basis, as approved by the Government of India.



#### 14. Particulars in respect of Production, Sales and Closing Stock of Finished Goods.

##### (a) Production and Sales

Rs. Million

Class of Goods	Unit of Qty.	Production (Qty.)		Sales 2008-09		Sales 2007-08	
		2008-09	2007-08	Qty.	Value	Qty.	Value
Feed	MT	5008.665	6635.301	5017.690	188.61	6940.290	262.87
Processed Prawns	MT	34.272	278.382	82.177	10.21	140.593	76.58
Soft Shell Crab	MT	25.841	26.085	21.099	11.77	27.039	10.73
Crab Cake	MT	29.947	52.930	22.132	1.64	52.930	32.60
Claw meat	MT	12.949		12.964	6.59		
Others					114.64		0.70
<b>Total</b>					<b>333.46</b>		<b>383.48</b>

(i) Production excludes reprocessing loss. (ii) Feed sales excludes internal consumption.

##### (b) Opening and Closing Stock of Finished goods

Rs. million

Class of Goods	Unit of Qty	Opening Stock				Closing Stock			
		Current Year		Previous Year		Current Year		Previous Year	
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Feed	MT	83.361	2.14	388.350	10.03	74.336	1.76	83.361	2.14
Processed Prawns	MT	540.819	228.32	403.030	156.62	492.914	218.18	540.819	228.32
Soft shell Crab	MT	4.216	1.19	-	-	8.958	2.99	4.216	1.19
Crab cake	MT	0.313	0.19	5.170	1.56	8.128	5.82	0.313	0.19
<b>TOTAL</b>			<b>231.64</b>		<b>168.21</b>		<b>228.75</b>		<b>231.64</b>

#### 15. Analysis of materials consumed

Rs. million

Particulars	Unit	2008-09		2007-08	
		Qty.	Value	Qty.	Value
Fish/Shrimp Shell Meal	MT	843.110	29.85	1748.520	62.06
Wheat/Soya Flour	MT	1277.150	25.70	1599.252	20.44
Premixes	MT	10.337	3.64	71.420	18.99
Raw/Processed Shrimps - Head on/Headless/Crab	MT		135.32		140.22
Others			57.30		52.43
<b>TOTAL</b>			<b>251.81</b>		<b>294.14</b>

#### 16. Value of imported and indigenous materials consumed and the percentage of each to the total consumption

Rs. million

Particulars	2008-09		2007-08	
	Value	%	Value	%
Raw materials, Stores & Consumables				
Imported	10.86	4.31	1.72	0.58
Indigenous	240.95	95.69	292.42	99.42
	<b>251.81</b>	<b>100.00</b>	<b>294.14</b>	<b>100.00</b>



	2008-09 Rs. million	2007-08 Rs. million
<b>17. Value of Imports on CIF basis</b>		
Raw materials	10.94	12.63
<b>18. Expenditure in Foreign Currency</b>		
Travelling expenses	-	0.05
Subscription	0.01	0.02
Insurance	0.06	0.05
<b>19. Earnings in Foreign exchange</b>		
FOB value of Exports	85.37	100.34
<b>20. Earnings Per Share ( EPS)</b>		
Profit after Tax but before Extraordinary item	(247.25)	(47.79)
Profit after Tax	10.46	(43.06)
Number of Equity shares	24,735,500	24,735,500
Nominal Value of Equity Share (Rs)	10.00	10.00
Earnings per Equity Share before extraordinary item (Rs.)	(10.00)	(1.93)
Earnings per Ordinary Share after extraordinary item (Rs.)	0.42	(1.74)

21. Figures for the previous year have been regrouped wherever necessary.

For and on behalf of the Board

As per our report of even date

**VIKRAM M THAPAR**  
*Chairman*

**ANIL KUMAR BHANDARI**  
*Director*

For **MITRA KUNDU & BASU**  
*Chartered Accountants*

**ASHOK NANJAPA**  
*Chief Executive*

**SUGUNA KRISHNAMURTHY**  
*Company Secretary*

**SIBAJI DAS**  
*Partner*  
Membership No. 51391

New Delhi, July 27, 2009



## CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2009

Rs. Million

PARTICULARS	2008-09		2007-08	
	Amount	Amount	Amount	Amount
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit Before Tax as per Profit and Loss Account		6.72		(50.72)
Adjustment for:				
Depreciation	27.05		35.93	
Depreciation reserve on deleted Assets	(137.30)		(0.28)	
General Reserve	51.62		(34.48)	
Interest/Other Income/Net profit on Sale of Assets	(142.45)		(1.90)	
Interest Expenses	48.52	(152.55)	63.86	63.13
<b>Operating profit before Working Capital</b>				
Changes and other adjustments		(145.83)		12.41
Adjustment for:				
Trade and Other Receivables	(17.27)		51.75	
Inventories	3.15		(21.51)	
Trade Payables	96.74	82.61	32.24	62.48
<b>Cash generated from Operating activities :</b>		(63.22)		74.89
Taxes Paid/ Provided		(3.74)		(7.65)
<b>Net Cash from Operating Activities</b>		(59.48)		82.54
<b>B. Cash Flow From Investing Activities :</b>				
Addition to Fixed Assets	(4.83)		(1.44)	
Deletion from Fixed Assets	298.08		1.02	
Deletion from Investments	3.81		(5.08)	
Interest on Investments	0.00	297.06	1.90	(3.60)
<b>Net Cash Increase/Decrease in Investing Activities</b>		237.58		78.94
<b>C. Cash Flow From Financing Activities :</b>				
Working Capital Loans	(117.18)		(5.53)	
Long Term Borrowings	(0.26)		(23.40)	
Debtures	(20.84)		(2.03)	
Interest Payments	(48.52)	(186.80)	(63.87)	(94.83)
<b>Net Increase/Decrease in Cash and Cash Equivalents</b>		50.79		(15.89)
<b>Opening Cash and Cash equivalents</b>		29.07		44.96
<b>Closing Cash and Cash equivalents</b>		79.86		29.08

Note : Previous Year figures have been regrouped wherever necessary

For and on behalf of the Board

As per our report of even date

**VIKRAM M THAPAR**  
Chairman

**ANIL KUMAR BHANDARI**  
Director

For **MITRA KUNDU & BASU**  
Chartered Accountants

**ASHOK NANJAPA**  
Chief Executive

**SUGUNA KRISHNAMURTHY**  
Company Secretary

**SIBAJI DAS**  
Partner  
Membership No. 51391

New Delhi, July 27, 2009



## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I. Registration Details

Registration No. 

		1	8	4	3	6
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 State Code 

0	1
---	---

Balance Sheet Date 

3	1	0	3
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Date Month

2	0	0	9
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Year

### II. Capital Raised during the Year (Amount in Rs. Thousands)

<b>Public Issue</b>	<b>Rights Issue</b>																
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					N	I	L										
<b>Bonus Issue</b>	<b>Private Placement</b>																
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					N	I	L										
					N	I	L										

### III. Position of Mobilisation and Deployment of funds (Amount in Rs. Thousands)

<b>Total liabilities</b>	<b>Total Assets</b>																
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		8	6	8	7	0	6										
		8	6	8	7	0	6										

#### Source of funds

<b>Paid-up Capital</b>	<b>Reserves and Surplus</b>																
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		2	4	7	3	5	5										
		3	9	9	3	7	7										
<b>Secured Loans</b>	<b>Unsecured Loans</b>																
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<b>Deferred Tax</b>	<b>Unsecured Loans</b>																
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#### Application of Funds

<b>Net Fixed Assets</b>	<b>Investments</b>																
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		2	0	1	4	6	0										
			1	2	7	0											
<b>Net Current Assets</b>	<b>Misc. Expenditure</b>																
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					N	I	L										
<b>Accumulated Losses</b>																	
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### IV. Performance of Company (Amount in Rs. Thousands)

<b>Turnover (including Other income)</b>	<b>Total Expenditure</b>																
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		3	4	4	8	1	9										
		5	9	2	6	6	7										
+ - <b>Profit before Tax</b>	+ - <b>Profit after Tax</b>																
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+			6	7	1	8											
+		1	0	4	6	2											
<b>Earnings per Share (Rs.)</b>	<b>Dividend Rate (%)</b>																
<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px; text-align: center;">.</td><td style="width: 20px; height: 20px; text-align: center;">4</td><td style="width: 20px; height: 20px; text-align: center;">2</td></tr></table>			0	.	4	2	<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">N</td><td style="width: 20px; height: 20px; text-align: center;">I</td><td style="width: 20px; height: 20px; text-align: center;">L</td></tr></table>				N	I	L				
		0	.	4	2												
			N	I	L												

### V. Generic Names of Three Principal Products / Services of Company (as per monetary terms)

<b>Item Code. (ITC Code)</b>	<b>Product Description</b>																									
<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px; text-align: center;">3</td><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px; text-align: center;">6</td><td style="width: 20px; height: 20px; text-align: center;">1</td><td style="width: 20px; height: 20px; text-align: center;">3</td><td style="width: 20px; height: 20px; text-align: center;">2</td><td style="width: 20px; height: 20px; text-align: center;">0</td></tr><tr><td style="width: 20px; height: 20px; text-align: center;">2</td><td style="width: 20px; height: 20px; text-align: center;">3</td><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px; text-align: center;">9</td><td style="width: 20px; height: 20px; text-align: center;">9</td><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px; text-align: center;">3</td><td style="width: 20px; height: 20px; text-align: center;">1</td></tr><tr><td style="width: 20px; height: 20px; text-align: center;">3</td><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px; text-align: center;">6</td><td style="width: 20px; height: 20px; text-align: center;">1</td><td style="width: 20px; height: 20px; text-align: center;">4</td><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px; text-align: center;">0</td></tr></table>	3	0	6	1	3	2	0	2	3	0	9	9	0	3	1	3	0	6	1	4	0	0	<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 100%; text-align: center;">FROZEN SHRIMP</td></tr><tr><td style="width: 100%; text-align: center;">PRAWN FEED</td></tr><tr><td style="width: 100%; text-align: center;">S.S. CRAB</td></tr></table>	FROZEN SHRIMP	PRAWN FEED	S.S. CRAB
3	0	6	1	3	2	0																				
2	3	0	9	9	0	3	1																			
3	0	6	1	4	0	0																				
FROZEN SHRIMP																										
PRAWN FEED																										
S.S. CRAB																										



### THE WATERBASE LIMITED

Regd. Office : Ananthapuram Village, Nellore - 524 344

#### Attendance Slip

Please complete this Attendance Slip and hand it over at the entrance of the meeting hall. I hereby record my presence at the 22nd Annual General Meeting of the Company held on Tuesday, September 8, 2009 at 11:30 a.m. at Ananthapuram Village, Nellore - 524 344

Folio No.
DP ID
Client ID
No. of Shares

.....  
SIGNATURE OF THE MEMBER OR PROXY

NAME OF THE MEMBER :

NAME OF THE PROXY :

*Note : Shareholder/Proxy attending the meeting is requested to hand over the Attendance Slip duly completed at the entrance of the meeting hall*

.....X.....



### THE WATERBASE LIMITED

Regd. Office : Ananthapuram Village, Nellore - 524 344

#### PROXY FORM

I/We.....  
 Of ..... in the district of .....  
 being a member/members of The Waterbase Limited, hereby appoint.....  
 .....of .....  
 or failing him / her .....of..... in  
 the district of .....as my/our Proxy  
 to attend and vote for me/us on my/our behalf at the 22nd Annual General Meeting of the Company to be held on  
 Tuesday, September 8,2009 at 11.30 a.m. at Ananthapuram Village, Nellore - 524 344 and at any adjournment  
 thereof.

Signed this..... day of ..... 2009.

Folio No.
DP ID
Client ID
No. of Shares

SIGNATURE.....

Affix Re. 1.00 Revenue Stamp
---------------------------------------

*Note : This Proxy Form must be deposited at the Registered Office of the Company at Ananthapuram Village, Nellore - 524 344, not less than 48 hours before the commencement of the meeting.*

## Book Post

To

If Undelivered, please return to :



**THE WATERBASE LIMITED**

Post Box No. 4902

No. 22, Sadasivam Street (Off. Lloyds Road)

Gopalapuram, Chennai - 600 086.