

# **THE WATERBASE LTD**

**25<sup>th</sup>**

**ANNUAL REPORT**

**2011 - 2012**

*"On the 25th Annual Meeting of the Company*

*The Board of Directors,*

*Sincerely Thank*

*All Our Investors, Bankers, Customers and Employees"*



# **THE WATERBASE LIMITED**

*25th Annual Report 2011 - 2012*

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# — THE WATERBASE LIMITED —



## *25th Annual Report 2011 - 2012*

### **BOARD OF DIRECTORS**

Mr. VIKRAM M THAPAR, Chairman  
Mr. ANIL KUMAR BHANDARI  
Mrs. JYOTI THAPAR  
Mr. ADARSH SARAN  
Lt. Gen. DEEPAK SUMMANWAR (Retd.)  
Mr. NAKUL KAMANI  
Ms. AYESHA THAPAR  
Mr. RANJIT MEHTA

### **CHIEF EXECUTIVE**

Mr. ASHOK NANJAPA

### **COMPANY SECRETARY**

Ms. SUGUNA KRISHNAMURTHY

### **AUDITORS**

MITRA KUNDU & BASU  
CHARTERED ACCOUNTANTS  
No.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**

CAMEO CORPORATE SERVICES LTD.  
SUBRAMANIAN BUILDING  
No.1, CLUB HOUSE ROAD  
CHENNAI - 600 002

### **LISTING IN STOCK EXCHANGE**

THE BOMBAY STOCK EXCHANGE LTD., 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 fifth Annual General Meeting of the Company will be held on Friday, September 28th, 2012 at 12.15 p.m. at the Registered Office of the Company at Ananthapuram Village, TPGudur Mandal, Nellore - 524 344 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012 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. Jyoti Thapar who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr. Adarsh Saran who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Lt. Gen. Deepak Summanwar who retires by rotation and being eligible, offers himself for re-appointment.
5. 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 a remuneration to be fixed by the Board of Directors of the Company.

Registered Office:  
Ananthapuram Village,  
Nellore 524 344.

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

New Delhi, July 25, 2012

**Vikram M Thapar**  
Chairman

### 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. 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.**
2. The Register of Members and Share Transfer Book of the Company will remain closed from Friday September 21, 2012 to Friday September 28, 2012 (both days inclusive).
3. Members are requested to keep the Company informed of any change in their mailing address.



## DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twenty Fifth Annual Report with the Audited Accounts for the financial year ended 31st March, 2012.

₹ Lakhs

Particulars	Current Year	Previous Year
Gross Sales / Services	10347.19	4678.10
Profit before Interest Depreciation, Tax and Exceptional Item	1113.48	489.21

### OPERATIONS

During the year under review the gross revenue from sales and services of the company increased to ₹ 10347.19 Lakhs compared to ₹ 4678.10 Lakhs in the previous year, registering an impressive growth of 121%.

The company recorded an after tax profit of ₹ 563.42 Lakhs in the current year compared to ₹ 68.77 Lakhs in the previous year.

The decision of the Government of India to allow farming of Vannamei shrimp species into India has resulted in a turnaround of the Industry.

The initial hesitance from the farmers to change to Vannamei farming has given way to more and more farmers switching over to Vannamei farming thus increasing the water spread area resulting in increased demand for Shrimp feed.

The International demand was also good over the last year and the rupee dollar movement also contributed to improved realization for Exports.

The above factors resulted in increased demand for Shrimp feed and this is reflected in the performance of the company.

The Director have taken note of the Auditor's Report and the Annexure to the Auditor's Report.

### SHARE CAPITAL

As approved by the share holders in the last Annual General Meeting of the Company, a preferential allotment of 10,00,000 (Ten Lakh) equity shares of ₹ 10/- each was made to M/s. Towerbase Services Pvt. Ltd. in January 2012, by conversion of part of the loan advanced by them.

Regarding the Rights Issue of equity shares approved by share holders in the last Annual General Meeting, the Company is in the process of obtaining SEBI's approval for the Letter of Offer pertaining to the Rights issue.

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

Information pursuant to section 217 (1) (c) of the companies Act 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in 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. Jyoti Thapar, Mr. Adarsh Saran and Lt. Gen. Deepak Summanwar, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.



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## **DIRECTOR'S RESPONSIBILITY STATEMENT**

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

- (1) In the preparation of the Annual Accounts for the financial year ended March, 31, 2012, 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 profit 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 safe guarding 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 Auditors certificate regarding compliance of conditions of corporate governance under clause 49 of the listing agreement forms part of the Annual Report.

Management discussion and analysis as prescribed by the listing agreement for the year under review also forms part of this Annual Report.

## **AUDITORS**

The Auditors M/s Mitra Kundu & Basu, Charetered 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 25, 2012

**Vikram M Thapar**  
*Chairman*



## ANNEXURE TO THE DIRECTORS' 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

<b>I Power and Fuel Consumption (During the period of Manufacture)</b>		<b>2011-12</b>	<b>2010-11</b>
<b>1. Electricity</b>			
a) Purchased: - Units(Kwh)		<b>5297550</b>	3686410
- Total Amount - ₹		<b>23550800</b>	16310975
- Rate / Unit		<b>4.45</b>	4.42
b) Own Generation:			
i) Through Diesel Generator: - Units(Kwh)		<b>90514</b>	41210
- Total Amount - ₹		<b>1415511</b>	711336
- Rate / Unit		<b>15.64</b>	17.26
ii) Through Steam Turbine/Generator		<b>NA</b>	NA
<b>2. Coal (Quality and where used)</b>		<b>NA</b>	NA
<b>3. Furnace Oil- Quality (K.Lts)</b>		<b>200.189</b>	123.558
- Total Amount - ₹		<b>7316908</b>	3674615
- Average Rate - ₹		<b>36.55</b>	29.74
<b>4. Other / Internal Generation</b>		<b>NA</b>	NA
<b>Consumption per unit of production</b>			
Electricity (Unit / MT)		<b>239.54</b>	279.53
Furnace Oil (Litres / MT)		<b>8.90</b>	11.45

#### FORM B

### II TECHNOLOGY ABSORPTION

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

Your Company envisages R&D as a backbone for its Feed Quality Development. The company interacts with International Experts in Shrimp Feed Nutrition, water quality management and Development of specialised Feed Ingredients.

The company works closely with scientific Institutes who are involved in Aqua Feed Nutrition Research.

#### B Technology Absorption, Adaptation and Innovation

The company is continuing its Research work in implementing alternate Indigenous Raw Material in its Feed Manufacture. The company is engaged in finding animal protein substitutes and Feed conversion improvement trials. Company's R&D unit is conducting various trials on Shrimp culture related matters. The department is also working on alternate Feed ingredients and also digestibility studies.

### III FOREIGN EXCHANGE EARNINGS AND OUTGO

	<b>2011-12</b>	<b>2010-11</b>
	₹ in Lakhs	
- Earnings	<b>460.16</b>	126.49
- Outgo	<b>286.27</b>	117.72

For and on behalf of the Board

**Vikram M Thapar**  
Chairman

New Delhi, July 25, 2012



## CORPORATE GOVERNANCE REPORT

### 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 strength of the Board is eight Directors out of which four are independent Directors. The Company has a Non-executive Chairman. All the Directors are Non-executive Directors. Except for 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, Board Meetings were held on the following dates, May 9, 2011, July 18, 2011, July 22, 2011, September 27, 2011, November 4, 2011 and February 7, 2012. The gap between two meetings did not exceed four months. The necessary quorum was present for all meetings.
- c) **Attendance of the Directors at the Board Meetings/ the last Annual General Meeting**

Name of the Director	Category / Relationship with other Directors	Attendance Particulars		No. of Directorships and Committee positions in other Public Companies*		
		Board Meeting	Last AGM	No. of Directorships	Member	Chairman
Mr. Vikram M Thapar, Chairman	Non-Executive Promoter	6	Yes	5	Nil	2
Mrs. Jyoti Thapar	Non-Executive Promoter / Wife of Mr. Vikram M. Thapar	3	No	1	Nil	1
Mr. Anil Kumar Bhandari	Non-Executive Independent	4	No	2	Nil	Nil
Mr. Adarsh Saran	Non-Executive Promoter / brother in law of Mr. Vikram M Thapar	2	No	2	Nil	Nil
Lt. Gen. Deepak Summanwar	Non-Executive Independent	5	No	2	1	1
Mr. Nakul Kamani	Non-Executive Independent	3	No	Nil	Nil	Nil
Ms. Ayesha Thapar	Non-Executive Promoter / Daughter of Mr. Vikram M. Thapar & Mrs. Jyoti Thapar	3	No	1	Nil	Nil
Mr. Ranjit Mehta	Non-Executive Promoter	6	Yes	Nil	Nil	Nil

\*does not include directorships of private limited companies.

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.

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## AUDIT COMMITTEE:

### a) Composition, Number 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
Lt. Gen. Deepak Summanwar	Non-Executive, Independent	4
Mr. Nakul Kamani	Non-Executive, Independent	3
Mr. Ranjit Mehta (effective July 22, 2011)	Non-Executive, Independent	2

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 met four times on the following dates : May 9, 2011, July 18, 2011, November 4, 2011, and February 7, 2012.

### c) 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:

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

### Remuneration Committee

The Remuneration Committee consists of Mr. Anil Kumar Bhandari-Chairman, Lt. Gen. Deepak Summanwar, Mr. Nakul Kamani and Mr. Ranjit Mehta (effective May 9, 2011). 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. The Remuneration Committee met once on May 9, 2011 in which all members were present.

During the year, the Company received approval from Central Government for reappointment of Mr. Ashok Nanjapa as Manager for a period of three years.

### Investor /Shareholders Grievance Committee and Share transfer Committee

The Committee comprises of two non executive directors Mr. Anil Kumar Bhandari as the Chairman, and Lt. Gen. Deepak Summanwar. Ms. Suguna Krishnamurthy, Company Secretary is the Compliance Officer of the Company. The Committee met four times during the year on May 9, 2011, July 18, 2011, November 4, 2011, and February 7, 2012 and all members were present.

The Committee reviews and administers transfer/transmission of shares, sub-division and consolidation of shares, remat of shares, approves issue of duplicate shares and monitors redressal of investor complaints. 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. During the year, the Company received 61 cases of share transfer / Transmission / Transposition, out of which 57 cases were transferred / transmitted and 4 cases were rejected on account of technical reasons. As on March 31, 2012 no case was pending for transfer. During the year, 20 queries /complaints were received, 4 pertaining to change of address, 6 for non receipt of annual reports and 10 for other matters. All the queries/complaints were duly attended and resolved to the satisfaction of the investors.

In compliance with the Listing / SEBI guidelines:

- a) a practising Company Secretary audits the system of shares that are de-materialised and 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	Special resolutions passed
2009-10	08.09.2009	11.30 a.m.	Regd. office at Ananthapuram Village, Nellore.	NIL
2010-11	27.09.2010	11.30 a.m	-do-	1) Re-classification of share capital 2) Alteration of Memorandum of Association 3) Alteration of Articles of Association
2011-12	02.09.2011	12.15 p.m.	-do-	1) Re-classification of share capital 2) Alteration of Memorandum of Association 3) Alteration of Articles of Association 4) Re-appointment of Manager and payment of remuneration 5) Approval for preferential issue of equity shares. 6) Approval for Rights issue of equity shares.

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

#### Committee for Preferential and Rights issue of equity shares

The Board constituted a Committee for issue of Preferential and Rights equity shares, at its meeting dated September 27, 2011 pursuant to Article 113 of Articles of Association. The members of the Committee are Mr. Anil Kumar Bhandari, Lt. Gen. Deepak Summanwar, and Mr. Ranjit Mehta. The terms of reference of the Committee are as follows:

- a) To appoint Merchant bankers, Registrars, Solicitors, Bankers and all other agencies who would be required in order to comply with the requirements of the issue of rights equity shares.
- b) To finalize and approve the letter of offer for the rights issue.
- c) To deal with all matters related to the issue and allotment of preferential equity shares and the rights shares in consultation with the Bombay Stock Exchange and SEBI including issue of share certificates in accordance with the relevant rules.
- d) To take such steps and do all such acts, deeds, matters and things and accept all alterations and modifications as may be deemed fit and proper and give directions as may be necessary to settle any questions or any matters that may arise in regard to the issue and allotment of the said equity shares including the power to allot unsubscribed equity shares, if any, in such manner as may be most beneficial to the company”.

The Committee met twice during the year on November 4, 2011 and February 7, 2012.

**PARTICULARS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT AS REQUIRED UNDER CLAUSE 49 (VI) A OF THE LISTING AGREEMENT**

Name	Mrs. Jyoti Thapar	Mr. Adarsh Saran	Lt. Gen. Deepak Summanwar
Date of birth & Age	12.11.1957 / 55 years	09.12.1938 / 74 years	14.3.1947 / 65 years
Appointed on	27.07.1989	28.10.2002	28.01.2008
Qualification	I.S.C.	B.Sc., (Engg.) (U.K.) FIE	M.Phil., M.B.A., (Fin.) PGDBM (Marketg)Vrije Univ. Belgium, Independent Directors Course (Assocham)
Experience	23 years	50 years	42 years
Directorship held in other Companies	1. Gourmet Delhicatessens Ltd. 2. Towerbase Services Pvt. Ltd.	1. Indian City Properties Ltd. 2. Western Haryana Roadways Projects (P) Ltd. 3. Thapar Infra Constructions Ltd.	1. Peninsula Land Ltd. 2. Great Offshore Ltd. 3. Professional Investigation and Consulting Agency Inc.
Membership/ Chairmanship of Committees across public companies	Nil	Nil	Chairman of the Share Grievance Committee of Great Offshore Ltd.
No of shares held in Company	73,500	13,800	Nil

**Disclosures:**

- a) Materially significant related party transactions entered into by the Company with its Promoters, Directors or Management, or relatives etc that may have potential conflict with the interest of the Company**

Details of transactions between the Company and related parties as per Accounting Standard 18 is set out on page 32 of the Annual report.

- b) Compliances by the Company**

There has been no case of non compliance by the Company, or any 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.

- c) Board disclosure – Risk management**

During its periodic review of operations of the Company, the Board discusses the possible risks that need to be considered and the steps to be taken for managing the same.

- d) Compliance with mandatory requirements**

i) The Company has complied with all mandatory requirements of code of Corporate Governance stipulated Under Clause 49 of Listing Agreements with the Bombay Stock Exchange. The Company has also complied with the requirements of amended Clause 49 after it came into force.

**e) Compliance with Non-mandatory requirements**

- i) There is no reimbursement of expenses to the office of the Non-Executive Chairman of the Company for the maintenance of his office.
- ii) The statutory financial statements of the Company are not qualified.
- iii) The Company does not have a formal Whistle Blower policy. However access to Audit Committee is available to every employee.
- iv) Preparation of financial statements are on the basis of generally accepted accounting principles and policies and the mandatory accounting standards announced by the Institute of Chartered Accountants of India.

**f) Declaration of Compliance with the code of Conduct**

All the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as approved and adopted by the Board of Directors. The said Code of Conduct has also been posted on the website of the Company. A declaration signed by the Manager & Chief Executive is given below:

"It is hereby declared that the Company has obtained confirmation from all members of the Board and the senior management of the Company that they have complied with the Code of Conduct of the Company for the financial year 2011-12."

**Means of Communication:**

The quarterly, half yearly and the annual results of the Company are sent to the Stock exchange immediately after the Board's approval, first by fax and then by courier immediately after the Board approves the same. The results are also published in the Newspapers "Surya", and "News Today".

**General Shareholders information:**

<b>(i) The Twenty Fifth Annual General Meeting</b>	<b>(ii) Tentative Financial Calender for Financial year 2012-13</b>
<b>Venue</b> : Registered Office at Ananthapuram Village, Nellore – 524 344.	Publication of results for quarter ending June 30, 2012 - July 26, 2012
<b>Date</b> : Friday, September 28, 2012	Publication of results for quarter / half year ending Sep 30, 2012-in Oct 2012
<b>Time</b> : 12.15 p.m.	Publication of results for quarter/nine month ending Dec 31, 2012-in Jan 2013
	Publication of Audited results for 2012-13 -in May 2013

**Book Closure:**

The Register of Members & Share Transfer Books of the Company shall remain closed from Friday September 21, 2012 to Friday, September 28, 2012 (both days inclusive).

**Listing on Stock Exchanges:**

At present the Company is listed with the Bombay Stock Exchange. The Annual Listing fee to the Bombay Stock Exchange, and custodial Fees to NSDL /CDSL have been paid. The BSE Stock Code of the Company is 523660.

**Registrars and Share Transfer Agent:**

M/s. Cameo Corporate Services Ltd. (Cameo) are the Registrars and Share Transfer Agent (RTA) of the Company.

**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 Cameo Ltd. As on 31/3/2012, 73.96% of our paid up share capital has been dematerialized as against 47.59% in the previous year. The ISIN Number of the Company is INE054C01015.

**CATEGORIES OF EQUITY SHARE HOLDING AS ON MARCH 31, 2012**

<b>CATEGORY:</b>	<b>No. of Equity Shares</b>	<b>% of Shareholding</b>
<b>A. Promoters holdings</b>		
Indian Promoters/Persons acting in concert	8,238,112	32.02
<b>B. Non Promoters holdings:</b>		
Mutual Funds and UTI	7,000	0.03
Financial Institutions and Banks	434	0.00
Foreign Institutional Investor	1,600	0.01
Private Corporate Bodies	2,892,295	11.23
Indian Public	9,471,308	36.80
NRIs / OCBs	5,124,751	19.91
<b>Total</b>	<b>25,735,500</b>	<b>100.00</b>

**DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2012**

<b>No of shares</b>	<b>No of Share Holders</b>	<b>% of Holders</b>	<b>No of Shares</b>	<b>% to Total Shares</b>
1-5000	19801	98.65%	5,484,879	21.31%
5001-10000	141	0.70%	1,066,148	4.14%
10001-20000	56	0.28%	805,522	3.13%
20001-30000	21	0.10%	548,350	2.13%
30001-40000	6	0.03%	204,943	0.80%
40001-50000	12	0.06%	563,590	2.19%
50001-100000	11	0.05%	688,051	2.67%
100001 & above	23	0.11%	16,374,017	63.62%
<b>TOTAL</b>	<b>20071</b>	<b>100.00%</b>	<b>25,735,500</b>	<b>100.00%</b>

**MARKET PRICE DATA : ( in ₹ )**

<b>Month</b>	<b>High</b>	<b>Low</b>	<b>Month</b>	<b>High</b>	<b>Low</b>
April 11	7.74	4.14	October 11	20.48	10.06
May 11	6.30	5.33	November 11	23.60	11.40
June 11	6.30	5.33	December 11	20.94	14.60
July 11	9.92	5.15	January 12	18.65	12.80
August 11	8.95	7.04	February 12	15.84	10.85
September 11	12.29	8.66	March 12	15.19	10.59

**PLANT LOCATION:**

The Company's Factory is located at Ananthapuram Village, T.P. Gudur Mandal, Nellore – 524 344.

**ADDRESS FOR CORRESPONDENCE:**

<b>Registrars and Share Transfer Agents</b>	<b>Compliance Officer</b>
Cameo Corporate Services Ltd Subramanian Building 1, Club House Road, Chennai 600 002. Ph: 044-28460390 Email id – investor@cameoindia.com	The Company Secretary The Waterbase Ltd 22, Sadasivam Street, Gopalapuram, Chennai 600 086. Ph: 044-28113682 / 28112762 Email id : waterbasechennai@gmail.com



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**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 31 March 2012 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 the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements 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 the Management, we certify that the Company has complied with the conditions on Corporate Governance as stipulated in the above mentioned Listing Agreement.

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*  
*Firm Regn. No. 302061E*

**SIBAJI DAS**  
*Partner*  
*Membership No. 051391*

New Delhi, July 25, 2012



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## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Structure and Trends

The global economy continued to face challenges on the road to recovery.

The global economy suffered a major setback due to continuing debt crisis in the euro area countries and slower growth in advanced economies.

The Indian economy slowed down in the financial year and had the lowest annual growth at 6.5%.

In spite of this it is heartening to note that India's exports registered a growth of 21%. Among the sectors which contributed to this growth is the Marine Products which registered a growth of 31.4% (US 3.4 billion).

The two factors which contributed to this growth in the Marine Industry were farmers overcoming the initial hesitation to switch over to Vannamei shrimp species and the depreciation of the Rupee. During the financial year substantial area was brought under Vannamei shrimp culture.

The conversion to Vannamei has resulted in a higher demand for shrimp feed.

### Threats / Risks and concerns

As per the latest IMF release of World economic outlook the global economy is projected to record a lower/slower growth in the coming financial year (FY 12-13).

This is due to weak recovery in advanced economies and recession in euro economies.

Internally the monsoon failure could contribute to slower growth in the Indian economy.

The monsoon failure has affected several parts of India.

This would severely affect the power situation which is a major input for Vannamei farming resulting in reduced stocking density and water spread area.

Steep increase in prices of commodities and all inputs could deter growth of the Industry, hence affecting the projected growth of the Company's feed business.

Increased competition from existing feed mills and new entrants could affect the net margins.

### Performance

During the current year, shrimp feed sales of the company, in terms of Quantity, achieved an increase of 110 % over the previous year.

### Outlook

The gradual change by farmers to Vannamei farming would increase the demand for shrimp feed .

It is expected that Gujarat, Maharashtra, Tamil Nadu and Orissa would gradually convert to Vannamei farming which would result in increased demand of Shrimp Feed.



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## **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 and spares and to ensure that the assets are safeguarded and accounted for. The internal control is supplemented by an extensive program of internal audits, review by management, policies, and procedures.

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

## **Financial Performance**

For the year the company recorded:

- Net revenues at ₹ 10,413.21 lakhs
- Profit before Tax at ₹ 683.17 lakhs
- Profit after Tax is ₹ 563.42 lakhs

## **Preferential issue of Equity Shares by conversion of loan**

In the last Annual General Meeting the shareholders of the Company approved conversion of ₹ 1 crore being part of the loan dues to M/s Towerbase Services Pvt. Ltd. into 10 lakhs equity shares Rs.10 each by a preferential issue with a Lock-in for a period of three years from the date of allotment. The in-principle approval from Bombay Stock Exchange was received on 10<sup>th</sup> January, 2012 and the shares were allotted to M/s Towerbase Services Pvt. Ltd. on 18<sup>th</sup> January, 2012. The listing approval was received on 26<sup>th</sup> March 2012 and the trading approval on 8<sup>th</sup> May 2012.

## **Rights Issue**

As approved by the Shareholders' in the last Annual General Meeting the Company has submitted to Bombay stock Exchange and SEBI the required data for the Rights Issue.

The issue would be taken forward on receipt of approval from SEBI. The issue contemplates one equity share for every two shares and the size of the issue would be ₹ 128,677,500.

## **Special Obligation**

The company has a technical team who continuously offer services to the farmers free of cost.

## **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 accompanying financial statements of The Waterbase Limited which comprise the Balance Sheet as at 31<sup>st</sup> March, 2012, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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 from 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 management, as well as evaluating the overall financial statement presentation. In making those assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design the audit procedures that are appropriate in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of Balance Sheet, of the state of affairs of the Company as at 31 March, 2012;
- (ii) in the case of the Statement of Profit and Loss, of the profit 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.

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) Amendment Order, 2004 issued by the Central Government of India in terms of sub-sec(4A) of Sec 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.

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

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account, as required by law, have been kept by the Company so far as appears from our examination of those books;
- (iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss, Cash Flow Statement comply with the Accounting Standards referred to sub-section (3C) of section 211 of the Companies Act, 1956; and
- (v) On the basis of written representations received from the directors as on 31st. March, 2012, and taken on record by the Board of Directors, none of the directors are disqualified as on 31st. March, 2012, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **MITRA KUNDU & BASU**  
*Chartered Accountants*  
*Firm Regn. No. 302061E*

**SIBAJI DAS**  
*Partner*  
*Membership No. 051391*

Chennai, May 30, 2012

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

Referred to our report to the members of The Waterbase Limited for the year ended 31 March, 2012.

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
2. The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. Accordingly certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.
3. During the year, the Company has not disposed off any substantial part of the fixed assets
4. The inventory of the Company has been physically verified by the management at reasonable intervals during the year.
5. The procedure of physical verification appears to be reasonable and adequate in relation to the size of the Company and nature of its business, on the basis of information and explanation received by us.
6. On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
7. The Company has not granted any loan, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently, clause (iii) (b); (c) & (d) of paragraph 4 of the order are not applicable.  
In respect of loans secured or unsecured taken by the Company from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, according to the information and explanations given to us:
  - a) The Company has taken loan of ₹ 780 lakhs as covered in the register maintained under section 301 of the Companies Act, 1956. At the year end, the outstanding balance of such loan is ₹ 680 lakhs and the maximum amount outstanding during the year is ₹ 780 lakhs.
  - b) The rate of interest and other terms and conditions of such loan are prima-facie not prejudicial to the interest of the Company.
  - c) The principal amount is not due for repayment and the unpaid interest to the tune of ₹ 143.62 lakhs is proposed for conversion through Rights Issue.
8. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase 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 weakness in the aforesaid internal control system.
9.
  - a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act, have been entered in the register required to be maintained under that section.
  - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained u/s 301 of the Act and exceeding the value of ₹ 5 lakhs, the transactions have been made on prices which are prima-facie reasonable having regard to the prevailing market prices at the relevant time.
10. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public under section 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder.
11. The internal audit of the company is being carried out by the departmental staff which in our opinion is commensurate with the size and nature of its business.

12. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 and are of opinion that prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
13. According to the records of the Company, the Company is regular in depositing with appropriate authorities the undisputed statutory dues including Provident Fund; Income Tax; Sales Tax etc. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding, as at 31 March, 2012 for a period of more than six months from the date they became payable.
14. According to information and explanations given to us, there are no disputed dues of sales tax, income-tax, customs duty/wealth-tax, excise duty/cess which have not been deposited except, Import Duty of ₹ 535.36 lakhs levied by Custom Authority against import of raw materials, which is under appeal by the department in the High Court of Madras.
15. The Company has not incurred any cash loss during the year and in the immediately preceding financial year. The accumulated loss has been set off and there is no loss at the end of the year.
16. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders except, a working capital loan of ₹ 939.85 lakhs from Canara Bank which is under dispute / litigation.
17. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
18. Since the Company is not a chit fund / Nidhi / Mutual Benefit Fund / Society, the relative reporting requirements are not applicable.
19. Since the Company is not dealing or trading in shares, securities, debentures or other investments, the relative reporting requirements are not applicable.
20. The Company has not given any guarantee for loans taken by others from bank or financial institutions.
21. According to the information and explanations given to us and as per available records, the Company has availed a fresh term loan from banks and the said fund was utilized for the purposes for which the loan has taken.
22. According to the information and explanations given to us and as per the verification of the records of the Company, on an overall basis, the Company has not utilized short term funds for long term purposes.
23. The Company has made a preferential allotment of 10,00,000 Equity shares of ₹ 10/- each to M/s. Towerbase Services Pvt. Ltd., a Company covered in the Registrar maintained under section 301 of the Act. According to the information and explanations and available records we are of the opinion that the prices at which shares have been issued is not prejudicial to the interest of the Company.
24. During the period covered by our audit report, the Company has not issued debentures
25. During the period covered by our audit report, the Company has not raised money by public issues.
26. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **MITRA KUNDU & BASU**  
*Chartered Accountants*  
*Firm Regn. No. 302061E*

**SIBAJI DAS**  
*Partner*

*Membership No. 051391*

Chennai, May 30, 2012



## BALANCE SHEET AS AT 31st MARCH 2012

PARTICULARS	Note	31st MARCH 2012 ₹	31st MARCH 2011 ₹
<b>I. SHARE HOLDERS FUNDS</b>			
Share Capital	2	257,355,000	247,355,000
Reserves and Surplus	3	285,065,008	228,722,834
<b>NON-CURRENT LIABILITIES :</b>			
Long-term Borrowings	4	104,511,402	108,946,568
Long-term Provisions	5	9,211,375	7,360,209
<b>CURRENT LIABILITIES :</b>			
Short-term Borrowings	6	85,126,672	136,770,284
Trade Payables	7	328,744,671	322,056,612
Other Current Liabilities	8	41,681,264	28,257,787
Short-term Provisions	9	14,345,435	906,791
<b>TOTAL</b>		<b>1,126,040,827</b>	<b>1,080,376,085</b>
<b>II. ASSETS :</b>			
<b>NON-CURRENT ASSETS :</b>			
Fixed Assets			
Tangible Assets	10	156,382,244	161,034,415
Capital work-in-progress	10	4,652,171	5,127,738
Long-term Investments	11	3,770,450	3,770,450
Deferred Tax Assets	12	39,076,345	35,402,167
Long-term Loans and Advances	13	20,147,813	21,025,003
<b>III. CURRENT ASSETS :</b>			
Investments	14	200,000	-
Inventories	15	314,095,401	284,313,565
Trade Receivable	16	344,044,148	323,367,254
Cash and Bank Balance	17	123,641,920	103,369,751
Short-term Loans & Advances	18	112,997,407	124,130,459
Other Current Assets	19	7,032,928	18,774,588
<b>TOTAL</b>		<b>1,126,040,827</b>	<b>1,080,376,085</b>

### Significant Accounting Policies and Notes on Financial Statements

1 to 37

As per our separate report of even date.

For and on behalf of the Board

For **MITRA KUNDU & BASU**  
Chartered Accountants  
Firm Regn. No. 302061E

**Vikram M Thapar**  
Chairman

**Anil Kumar Bhandari**  
Director

**Sibaji Das**  
Partner  
Membership No. 051391

**Ashok Nanjapa**  
Chief Executive

**Suguna Krishnamurthy**  
Company Secretary

Chennai, May 30, 2012



## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2012

PARTICULARS	Note	31st MARCH 2012 ₹	31st MARCH 2011 ₹
<b>I. REVENUE FROM OPERATIONS:</b>			
Revenue from Sale of Products	20	1,020,568,512	458,113,530
Revenue from Services	20	10,660,318	3,687,802
Other operating revenues	20	3,490,077	6,008,610
<b>II. OTHER INCOME:</b>	21	6,602,075	3,694,253
<b>TOTAL INCOME</b>		<b>1,041,320,982</b>	<b>471,504,195</b>
<b>III. EXPENSES:</b>			
Cost of Materials Consumed	22	657,889,417	276,286,130
Change In Inventories of Finished Goods & Work-in-Process	23	33,987,307	(1,623,143)
Employees Benefit Expenses	24	55,657,723	39,973,308
Finance Costs	25	18,237,367	23,840,946
Depreciation and Amortization Expenses	10	24,633,607	23,378,823
Other Expenses	26	182,439,033	107,947,087
<b>TOTAL EXPENSES</b>		<b>972,844,454</b>	<b>469,803,151</b>
<b>IV. Profit before Exceptional Items and Tax:</b>		<b>68,476,528</b>	1,701,044
Exceptional Item -Profit (loss) on Sale of fixed Assets	27	(159,216)	(335,614)
<b>V. Profit/(Loss) before tax</b>		<b>68,317,312</b>	1,365,430
Tax Expense:			
Current Tax		13,335,058	-
Earlier Year's Tax		2,314,259	-
Deferred Tax (Assets)/Liability		(3,674,178)	(5,511,486)
<b>VI. Profit/(Loss) for the period</b>		<b>56,342,173</b>	<b>6,876,916</b>
<b>VII. Earnings per Equity Share:</b>			
Basic		2.19	0.28
Diluted		2.19	0.28

### Significant Accounting Policies and Notes on Financial Statements

1 to 37

As per our separate report of even date.

For and on behalf of the Board

For **MITRA KUNDU & BASU**  
Chartered Accountants  
Firm Regn. No. 302061E

**Vikram M Thapar**  
Chairman

**Anil Kumar Bhandari**  
Director

**Sibaji Das**  
Partner  
Membership No. 051391

**Ashok Nanjapa**  
Chief Executive

**Suguna Krishnamurthy**  
Company Secretary

Chennai, May 30, 2012



**CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2012**

PARTICULARS	2011-12		2010-11	
	₹	₹	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before taxation and extraordinary items		68,476,528		846,551
<b>Adjustment for:</b>				
Depreciation	24,633,607		23,378,823	
Depreciation reserve on deleted Assets	5,375,366		6,741,244	
Profit on sale of Fixed Assets	(159,216)		518,880	
Interest Expenses	8,530,603		18,891,827	
Interest Income	(6,602,075)	31,778,285	(2,670,367)	46,860,407
<b>Operating profit before working capital changes</b>		<b>100,254,813</b>		<b>47,706,958</b>
<b>Adjustments for:</b>				
Inventories (Increase)/Decrease	(29,781,836)		125,421,489	
Trade Receivables (Increase)/Decrease	(20,676,894)		(27,668,987)	
Other Current Assets (Increase)/Decrease	13,231,153		(8,733,840)	
Current Liabilities Increase/(Decrease)	13,423,477		(75,684,816)	
Provisions Increase/(Decrease)	13,438,644	(10,365,456)	2,840,726	16,174,572
<b>Cash generated from operating activities</b>		<b>89,889,357</b>		<b>63,881,530</b>
Taxes paid/provided		11,975,139		(5,511,486)
<b>Net Cash from operating activities</b>		<b>77,914,217</b>		<b>69,393,016</b>
<b>B. Cash flow from investing activities</b>				
Purchase of fixed assets	(14,069,909)		(1,499,433)	
Purchase of investment	-		2,500,000	
Interest received	6,602,075		2,670,367	
<b>Net Cash from/(used in) investing activities</b>		<b>(7,467,834)</b>		<b>3,670,934</b>
<b>C. Cash flows from financing activities</b>				
Proceeds from issuance of share capital	10,000,000		-	
Repayment of long term borrowings	(51,643,612)		(26,863,149)	
Interest paid	(8,530,603)		(18,891,827)	
<b>Net Cash from/(used in) in financing activities</b>		<b>(50,174,215)</b>		<b>(45,754,976)</b>
<b>Net Cash flow during the year (A+B+C)</b>		<b>20,272,169</b>		<b>27,308,974</b>
Cash & Cash equivalents at the beginning of the year		103,369,751		76,060,777
Cash & Cash equivalents at the end of the year		123,641,920		103,369,751
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>		<b>20,272,169</b>		<b>27,308,974</b>

As per our report of even date

For and on behalf of the Board

For **MITRA KUNDU & BASU**  
Chartered Accountants  
Firm Regn. No. 302061E

**Vikram M Thapar**  
Chairman

**Anil Kumar Bhandari**  
Director

**Sibaji Das**  
Partner  
Membership No. 051391

**Ashok Nanjapa**  
Chief Executive

**Suguna Krishnamurthy**  
Company Secretary

Chennai, May 30, 2012

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## NOTES ON FINANCIAL STATEMENTS :

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Accounting Convention:

The financial statements have been prepared to comply in all material respects with the standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provision of the Companies Act, 1956.

The financial statements are prepared under the historical cost convention, in accordance with the generally accepted accounting principles, on an accrual basis, except otherwise stated.

#### 1.2 Use of Estimates:

The preparation of financial statements are based on management estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures relating to contingent liabilities and assets as at the Balance Sheet date and the reported amounts of revenues and expenses during the year. Differences between the actual results and estimation are recognized in the year in which the results are known / materialized.

#### 1.3 Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis except in case of significant uncertainties. Export sales include benefits extended by the Government and domestic sales are net of taxes.

#### 1.4 Fixed Assets:

Fixed Assets are stated at cost of acquisition / revaluation less accumulated depreciation and impairment losses. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Financing cost relating to construction of assets are also included to the extent they relate to the period till such assets are ready to be put to use. Financing cost not relating to construction of assets are charged to the income statements.

#### 1.5 Depreciation:

Depreciation on fixed assets has been provided on straight line method as per the rates prescribed in Schedule XIV of the Companies Act, 1956, as amended.

#### 1.6 Inventories:

Inventories are valued as follows:

(a) Raw Materials, components, stores and spares -

Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis and includes relevant cost of bringing those materials at their present location and condition.



(b) Work-in-Progress and Finished Goods -

Lower of cost and net realizable value. Cost includes direct materials, labour and a portion of manufacturing overheads based on normal operating capacity or actual production whichever is less.

**1.7 Foreign Currency:**

(a) Initial Recognition:

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency, at the date of transaction.

(b) Conversion:

Foreign currency monetary items are reported using the closing rate.

(c) Exchange Differences:

Exchange differences arising on the settlement of monetary items of the Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or expenses in the year in which they arise.

**1.8 Investments:**

Long-term investments are carried at cost less provision, if any for permanent diminution in value of such investments.

**1.9 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 statement of Profit and Loss.

(ii) Liability for defined benefit plans is 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 Statement of Profit and Loss.

**1.10 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 the provisions 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.

**1.11 Impairment of Fixed 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 Statement of Profit & Loss 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.

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**1.12 Borrowing Cost:**

Borrowing cost incurred on construction or acquiring a qualifying asset, which takes a substantial period of time for construction, is capitalized as cost of that asset. All other borrowing cost is recognized as an expense in the period in which they are incurred.

**1.13 Segment Reporting:**

The Company is engaged in the nature of an integrated system of functioning and thus considered to constitute one single primary segment. However, information about secondary segment that is geographical revenue by geographical markets is being recorded.

**1.14 Provision:**

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**1.15 Events Occurring after Balance Sheet Date:**

Material events occurring after the date of balance sheet are recognized and are dealt with appropriately in accordance with generally accepted accounting principles and as provided in Accounting Standard–4 issued by the Institute of Chartered Accountants of India.

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PARTICULARS	31st MARCH 2012		31st MARCH 2011	
	₹		₹	
<b>2 : SHARE CAPITAL</b>				
<b>2.1 Authorised</b>				
15,00,000 Preference Shares, Par Value ₹ 100/- each (15,00,000 Preference Shares, Par Value ₹ 100/- each)		<b>15,00,00,000</b>		15,00,00,000
3,50,00,000 Equity Shares, Par Value ₹ 10/- each (3,50,00,000 Equity Shares, Par Value ₹ 10/- each)		<b>35,00,00,000</b>		35,00,00,000
<b>TOTAL</b>		<b><u>50,00,00,000</u></b>		<b><u>50,00,00,000</u></b>
<b>2.2 Issued, Subscribed and Fully Paid-up</b>				
2,57,35,500 Equity Shares, Par Value ₹ 10/- each (2,47,35,500 Equity Shares, Par Value ₹ 10/- each)		<b>257,355,000</b>		247,355,000
<b>2.3 The reconciliation of the number of shares outstanding and the amount of share capital as at 31.03.2012 and 31.03.2011</b>				
<b>PARTICULARS</b>	<b>No. of Shares</b>	<b>Amount (₹)</b>	<b>No. of Shares</b>	<b>Amount (₹)</b>
Number of shares vis-à-vis amount at the beginning	<b>24,735,500</b>	<b>247,355,000</b>	24,735,500	247,355,000
Add: Shares issued	<b><u>1,000,000</u></b>	<b><u>10,000,000</u></b>	-	-
Number of shares vis-à-vis amount at the end of the year	<b><u>25,735,500</u></b>	<b><u>257,355,000</u></b>	<u>24,735,500</u>	<u>247,355,000</u>
<b>2.4 The Company has issued only one class of shares viz., Equity Shares having a Par Value of ₹ 10. Each holder of equity shares is entitled to one vote per share. In the event of liquidation the equity share holders are eligible to receive the remaining assets of the company in Proportion to their share holding.</b>				
<b>2.5 The details of shareholders holding more than 5 % shares as at 31.03.2012 and 31.03.2011 are given below:</b>				
<b>Name of the Share Holders</b>	<b>No. of Shares</b>	<b>% of Holding</b>	<b>No. of Shares</b>	<b>% of Holding</b>
Karam Chand Thapar & Bros (Coal Sales) Ltd.	<b>5,937,906</b>	<b>23.07</b>	5,937,906	24.01
Indo Oceanic Investments Ltd.	<b>2,475,000</b>	<b>9.62</b>	2,475,000	10.01
J C T Ltd.	<b>1,450,000</b>	<b>5.63</b>	1,450,000	5.86
<b>3 : RESERVE &amp; SURPLUS</b>				
<b>3.1 Securities Premium Account - at the beginning &amp; end of the year</b>				
		<b>117,349,276</b>		117,349,276
<b>3.2 Revaluation Reserve</b>				
Opening Balance		<b>10,844,896</b>		11,036,498
Less : Adjusted on sale of Land		-		(191,602)
<b>Closing Balance</b>		<b><u>10,844,896</u></b>		<b><u>10,844,896</u></b>



PARTICULARS	31st MARCH 2012	31st MARCH 2011
	₹	₹
<b>3.3 General Reserve</b>		
Opening Balance	129,725,859	129,725,859
Closing Balance	<u>129,725,859</u>	<u>129,725,859</u>
<b>3.4 Surplus</b>		
Opening Balance	(29,197,198)	(36,074,114)
<b>Add : Surplus during the year</b>	<b>56,342,173</b>	6,876,916
Closing Balance	<u>27,144,975</u>	<u>(29,197,198)</u>
<b>TOTAL</b>	<b><u>285,065,008</u></b>	<b><u>228,722,834</u></b>
<b>4 : LONG TERM BORROWINGS</b>		
<b>4.1 Term Loan - Secured</b>		
(i) <b>From Banks</b>	<b>2,815,272</b>	-
(Secured by a first charge on the assets of the Company on pari-passu basis with consortium banks except Canara Bank. Repayable within 5 years after a moratorium period of 8 months.		
(ii) <b>From Associates</b>	<b>20,500,000</b>	20,500,000
(Secured by a first mortgage and charge on all immovable assets of the Company both present and future, ranking pari-passu with charge created in favour of Banks repayment schedule not yet finalised)		
(iii) <b>Auto Loan</b>	<b>1,615,686</b>	1,741,372
(secured by hypothecation of the vehicles, repayment in 48/60 equal instalments)		
<b>4.2 Unsecured Loan from Associates</b>		
(Terms of repayment not yet finalised)	<b>47,500,000</b>	4,25,00,000
Interest of ₹ 143,62,259/-due and not paid as it is proposed for Conversion through Rights Issue		
<b>4.3 Deferred Payment Liability - Unsecured</b>		
Deferred Payment of Sales Tax	<b>32,080,444</b>	44,205,196
(Repayable by monthly installments of ₹ 10,00,000/- starting from April, 2012)		
<b>TOTAL</b>	<b><u>104,511,402</u></b>	<b><u>108,946,568</u></b>
<b>5 : LONG-TERM PROVISIONS</b>		
Provision for Employees benefit	<b>9,211,375</b>	7,360,209
<b>6 : SHORT TERM BORROWINGS - SECURED</b>		
Loans repayable on demand - Cash Credit from Banks (Against hypothecation of stocks of movable asset such as, raw materials, work-in-progress, stores & spares and consumables both present future, and a first charge on the fixed assets ranking pari-passu with term loan lenders)	<b>85,126,672</b>	136,770,284


**PARTICULARS**
**31st MARCH 2012**
**31st MARCH 2011**
**₹**
**₹**
**7 : TRADE PAYABLES**

7.1 For Goods	66,914,842	84,359,888
7.2 For Services & Others	112,937,498	138,144,501
7.3 Acceptance	<u>148,892,331</u>	<u>99,552,223</u>
<b>TOTAL</b>	<b><u>328,744,671</u></b>	<b><u>322,056,612</u></b>

**8 : OTHER CURRENT LIABILITIES**

8.1 Current Maturity of long-term debt		
- Auto Loan From Finance Company - Secured	1,022,424	911,166
- Deferred Payment Liability - Unsecured	12,000,000	12,000,000
8.2 Liability Against Statutory Dues	2,147,229	956,023
8.3 Interest Accrued & Due	14,362,259	9,180,000
8.4 Advance from Customers	<u>12,149,352</u>	<u>5,210,598</u>
<b>TOTAL</b>	<b><u>41,681,264</u></b>	<b><u>28,257,787</u></b>

**9 : SHORT TERM PROVISION**

9.1 Provision for Income Tax	13,335,058	-
9.2 Provision for Employees Benefit	1,010,377	906,791
<b>TOTAL</b>	<b><u>14,345,435</u></b>	<b><u>906,791</u></b>

**10 : FIXED ASSETS**
**In Rupees**

FIXED ASSETS - TANGIBLE	LAND	FACTORY BUILDING	PONDS RESERVOIRS	PLANT & MACHINERY	FURNITURE & FIXTURES	VEHICLES	FIXED ASSETS	CAPITAL WORK IN PROGRESS	TOTAL ASSETS 2011-12	TOTAL ASSETS 2010-11
<b>Gross Block - Opening Balance</b>	11,817,500	100,929,295	2,123,983	386,137,972	11,688,868	14,867,239	527,564,857	5,127,738	<b>532,692,595</b>	530,276,137
Additions during the year	-	4,745,254	-	18,543,998	37,710	766,061	24,093,023	34,522,556	<b>58,615,579</b>	11,723,801
	<b>11,817,500</b>	<b>105,674,549</b>	<b>2,123,983</b>	<b>404,681,970</b>	<b>11,726,578</b>	<b>15,633,300</b>	<b>551,657,880</b>	<b>39,650,294</b>	<b>591,308,174</b>	541,999,938
Sales/disposed off during the year	-	-	-	957,416	-	8,590,131	9,547,547	-	<b>9,547,547</b>	9,115,780
Deletion On Revaluation	-	-	-	-	-	-	-	-	-	191,602
Capitalisation	-	-	-	-	-	-	-	34,998,123	<b>34,998,123</b>	-
<b>Gross Block - Closing Balance</b>	<b>11,817,500</b>	<b>105,674,549</b>	<b>2,123,983</b>	<b>403,724,554</b>	<b>11,726,578</b>	<b>7,043,169</b>	<b>542,110,333</b>	<b>4,652,171</b>	<b>546,762,504</b>	532,692,556
Depreciation - Opening Balance	-	48,137,753	277,661	303,403,130	7,744,774	6,906,430	366,469,748	-	<b>366,469,748</b>	349,832,129
For the Year	-	3,017,174	34,621	20,022,348	309,814	1,249,650	24,633,607	-	<b>24,633,607</b>	23,378,823
	-	51,154,927	312,282	323,425,478	8,054,588	8,156,080	391,103,355	-	<b>391,103,355</b>	373,210,952
Less: Adjustment for Disposal	-	-	-	182,495	-	5,192,771	5,375,266	-	<b>5,375,266</b>	-
<b>Depreciation - Closing Balance</b>	<b>-</b>	<b>51,154,927</b>	<b>312,282</b>	<b>323,242,983</b>	<b>8,054,588</b>	<b>2,963,309</b>	<b>385,728,089</b>	<b>-</b>	<b>385,728,089</b>	366,469,708
Net Carrying Amount - Current Year	11,817,500	54,519,622	1,811,701	80,481,571	3,671,990	4,079,860	156,382,244	4,652,171	<b>161,034,415</b>	166,222,848
Net Carrying Amount - Previous Year	11,817,500	52,791,542	1,846,323	82,538,575	3,944,068	8,157,102	161,095,110	5,127,738	166,222,848	181,360,995

Note : During the year 2008 - 2009 the land was revalued by ₹ 106,032,522/- out of which ₹ 94,690,276/-\* was adjusted on sale in that year and after adjustment of subsequent land sale the revaluation reserve balance stands at ₹ 10,844,896/-



PARTICULARS	31st MARCH 2012	31st MARCH 2011
	₹	₹
<b>11 : NON-CURRENT INVESTMENTS IN ASSOCIATES ( AT COST )</b>		
Trade - Unquoted		
(i) Equity Shares in Moana Technologies India Pvt. Ltd. (12704 Equity Shares of ₹ 100/- each fully paid)	1,270,450	1,270,450
(ii) Gourmet Delicatessens Ltd. (2,50,000 Equity Shares of ₹ 10/- each fully paid)	2,500,000	2,500,000
<b>TOTAL</b>	<u>3,770,450</u>	<u>3,770,450</u>
<b>12 : DEFERRED TAX ASSETS (NET)</b>		
12.1 On account of Depreciation on Fixed Assets		
Opening Balance	34,875,630	29,890,680
Add : Current Year's Deferred Tax Liability	3,039,861	4,984,950
	<u>37,915,491</u>	<u>34,875,630</u>
12.2 On account of Provision against Employees Benefits		
Opening Balance	526,537	-
Add : Current Year's Deferred Tax Asset	634,317	526,537
	<u>1,160,854</u>	<u>526,537</u>
<b>TOTAL</b>	<u>39,076,345</u>	<u>35,402,167</u>
<b>13 : LONGTERM LOANS AND ADVANCES - UNSECURED, CONSIDERED GOOD</b>		
Deposits	20,147,813	21,025,003
<b>14 : CURRENT INVESTMENT IN MUTUAL FUND - AT COST</b>		
Union KBC tax Saver Fund 200 units @ ₹ 1000/- each (Market value ₹ 2,24,088/- as on 31-03-2012)	2,00,000	-
<b>15 : INVENTORIES</b>		
(At cost or net realisable value, whichever is lower)		
15.1 Consumable Stores	19,429,451	18,605,139
15.2 Raw Materials	99,075,317	36,130,485
15.3 Process Stock	46,815,057	55,797,984
15.4 Finished Goods	148,775,576	173,779,956
<b>TOTAL</b>	<u>314,095,401</u>	<u>284,313,565</u>
<b>16 : TRADE RECEIVABLES - UNSECURED, CONSIDERED GOOD</b>		
16.1 Outstanding for a period exceeding six months	163,674,012	204,794,331
16.2 Others	180,370,136	118,572,923
<b>TOTAL</b>	<u>344,044,148</u>	<u>323,367,254</u>



PARTICULARS	31st MARCH 2012	31st MARCH 2011
	₹	₹
<b>17 : CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalents</b>		
17.1 Balances with Banks	2,299,623	5,948,970
17.2 Cash in hand	461,859	475,627
17.3 Balance with banks as Margin Money	33,983,874	28,394,781
17.4 Other Bank Deposits	38,896,564	20,550,373
17.5 In No Lien Account with Canara Bank	48,000,000	48,000,000
<b>TOTAL</b>	<b>123,641,920</b>	<b>103,369,751</b>
<b>18 : SHORT-TERM LOANS &amp; ADVANCES</b>		
<b>UNSECURED, CONSIDERED GOOD</b>		
18.1 Advances to Parties	111,954,428	122,360,934
18.2 Advance to Staff	1,042,979	1,769,525
<b>TOTAL</b>	<b>112,997,407</b>	<b>124,130,459</b>
<b>19 : OTHER CURRENT ASSETS</b>		
19.1 Claims Receivable	3,267,416	5,105,827
19.1 Interest Receivable	1,474,431	3,658,914
19.2 Tax Deducted At Source	2,291,081	5,356,340
19.2 Advance FBT	-	4,653,507
<b>TOTAL</b>	<b>7,032,928</b>	<b>18,774,588</b>
<b>20 : REVENUE FROM OPERATIONS</b>		
20.1 <b>Revenue from Sale of Products -</b>		
Export	49,948,691	14,234,112
Domestic	970,619,821	443,879,418
<b>TOTAL</b>	<b>1,020,568,512</b>	<b>458,113,530</b>
Export includes benefits to the extent of ₹ 39,32,677/- ( Previous Year ₹ 16,38,141/-).		
20.2 <b>Revenue from Services</b>		
Processing Charges	10,660,318	3,687,802
20.3 <b>Other Operating Revenues</b>		
Consultancy	647,907	210,734
Scrap Sales	2,122,427	1,255,394
Sea Freight Assistance	125,462	23,665
Anti dumping Duty Refund	579,281	4,518,817
Stores Sales	15,000	-
<b>TOTAL</b>	<b>3,490,077</b>	<b>6,008,610</b>
<b>21 : OTHER INCOME</b>		
21.1 Interest on Deposits	6,602,075	3,694,253



PARTICULARS	31st MARCH 2012	31st MARCH 2011
	₹	₹
<b>22: COST OF MATERIALS CONSUMED</b>		
22.1 Fish Meal	162,947,236	78,459,343
Soya DOC/Soya Flour	182,565,179	76,394,259
Wheat Flour	44,906,528	19,905,797
Other Materials*	258,832,970	93,055,093
22.2 S S Crab/Crab	5,652,397	6,341,303
	<b>SUB TOTAL</b>	
	<u>654,904,310</u>	<u>274,155,795</u>
	2,985,107	2,130,335
22.3 Carriage Inward	<b>TOTAL</b>	
	<u>657,889,417</u>	<u>276,286,130</u>
* Includes individual items of less than 10% of the total and therefore, not considered for the above classification.		
<b>23: CHANGE IN INVENTORIES OF FINISHED GOODS</b>		
23.1 Closing Stock of:		
Finished Goods	148,775,576	173,779,956
Work-in-Process	46,815,057	55,797,984
	<b>TOTAL</b>	
	<u>195,590,633</u>	<u>229,577,940</u>
23.2 Opening Stock of:		
Finished Goods	173,779,956	190,762,051
Work-in-Process	55,797,984	37,192,746
	<b>TOTAL</b>	
	<u>229,577,940</u>	<u>227,954,797</u>
<b>( Increase) / Decrease</b>	<u>33,987,307</u>	<u>(1,623,143)</u>
<b>24: EMPLOYEES BENEFIT EXPENSE</b>		
24.1 Salary & Wages*	43,877,531	34,276,649
24.2 Contribution To Provident Fund, Pension Fund and Other Charges	3,379,809	2,553,758
24.3 Welfare and Other Amenities	8,400,383	3,142,901
	<b>TOTAL</b>	
	<u>55,657,723</u>	<u>39,973,308</u>
* Includes remuneration of key management personnel ₹ 17,98,320/- (Previous Year ₹ 22,40,000/-)		
<b>25: FINANCE COSTS</b>		
25.1 Interest On Cash Credit / Overdraft / Term Loans	12,479,302	18,740,946
25.2 Other Borrowing Cost	5,758,065	5,100,000
	<b>TOTAL</b>	
	<u>18,237,367</u>	<u>23,840,946</u>





PARTICULARS	31st MARCH 2012		31st MARCH 2011	
		₹		₹
<b>26: OTHER EXPENSES</b>				
Processing Charges		8,512,659		5,197,548
Consumable and Stores Consumed		36,170,582		18,989,398
Power & Utilities		24,852,342		17,159,610
Other Manufacturing Expenses		6,275,130		3,777,463
Discount On Sales		64,028,815		30,030,780
Rent		1,958,014		1,926,545
Rates & Taxes		354,839		603,246
Repairs to Building		5,456,893		3,752,009
Repairs to Machinery		283,039		343,977
Repairs Others		1,953,747		1,307,053
Insurance		1,168,860		3,727,180
Freight Outward		1,768,243		1,300,689
Selling Expenses		8,115,507		3,147,254
Legal & Professional Charges		1,597,968		1,246,399
Vehicle Maintenance		5,241,612		4,761,439
Travelling Expenses		6,026,877		4,062,911
Secretarial Expenses		1,464,286		675,802
Consultancy Charges		2,450,630		2,086,976
Business Communication Cost		1,156,129		904,845
Net Loss on Foreign Currency Transaction		585,085		(19,284)
Miscellaneous Expenses*		2,775,973		2,755,124
<b>Auditors' Remuneration:</b>				
Statutory Audit Fees		168,540		137,875
Tax Audit Fees		28,090		27,575
Reimbursement of Expenses		45,173		44,673
	<b>TOTAL</b>	<b>182,439,033</b>		<b>107,947,087</b>
* Includes Sitting Fees of ₹ 2,90,000/- (Previous Year ₹ 2,50,000/-)				
<b>27 : EXCEPTIONAL ITEMS</b>				
27.1 Loss on Sale of Fixed Assets		(159,216)		(854,494)
27.2 Profit on Sale of Fixed Assets		-		518,880
	<b>TOTAL</b>	<b>(159,216)</b>		<b>3,35,614</b>
<b>28 : CONTINGENT LIABILITES AND COMMITMENTS</b>				
(to the extent not provided for )				
<b>28.1 Contingent liabilities</b>				
Claims against Company not acknowledged as debt				
(i) Bank Guarantees		22,215,412		52,689,512
(ii) Overdue Interest claimed by Canara Bank has not been provided as the settlement is under negotiation and hence not quantifiable at this stage.		55,963,886		35,131,622
<b>28.2 Commitments</b>				
Estimated amount of contracts remaining to be executed on capital account and not provided for		18,407,034		-



PARTICULARS	31st MARCH 2012	31st MARCH 2011
	₹	₹
<b>29 : DISCLOSURE REQUIRED IN TERMS OF SEBI GUIDE LINES</b>		
Part of Loan received during the earlier year from M/s. Towerbase Services Pvt. Ltd. has been converted into Equity Shares.	10,000,000	-
<b>30 : FOREIGN CURRENCY INCOME &amp; EXPENDITURE</b>		
30.1 Value of Imports On CIF basis		
a Raw Materials	18,980,452	8,177,404
b Spares	6,307,491	3,716,708
c Capital Goods	7,448,103	-
<b>TOTAL</b>	<b>32,736,046</b>	<b>11,894,112</b>
30.2 <b>Expenditure in Foreign Exchange</b>		
a Travelling Expenses	1,068,168	271,109
b Subscription	52,250	96,652
c Insurance	36,044	-
d Consultancy Services	408,340	-
e Anti dumping Duty	157,104	-
<b>TOTAL</b>	<b>1,721,906</b>	<b>367,761</b>
30.3 <b>Earnings in Foreign Exchange</b>		
a F O B Value of Exports	44,501,706	11,899,074
30.4 <b>Consumption of Imported &amp; Indigenous Materials</b>	<b>2011 - 2012</b>	<b>2010 - 2011</b>
	Value %	Value %
Imported	16,047,134 2.45%	9,550,382 3.48%
Indigenous	638,857,176 97.55%	264,605,413 96.52%
<b>TOTAL</b>	<b>654,904,310 100.00%</b>	<b>274,155,795 100.00%</b>

### 31 : EMPLOYEES BENEFITS

In case of defined contribution plans, the company's contribution are charged since the Company has no further obligation beyond making the contribution. In case of defined benefits plans, the actuarial gain and losses arising on actuarial valuation based on projected unit credit method are charged to statement of Profit & Loss. Consequent upon adopting accounting standard on Employee benefits the following disclosures are made for the defined benefits obligation:



PARTICULARS	31st MARCH 2012		31st MARCH 2011	
	₹		₹	
	<b>Gratuity (Unfunded)</b>	<b>Leave Encashment (Unfunded)</b>	Gratuity (Unfunded)	Leave Encashment (Unfunded)
31.1 Obligation				
Obligation at period beginning	6,604,000	1,663,000	5,221,000	1,459,000
Current service cost	545,000	149,000	516,000	146,000
Interest Cost	462,000	116,000	365,000	102,000
Actuarial gain (+) / loss (-)	719,000	603,000	(448,000)	(723,000)
Benefits Paid	395,000	245,000	950,000	679,000
<b>Obligation at the year end</b>	<b>7,935,000</b>	<b>2,286,000</b>	<b>6,604,000</b>	<b>1,663,000</b>
31.2 Cost for the Year				
Current service cost	545,000	149,000	516,000	146,000
Interest Cost	462,000	116,000	365,000	102,000
Actuarial (gain)/Loss	719,000	603,000	(448,000)	(723,000)
Net Cost recognised in the Statement of Profit & Loss	<b>1,726,000</b>	<b>868,000</b>	<b>433,000</b>	<b>(475,000)</b>
31.3 <b>Assumption used to determine the benefit obligation</b>				
Interest Rate	7.00%	7.00%	7.00%	7.00%
Expected Rate of increase in Salary	4.00%	4.00%	4.00%	4.00%

### 32 : SEGMENT REPORTING

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.

#### Information about secondary segments:

Geographical Revenue by Geographical Market:

(i) Within India	970,619,821	443,879,418
(ii) Outside India	49,948,690	14,234,112

### 33 : RELATED PARTY DISCLOSURE

#### a Key Management Personnel:

(i) The key management person is Mr. Ashok Nanjapa, Chief Executive. Remuneration paid to him including perquisites	1,798,320	2,240,000
(ii) Transaction with relatives of key management personal	Nil	Nil

#### b Associates

(i) Gourmet Delicatessens Ltd.		
Investments in the equity share of above Company	2,500,000	2,500,000
Goods sold	593,295	1,552,203
Outstanding balance	545,186	340,000



PARTICULARS	31st MARCH 2012	31st MARCH 2011
	₹	₹
(ii) Indian City Properties Limited		
- Secured Term-loan	20,500,000	20,500,000
- Maximum amount outstanding during the year	20,500,000	20,500,000
(iii) Towerbase Services Private Ltd.		
- Unsecured loan	47,500,000	42,500,000
- Maximum amount outstanding during the year	57,500,000	42,500,000
<b>34 : EARNING PER SHARE</b>		
a Net Profit available for Equity Shareholders	56,342,173	6,876,916
b Number of Equity Shares	25,735,500	24,735,500
c Basic and diluted earning per share of ₹ 10/-	2.19	0.28
<b>35 :</b> Amount outstanding for more than 30 days payable to small and ancillary undertakings	NIL	NIL
<b>36 :</b> On the basis of available information the suppliers are not registered under Micro, small and Medium Enterprise Development Act, 2006		
<b>37 :</b> Consequent to the notification of revised schedule VI under the Companies Act 1956, the financial statements for the year ended 31st March 2012 are prepared as per the revised schedule VI. Accordingly the previous year figures have also been reclassified to make them comparable with that of the current year to the extent possible.		

As per our report of even date

For and on behalf of the Board

For **MITRA KUNDU & BASU**  
*Chartered Accountants*  
*Firm Regn. No. 302061E*

**Vikram M Thapar**  
*Chairman*

**Anil Kumar Bhandari**  
*Director*

**Sibaji Das**  
*Partner*  
*Membership No. 051391*

**Ashok Nanjapa**  
*Chief Executive*

**Suguna Krishnamurthy**  
*Company Secretary*

Chennai, May 30, 2012



### 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 25th Annual General Meeting of the Company held on Friday, September 28, 2012 at 12.15 p.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*



### 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 25th Annual General Meeting of the Company to be held on

Friday, September 28, 2012 at 12.15 p.m. at Ananthapuram Village, Nellore - 524 344 and at any adjournment

thereof.

Signed this..... day of ..... 2012.

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.**





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## FOR YOUR KIND ATTENTION PLEASE

Dear Shareholder,

Sub: Green Initiative in Corporate Governance

The Ministry of Corporate Affairs has taken a “Green Initiative in Corporate Governance”. Companies can now send various notices and documents, including Annual Report, to its shareholders through electronic mode to the registered e-mail addresses of shareholders.

It is a welcome move as this will reduce paper consumption to a great extent and allow shareholders to contribute towards a greener environment. For this purpose, you are requested to furnish the following details:

Shareholder's Name	
Folio No. *	
DP ID	
Client ID	
E-mail address	
Phone No. (with STD Code) / Mobile No.	
Please convey your preference to receive the above in Electronic Form	YES /NO
Signature of the Shareholder	

\*Applicable for investors holding shares in physical form.

This form duly filled-in and signed may please be sent to the Secretarial Department, The Waterbase Ltd, Post Box No.4902, # 22, Sadasivam Street, Gopalapuram, Chennai – 600 086. The details may also be sent through e-mail to the Company's e-mail address [waterbasechennai@gmail.com](mailto:waterbasechennai@gmail.com)

Thanking You

Yours faithfully

**for THE WATERBASE LTD.**

- Sd -

Company Secretary

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ENERGY SAVED

ENERGY PRODUCED

IS

## Book Post

To

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.....  
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If undelivered, please return to :



**THE WATERBASE LIMITED**

Post Box No. 4902

No. 22, Sadasivam Street (Off Lloyds Road)

Gopalapuram, Chennai - 600 086.