

26th

Annual Report
2012 - 2013

 THE WATERBASE LTD

"On the 26th Annual General Meeting of the Company

The Board of Directors

Sincerely Thank,

All Our Investors, Bankers, Customers and Employees"



THE WATERBASE LIMITED

26th Annual Report 2012 - 2013

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— THE WATERBASE LIMITED —



26th Annual Report 2012 - 2013

BOARD OF DIRECTORS

Mr. VIKRAM M THAPAR, Chairman
Mrs. JYOTI THAPAR
Mr. ANIL KUMAR BHANDARI
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

BSE 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 - 600 108
STATE BANK OF HYDERABAD, INDUSTRIAL FINANCE BRANCH, CHENNAI - 600 001.



NOTICE

NOTICE is hereby given that the 26th Annual General Meeting of the Company will be held on **Monday, July 29, 2013 at 12.15 p.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 March 31, 2013 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 Ms. Ayesha Thapar who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr. Nakul Kamani who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Ranjit Mehta 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 such remuneration as may be decided by the Board of Directors.

Registered Office:
Ananthapuram Village,
Nellore 524 344.

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

Vikram M Thapar
Chairman

New Delhi, May 24, 2013

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 Tuesday, July 23, 2013 to Monday July 29, 2013 (both days inclusive).
3. Members are requested to keep the Company informed of changes in their mailing address.



DIRECTORS' REPORT

Your Directors have pleasure in presenting the twenty sixth Annual Report with the Audited Accounts for the financial year ended 31st March, 2013.

₹ Millions

Particulars	Current Year	Previous Year
Gross Sales / Services	1570.21	1034.72
Profit before Interest Depreciation, Tax and Exceptional Item	126.23	111.35

OPERATIONS

During the year under review the gross revenue from sales and services of the Company increased to ₹ 1570.21 million compared to ₹ 1034.72 million in the previous year, registering an impressive growth of 51.75 %.

The profit before tax expenses is at ₹ 75.85 million in the current year compared to ₹ 68.31 million in the previous year. The profit before interest depreciation, Tax and exceptional item in the current year is ₹ 126.23 million as against ₹ 111.35 million of the previous year.

The Company's profitability was adversely affected due to steep increase in the prices of raw materials and increased cost of power due to excessive use of captive power.

The industry is in a turn around mode and the area under vannamei farming is rapidly increasing, resulting in increased demand for shrimp feed.

We foresee a steady growth in all the sectors of the industry.

RIGHTS ISSUE

SEBI has given its approval to the Rights Issue which was approved by the shareholders in the Annual General Meeting held on Friday, 2nd September, 2011 in the proportion of one equity share for every two shares held by the equity shareholders.

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 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 (2 A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

DIRECTORS

Ms. Ayesha Thapar, Mr. Nakul Kamani and Mr. Ranjit Mehta, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.



DIRECTORS' RESPONSIBILITY STATEMENT

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

- (1) In the preparation of the Annual Accounts for the financial year ended March 31, 2013 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.

AUDITORS

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

COST AUDIT

Pursuant to section 233(B)(2) of the Companies Act, 1956, the Board of Directors have appointed J.P&Co., Cost Accountants as Cost Auditor of the Company for the Financial Year ended 31st March, 2013.

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 service rendered by the employees of the Company.

For and on behalf of the Board of Directors

New Delhi, May 24, 2013

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

I Power and Fuel Consumption (During the period of Manufacture)		2012-13	2011-12
1. Electricity			
a) Purchased: - Units(Kwh)		5718750	5297550
- Total Amount - ₹		32509671	23550800
- Rate / Unit - ₹		5.68	4.45
b) Own Generation:			
i) Through Diesel Generator: - Units(Kwh)		963601	90514
- Total Amount - ₹		14624255	1415511
- Rate / Unit - ₹		15.18	15.64
ii) Through Steam Turbine/Generator		NA	NA
2. Coal (Quality and where used)		NA	NA
3. Furnace Oil- Quality (K.Lts)		273.630	200.189
- Total Amount - ₹		12382458	7316908
- Average Rate - ₹		45.25	36.55
4. Other / Internal Generation		NA	NA
Consumption per unit of production			
Electricity (Unit / MT)		205.14	239.54
Furnace Oil (Litres / MT)		8.40	8.90

FORM B

II TECHNOLOGY ABSORPTION

A Research and Development (R & D)

Your Company envisages R & D as a backbone in developing quality feeds to meet with market requirements.

The Company is constantly focusing to develop alternative raw materials in order to provide environmentally safe and affordable feed to the farmers.

The Company works closely with international nutritionists and renowned research institutes in order to develop the best feed formulations.

B Technology Absorption, Adaptation and Innovation

The Company is constantly engaged in finding alternatives to animal proteins which would reduce the reliance on scarce animal proteins. There is a constant effort being made to reduce the cost of feed inputs while improving its productivity.

III FOREIGN EXCHANGE EARNINGS AND OUTGO

	2012-13	2011-12
	₹ in Lakhs	
- Earnings	84.47	460.16
- Outgo	722.57	286.27

For and on behalf of the Board

New Delhi, May 24, 2013

Vikram M Thapar
Chairman

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. There has been no change in the constitution of the Board during the previous year. 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, four Board Meetings were held as follows: May 30, 2012, July 25, 2012, October 30 2012, and January 30, 2013. The gap between two meetings did not exceed four months. The necessary quorum was present at 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 Memberships (Other than TWL)*		
		Board Meeting	Last AGM	No. of Directorships	Member	Chairman
Mr. Vikram M Thapar, Chairman	Non-Executive Promoter	4	No	8	Nil	2
Mrs. Jyoti Thapar	Non-Executive Promoter / Wife of Mr. Vikram M. Thapar	3	No	2	Nil	1
Mr. Anil Kumar Bhandari	Non-Executive Independent	2	No	5	Nil	Nil
Mr. Adarsh Saran	Non-Executive Promoter / brother in law of Mr. Vikram M Thapar	1	No	3	Nil	Nil
Lt. Gen. Deepak Summanwar	Non-Executive Independent	3	No	2	Nil	Nil
Mr. Nakul Kamani	Non-Executive Independent	3	No	5	Nil	Nil
Ms. Ayesha Thapar	Non-Executive Promoter / Daughter of Mr. Vikram M. Thapar & Mrs. Jyoti Thapar	2	No	3	Nil	Nil
Mr. Ranjit Mehta	Non-Executive Independent	3	No	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.

AUDIT COMMITTEE:

Composition, Number of Meetings and Attendance during the year.

Name of the Member	Category	Meetings attended
Mr. Anil Kumar Bhandari, Chairman	Non-Executive, Independent	2
Mr. Vikram M Thapar	Non-Executive, Promoter	4
Lt. Gen. Deepak Summanwar	Non-Executive, Independent	3
Mr. Nakul Kamani	Non-Executive, Independent	3
Mr. Ranjit Mehta	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 met four times on the following dates : May 30, 2012, July 25, 2012, October 30, 2012, and January 30, 2013.

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 Auditors, 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. 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 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 30, 2012, July 25, 2012, October 30, 2012 and January 30, 2013.

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. Requests for demat of shares are processed within a period of 14 days by the Company's Registrars.

During the year under review, the Company received 50 cases of share transfer / transmission / transposition. As on March 31, 2013 no case was pending for transfer. During the year, 18 queries/complaints were received 5 pertaining to change of address, 3 for non-receipt of annual reports, share certificates, 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 Exchange / 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 Exchange.

GENERAL BODY MEETING:

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

Year	Date	Time	Location	Special resolutions passed
2009-10	27.09.2010	11.30 a.m.	Regd. office at Ananthapuram Village, Nellore.	1) Re-classification of share capital 2) Alteration of Articles of Association 3) Issue of Preference Share Capital
2010-11	02.09.2011	12.15 p.m	-do-	1) Reclassification of share capital 2) Alteration of Articles of Association 3) Reappointment of Manager and payment of remuneration 4) Approval of preferential issue of equity shares 5) Approval for rights issue of equity shares
2011-12	28.09.2012	12.15 p.m.	-do-	NIL

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

Committee for Rights issue of Equity shares :

The Board constituted a Committee for issue of 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 the rights shares in consultation with the BSE Ltd 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 thrice during the year on May 30, 2012, July 25, 2012 and January 30, 2013.

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

Name	Ms. Ayesha Thapar	Mr. Nakul Kamani	Mr. Ranjit Mehta
Date of birth & Age	01.11.1977 / 36 years	21.04.1954 / 59 years	11.02.1948 / 65 years
Appointed on	01.02.2010	22.02.2010	27.10.2010
Qualification	B.A. (Economics)	B.Com.	B.A. (Hons.) (Economics) Institute of Bankers, U.K.
Experience	13 years	33 years	40 years
Directorship held in other Companies	1. Indian City Properties Ltd. 2. Handy Waterbase India (P) Ltd. 3. Integrated Realty (P) Ltd.	1. Samarth Engineering Co. P Ltd. 2. Sparx Technologies P Ltd. 3. Steel City Press Ltd. 4. Brosco Designs P. Ltd. 5. Rushabh Investments P. Ltd.	NIL
Membership/ Chairmanship of Committees across public companies	Nil	Nil	Nil
No of shares held in Company	51,875	Nil	Nil

Disclosures:

- a) Materially significant related party transactions with its promoters, Directors or management or relatives etc that may have a 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**
Risk management is done through review of the operations by the Board and necessary steps taken by the executive management to minimize/control the same.
- d) Compliance with mandatory requirements**
The Company has complied with all mandatory requirements of Corporate Governance stipulated under Clause 49 of Listing Agreement with the BSE Ltd.
- 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 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 and 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 2012-13."

g) Auditor's Certificate on Corporate Governance

As required by Clause 49 of the Listing agreement, the auditors certificate on corporate governance is given at the end of the Corporate governance report. The Management Discussion and Analysis forms part of the Annual report.

h) 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:

(i) The Twenty Sixth Annual General Meeting	(ii) Tentative Financial Calender for Financial year 2013-14
Venue : Registered Office at Ananthapuram Village, Nellore – 524 344.	Publication of results for quarter ending June 30, 2013 - July 30, 2013
Date : Monday, July 29, 2013	Publication of results for quarter / half year ending Sep 30, 2013 - Nov 2013
Time : 12.15 p.m.	Publication of results for quarter/nine month ending Dec 31, 2013 - Feb 2014
	Publication of Audited results for 2013-14 - May 2014

Book Closure:

The Register of Members & Share Transfer Books of the Company shall remain closed from Tuesday, July 23, 2013 to Monday, July 29, 2013 (both days inclusive).

Listing on Stock Exchanges:

At present the Company is listed with the BSE Ltd. The annual listing fee to the BSE Ltd. 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 are the Registrars and Share Transfer Agents 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 Corporate Services Ltd. As on 31/3/2013, 74.15% of our paid up share capital has been dematerialized as against 73.96% in the previous year. The ISIN number of the Company is INE054C01015.



CATEGORIES OF EQUITY SHARE HOLDING AS ON MARCH 31, 2013

CATEGORY:	No. of Equity Shares	% of Shareholding
A. Promoters holdings		
Indian Promoters/Persons acting in concert	8,238,112	32.01
B. Non Promoters holdings:		
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	2,599,612	10.10
Indian Public	9,769,238	37.95
NRIs / OCBs	5,119,504	19.90
Total	25,735,500	100.00

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2013

No of shares	No of Share Holders	% of Holders	No of Shares	% to Total Shares
1-5000	19392	98.68%	5,289,507	20.56%
5001-10000	133	0.68%	1,001,826	3.90%
10001-20000	54	0.28%	771,274	3.00%
20001-30000	19	0.10%	481,526	1.87%
30001-40000	6	0.03%	219,865	0.85%
40001-50000	11	0.05%	521,336	2.02%
50001-100000	11	0.05%	697,844	2.71%
100001 & above	25	0.13%	16,752,322	65.09%
TOTAL	19651	100.00%	25,735,500	100.00%

MARKET PRICE DATA : (in ₹)

Month	High	Low	Month	High	Low
April 12	13.95	10.66	October 12	16.29	11.26
May 12	16.00	11.80	November 12	13.40	10.26
June 12	13.75	10.36	December 12	13.80	10.41
July 12	18.60	12.75	January 13	12.88	9.98
August 12	15.90	12.21	February 13	11.80	7.00
September 12	14.99	12.41	March 13	9.55	6.02

PLANT LOCATION:

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

ADDRESS FOR CORRESPONDENCE:

Registrars and Share Transfer Agents	Compliance Officer
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: 044-28110682 / 28110684 Email id : waterbasechennai@gmail.com



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 2013 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 of 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, May 24, 2013



MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Trends

In the last financial year the Indian economy was characterized by tightening of monetary policy to combat inflation. The Indian economic growth was at a low of 5%.

Due to both domestic and international challenges economic activity and growth were affected.

Many of the developed economies in Europe faced recessionary conditions.

Fortunately USA, a major consumer of Indian shrimps showed signs of economic recovery. This had a positive impact on exports of shrimps from India.

Japan after several years of low growth is now on the recovery path.

In spite of the adverse economic environment the Indian Shrimp Industry was able to deliver a growth path.

The vannamei variety of shrimps played a major role in boosting India's marine products export during 2012-13 fiscal. The export of this shrimp variety, cultivated primarily in the East Coast, fetched \$730 million against \$385 million in the earlier year.

India exported 91,000 tonnes of vannamei shrimps in the last fiscal against 40,787 tonnes the previous year, the Marine Products Export Development Authority sources said adding that the total shrimp exports comprising tiger, scampi and vannamei during the period was 2.2 lakh tones (1.8 lakh tonnes).

In this financial year, the country had garnered export revenue of ₹ 19,000 crore (\$ 3.5 billion).

The projected increase in export of shrimp is expected to increase by 20% in volume and 25% in terms of value.

Official sources of the Seafood Exporters Association of India said that Vannamei exports registered a considerable increase in last three years, primarily due to the increased production by aqua farms in Andhra Pradesh.

Threats / Risks and Concerns

The world economic situation continues to cause concern due to slow recovery in the developed economies.

Being a part of living technology, disease will always be a threat.

Acute shortage of electricity which is a major input for farming of the vannamei species of shrimp is a cause of concern as this would result in increased use of captive power resulting in increased production cost.

Continuous increase in prices of inputs in commodities like Fish Meal and Soya Meal would adversely affect the profitability of the Company as could be observed from the financials of this year.

New entrants in the Shrimp feed manufacturing sector would increase the competition in the market.

Performance

In the current year the shrimp feed sales grew by 51% over the previous year.

Outlook

The improvement in the economic scenario in the United States is a positive sign to the Industry as US is the major importer of Indian Shrimps.

The Vannamei shrimp species has proved to be very profitable for the farmers. This has resulted in increased area being brought under shrimp farming.

Vannamei Shrimp farming which was concentrated in Andhra Pradesh has now commenced in the states of Gujarat, Maharashtra, TamilNadu and Orissa. This would result in increased demand for the Company's shrimp feed.

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 reports of the internal auditor and their suggestions are considered and implemented wherever thought necessary to ensure adequate controls.

Financial Performance

For the year the Company recorded:

- Net revenues at ₹ 1575.97 million
- Profit before Tax at ₹ 75.85 million
- Profit after Tax Expense at ₹ 60.08 million

Rights Issue

As approved by the shareholders, the Company has submitted to SEBI the required data for the Rights Issue and SEBI has since given its inprinciple approval.

The issue contemplates one equity share for every two equity shares held and the size of the issue would be ₹.1,286,77,500.

Corporate Social Responsibility

The Company provides technical support to the shrimp farmers through its qualified and technically trained staff at no cost to the farmers.

The Company conducts regular farmer meets to provide the farmers with the latest updates on shrimp farming.

The Company also engages the services of international technologists to ensure quality inputs to the farmers.

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 to its staff to enhance their skills and support their 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.



INDEPENDENT AUDITOR'S REPORT

To The Members of The Waterbase Ltd.

Report on the Financial Statement

We have audited the accompanying financial statements of The Waterbase Limited ("The Company") which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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 principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making these risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (ii) in the case of Statement of Profit and Loss Account, of the profit of the Company for the year ended on that date; and
- (iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-sec(4A) of Sec 227 of the Act, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the order.
2. As required by section 227(3) of the Act, 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 and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the Directors as on March 31, 2013, and taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2013, 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

New Delhi, May 24, 2013

ANNEXURE TO THE AUDITOR'S REPORT
(referred to in paragraph 5 of our report of even date)

Referred to our report to the members of The Waterbase Limited for the year ended 31 March, 2013.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) 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.
 - (c) During the year, the Company has not disposed off any substantial part of the fixed assets and the going concern status of the Company is not affected.
 2. (a) The inventory of the Company has been physically verified by the management at reasonable intervals during the year.
 - (b) 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.
 - (c) 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.
 3. (a) According to information and explanations given to us, 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 is not applicable.
 - (b) According to the information and explanations given to us the Company has taken secured and unsecured loans from companies, firms or other parties covered in the register maintain under section 301 of the Companies Act, 1956:

The Company has taken loan of ₹ 680 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 ₹ 680 lakhs.
 - (c) The rate of interest and other terms and conditions of such loan are prima-facie not prejudicial to the interest of the Company,
 - (d) The principal amount is not due for repayment and the Company has defaulted in payment of interest to the tune of ₹ 194.92 lakhs.
 4. 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, 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.
 5. In our opinion there are no contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provision of clause 4(v)(b) of the Order is not applicable to the Company and hence not commented upon.
 6. The Company has not accepted any deposits from the public to which the provision section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) rules, 1975 apply.
 7. 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.
 8. As per information and explanations given to us it is noted that the maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section 209 of the Act.
-

9. (a) 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 and other material statutory dues.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, wealth tax, sales tax, customs duty, excise duty and other material statutory dues were outstanding, as at 31st March 2013 for a period of more than six months from the date they became payable.
10. According to information and explanations given to us, there are no disputed dues of sales tax, income-tax, customs tax/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 Chennai.
11. The Company has not incurred any cash loss during the year and in the immediately preceding financial year.
12. 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 working capital loan of ₹ 459.85 lakhs from Canara Bank which is under dispute / litigation.
13. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
14. Since the Company is not a chit fund / Nidhi / Mutual Benefit Fund / Society, the relative reporting requirements of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable.
15. Since the Company is not dealing or trading in shares, securities, debentures or other investments, the relative reporting requirements of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable.
16. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
17. 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 been taken.
18. 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 utilised short term fund for long term purposes.
19. The Company during the period covered by our audit report has not made a preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
20. During the period covered by our audit report, the Company has not issued debentures
21. The Company has not raised any money by the way of public issue during the year. Therefore the provisions of clause (xx) of the said Order are not applicable to the Company.
22. 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

New Delhi, May 24, 2013



BALANCE SHEET AS AT 31st MARCH 2013

PARTICULARS	Note	31st MARCH 2013 ₹	31st MARCH 2012 ₹
I. SHARE HOLDERS FUNDS			
Share Capital	2	257,355,000	257,355,000
Reserves and Surplus	3	345,149,052	285,065,008
NON-CURRENT LIABILITIES :			
Long-term Borrowings	4	101,840,861	104,511,402
Long-term Provisions	5	10,938,889	9,211,375
CURRENT LIABILITIES :			
Short-term Borrowings	6	216,788,060	85,126,672
Trade Payables	7	362,947,920	328,744,671
Other Current Liabilities	8	79,834,943	41,681,264
Short-term Provisions	9	16,412,708	14,345,435
TOTAL		1,391,267,433	1,126,040,827
II. ASSETS :			
NON-CURRENT ASSETS :			
Fixed Assets			
Tangible Assets	10	152,161,860	156,382,244
Capital work-in-progress		4,263,623	4,652,171
Long-term Investments	11	3,770,450	3,770,450
Deferred Tax Assets	12	23,310,898	39,076,345
Long-term Loans and Advances	13	24,888,208	20,147,813
III. CURRENT ASSETS :			
Investments	14	700,000	200,000
Inventories	15	352,581,721	314,095,401
Trade Receivable	16	457,901,613	344,044,148
Cash and Bank Balance	17	214,789,409	123,641,920
Short-term Loans & Advances	18	123,517,801	112,997,407
Other Current Assets	19	33,381,850	7,032,928
TOTAL		1,391,267,433	1,126,040,827

Significant Accounting Policies and Notes on Financial Statements

1 to 38

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

New Delhi, May 24, 2013



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2013

PARTICULARS	Note	31st MARCH 2013 ₹	31st MARCH 2012 ₹
I. REVENUE FROM OPERATIONS:	20	1,570,208,533	1,034,718,907
II. OTHER INCOME:	21	5,766,357	6,602,075
TOTAL INCOME		<u>1,575,974,890</u>	<u>1,041,320,982</u>
III. EXPENSES:			
Cost of Materials Consumed	22	1,042,696,468	657,889,417
Change In Inventories of Finished Goods & Work-in-Process	23	62,576,659	33,987,307
Employees Benefit Expense	24	67,231,656	55,657,723
Finance Costs	25	21,994,497	18,237,367
Depreciation and Amortization Expenses		28,097,037	24,633,607
Other Expenses	26	277,235,084	182,439,033
TOTAL EXPENSES		<u>1,499,831,401</u>	<u>972,844,454</u>
IV. Profit before Exceptional Items and Tax		76,143,489	68,476,528
Exceptional Item -Profit (loss) on Sale of fixed Assets	27	(293,996)	(159,216)
V. Profit/(Loss) before Tax		75,849,493	68,317,312
Tax Expense		15,765,447	11,975,139
VI. Profit/(Loss) for the period		<u>60,084,046</u>	<u>56,342,173</u>
VII. Earnings per Equity Share:			
Basic		2.33	2.19
Diluted		2.33	2.19

Significant Accounting Policies and Notes on Financial Statements

1 to 38

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

New Delhi, May 24, 2013



CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2013

PARTICULARS	2012-13		2011-12	
	₹	₹	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before taxation and extraordinary items		76,143,489		68,476,528
Adjustment for:				
Depreciation and Amortization Expenses	28,097,037		24,633,607	
Depreciation reserve on deleted Assets	1,064,745		5,375,366	
Profit on sale of Fixed Assets	(293,996)		(159,216)	
Interest Expenses	12,179,778		8,530,603	
Interest Income	(5,766,357)	35,281,207	(6,602,075)	31,778,285
Operating profit before working capital changes		111,424,696		100,254,813
Adjustments for:				
Inventories (Increase)/Decrease	(38,486,322)		(29,781,836)	
Trade Receivables (Increase)/Decrease	(113,857,465)		(20,676,894)	
Other Current Assets (Increase)/Decrease	(36,869,317)		22,874,712	
Current Liabilities Increase/(Decrease)	204,018,316		(31,532,076)	
Provisions Increase/(Decrease)	2,067,273	16,872,485	13,438,644	(45,677,450)
Cash generated from operating activities		128,297,181		54,577,363
Taxes paid/provided		15,765,447		11,975,139
Net Cash from operating activities		112,531,734		42,602,224
B. Cash flow from investing activities				
Purchase of fixed assets	(24,552,850)		(24,820,539)	
Purchase of investment	(500,000)		(200,000)	
Interest received	5,766,357		6,602,075	
Long terms loans & Advances	11,025,052		(2,796,988)	
Net Cash from/(used in) investing activities		(8,261,441)		(21,215,452)
C. Cash flows from financing activities				
Proceeds from issuance of share capital	-		10,000,000	
Repayment of long term borrowings	(943,026)		(2,584,000)	
Interest paid	(12,179,778)		(8,530,603)	
Net Cash from/(used in) in financing activities		(13,122,804)		(1,114,603)
Net Cash flow during the year (A+B+C)		91,147,489		20,272,169
Cash & Cash equivalents at the beginning of the year		123,641,920		103,369,751
Cash & Cash equivalents at the end of the year		214,789,409		123,641,920
Net increase/(decrease) in cash & cash equivalents		91,147,489		20,272,169

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

New Delhi, May 24, 2013

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.

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 2013		31st MARCH 2012	
	₹		₹	
2 : SHARE CAPITAL				
2.1 Authorised				
5,00,000 Preference Shares, Par Value ₹ 100/- each (Previous Year : 5,00,000 Preference Shares, Par Value ₹ 100/- each)		5,00,00,000		5,00,00,000
4,50,00,000 Equity Shares, Par Value ₹ 10/- each (Previous Year : 4,50,00,000 Equity Shares, Par Value ₹ 10/- each)		45,00,00,000		45,00,00,000
TOTAL		<u>50,00,00,000</u>		<u>50,00,00,000</u>
2.2 Issued, Subscribed and Fully Paid-up				
2,57,35,500 Equity Shares, Par Value ₹ 10/- each (Previous Year : 2,57,35,500 Equity Shares, Par Value ₹ 10/- each)		257,355,000		257,355,000
2.3 Reconciliation of the number of Equity shares outstanding				
<u>PARTICULARS</u>	<u>No. of Shares</u>	<u>Amount (₹)</u>	<u>No. of Shares</u>	<u>Amount (₹)</u>
Number of shares and amount at the beginning	25,735,500	257,355,000	24,735,500	247,355,000
Add: Shares issued on preferential allotment	-	-	1,000,000	10,000,000
Number of shares and amount at the end of the year	<u>25,735,500</u>	<u>257,355,000</u>	<u>25,735,500</u>	<u>257,355,000</u>
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.				
2.5 The details of shareholders holding more than 5 % shares in the Company.				
<u>Name of the Share Holders</u>	<u>No. of Shares</u>	<u>% of Holding</u>	<u>No. of Shares</u>	<u>% of Holding</u>
Karam Chand Thapar & Bros (Coal Sales) Ltd.	5,937,906	23.07	5,937,906	23.07
Indo Oceanic Investments Ltd.	2,475,000	9.62	2,475,000	9.62
J C T Ltd.	1,450,000	5.63	1,450,000	5.63
3 : RESERVES AND SURPLUS				
3.1 Securities Premium Account - at the beginning and end of the year				
		117,349,276		117,349,276
3.2 Revaluation Reserve				
Balance as per last Balance sheet		10,844,896		11,036,498
Less : Adjusted on sale of Land		-		(191,602)
Closing Balance		<u>10,844,896</u>		<u>10,844,896</u>



PARTICULARS	31st MARCH 2013	31st MARCH 2012
	₹	₹
3.3 General Reserves		
At the beginning and end of the year	129,725,859	129,725,859
3.4 Surplus		
Balance as per the last Balance sheet	27,144,975	(29,197,198)
Add : Surplus during the year	60,084,046	56,342,173
Closing Balance	<u>87,221,021</u>	<u>27,144,975</u>
TOTAL RESERVES AND SURPLUS	<u>345,149,052</u>	<u>285,065,008</u>
4 : LONG TERM BORROWINGS		
4.1 Term Loan - Secured		
From Banks		
(i) (Secured by a first charge on the assets created / to be created out of Term Loan on pari-passu basis with consortium banks excluding Canara Bank. Repayable within 5 years after moratorium period of 8 months)	13,051,704	2,815,272
(ii) From Associates	20,500,000	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) Vehicle Loan	731,790	1,615,686
(secured by hypothecation of the vehicles - repayment in 48 equal instalments)		
4.2 Unsecured Loan from Associates		
(Terms of repayment not yet finalised)	47,500,000	47,500,000
Interest of ₹ 1,94,92,259/-due but not paid, previous year ₹ 1,43,62,259/-		
4.3 Deferred Payment Liability - Unsecured		
Deferred Payment of Sales Tax	20,057,367	32,080,444
(Repayable in monthly installments of ₹ 10,00,000/- starting from April, 2012)		
TOTAL	<u>101,840,861</u>	<u>104,511,402</u>
5 : LONG-TERM PROVISIONS		
Provision for Employees benefits	10,938,889	9,211,375
6 : SHORT TERM BORROWINGS - SECURED		
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 and future, and first charge on the fixed assets ranking pari-passu with term loan lenders)	216,788,060	85,126,672



PARTICULARS	31st MARCH 2013	31st MARCH 2012
	₹	₹
7 : TRADE PAYABLES		
7.1 For Goods	60,211,198	67,112,910
7.2 For Services & Others	143,267,938	112,739,430
7.3 Acceptance	159,468,784	148,892,331
TOTAL	362,947,920	328,744,671
8 : OTHER CURRENT LIABILITIES		
8.1 Current Maturity of long-term debt		
- Term Loan - Secured - installments due within 1 year	7,260,000	-
- Vehicle Loan from finance Company - Secured	883,896	1,022,424
- Deferred Payment Liability - Unsecured	12,000,000	12,000,000
8.2 Statutory Dues	21,712,602	2,147,229
8.3 Interest Accrued & Due	20,062,259	14,362,259
8.4 Advance from Customers	17,916,186	12,149,352
TOTAL	79,834,943	41,681,264
9 : SHORT TERM PROVISION		
9.1 Provision for Income Tax	13,335,058	13,335,058
9.2 Provision for Employees Benefit	3,077,650	1,010,377
TOTAL	16,412,708	14,345,435

10 : FIXED ASSETS

In Rupees

FIXED ASSETS - TANGIBLE	LAND	FACTORY BUILDING	PONDS RESERVOIRS	PLANT & MACHINERY	FURNITURE & FIXTURES	VEHICLES	TOTAL FIXED ASSETS 31-03-13	TOTAL ASSETS 2011-12
Gross Block - Opening Balance	11,817,500	105,674,549	2,123,983	403,724,554	11,726,578	7,043,169	542,110,333	527,564,857
Additions during the year	-	243,980	-	23,211,971	9,090	815,858	24,280,899	24,093,023
	11,817,500	105,918,529	2,123,983	426,936,525	11,735,668	7,859,027	566,391,232	551,657,880
Sales/disposed off during the year	-	-	-	1,468,991	-	-	1,468,991	9,547,547
Deletion On Revaluation	-	-	-	-	-	-	-	-
Gross Block - Closing Balance	11,817,500	105,918,529	2,123,983	425,467,534	11,735,668	7,859,027	564,922,241	542,110,333
Depreciation - Opening Balance	-	51,445,157	312,282	323,242,976	7,764,348	2,963,326	385,728,089	366,469,748
For the Year	-	3,177,173	34,621	23,659,599	618,942	606,702	28,097,037	24,633,607
	-	54,622,329	346,903	346,902,575	8,383,290	3,570,028	413,825,126	391,103,355
Less: Adjustment for Disposal	-	-	-	1,064,745	-	-	1,064,745	5,375,266
Depreciation - Closing Balance	-	54,622,329	346,903	345,837,830	8,383,290	3,570,028	412,760,381	385,728,089
Net Carrying Amount - Current Year	11,817,500	51,926,199	1,777,080	79,629,704	3,352,378	4,288,999	152,161,860	156,382,244
Net Carrying Amount - Previous Year	11,817,500	54,519,622	1,811,701	80,481,571	3,671,990	4,079,860	156,382,244	-

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 2013	31st MARCH 2012
	₹	₹
11 : NON-CURRENT INVESTMENTS IN ASSOCIATES (AT COST)		
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
TOTAL	3,770,450	3,770,450
12 : DEFERRED TAX ASSETS (NET)		
12.1 Provision for Employees Benefit	4,406,315	1,160,854
12.2 Unabsorbed Depreciation and Business Loss	18,904,583	37,915,491
TOTAL	23,310,898	39,076,345
13 : LONGTERM LOANS AND ADVANCES - UNSECURED, CONSIDERED GOOD		
Other Loans / Advances	24,888,208	20,147,813
14 : CURRENT INVESTMENT IN MUTUAL FUND - AT COST		
Union KBC tax Saver Fund 200 units @ ₹ 1000/- each (Market value ₹ 235,000/- previous year 224,088)	2,00,000	2,00,000
Union KBC Capital Protection Oriented Fund 500 Units @ ₹ 1,000/- each (Market value ₹ 599,320/-)	5,00,000	-
TOTAL	7,00,000	2,00,000
15 : INVENTORIES		
(At cost or net realisable value, whichever is lower)		
15.1 Consumable Stores	34,018,630	19,429,451
15.2 Raw Materials	185,549,117	99,075,317
15.3 Process Stock	36,977,934	46,815,057
15.4 Finished Goods	96,036,040	148,775,576
TOTAL	352,581,721	314,095,401
16 : TRADE RECEIVABLES - UNSECURED, CONSIDERED GOOD		
16.1 Outstanding for a period exceeding six months	129,846,484	163,674,012
16.2 Others	328,055,129	180,370,136
TOTAL	457,901,613	344,044,148



PARTICULARS	31st MARCH 2013	31st MARCH 2012
	₹	₹
17 : CASH AND BANK BALANCES		
Cash and Cash Equivalents		
17.1 Balances with Banks	58,166,825	2,299,623
17.2 Cash in hand	1,088,960	461,859
17.3 Balance with banks as Margin Money	39,322,450	33,983,874
17.4 Other Bank Deposits of more than 12 months	68,211,174	38,896,564
17.5 No - Lien Account with Canara Bank	48,000,000	48,000,000
TOTAL	214,789,409	123,641,920
18 : SHORT-TERM LOANS & ADVANCES		
UNSECURED, CONSIDERED GOOD		
18.1 Advance to Parties	121,989,256	111,954,428
18.2 Advance to Staff	1,528,545	1,042,979
TOTAL	123,517,801	112,997,407
19 : OTHER CURRENT ASSETS		
19.1 Claims Receivable	411,219	3,774,245
19.1 Interest Receivable	1,547,756	967,602
19.2 Tax Deducted At Source	3,528,985	2,291,081
19.2 Advance Income Tax	27,893,890	0
TOTAL	33,381,850	7,032,928
20 : REVENUE FROM OPERATIONS		
20.1 Revenue from Sale of Products		
Export	9,009,966	58,103,497
Domestic	1,540,526,030	962,465,015
TOTAL	1,549,535,996	1,020,568,512
Export includes benefits to the extent of ₹ 548,646/- (Previous Year ₹ 3,932,677/-).		
20.2 Revenue from Services		
Processing Charges	16,286,604	10,660,318
20.3 Other Operating Revenues		
Consultancy	909,733	647,907
Scrap Sales	2,881,484	2,122,427
Sea Freight Assistance	103,361	125,462
Anti dumping Duty Refund	-	579,281
Stores Sales	491,355	15,000
SUB TOTAL	4,385,933	3,490,077
TOTAL	1,570,208,533	1,034,718,907
21 : OTHER INCOME		
21.1 Interest on Deposits	5,766,357	6,602,075



PARTICULARS	31st MARCH 2013	31st MARCH 2012
	₹	₹
22: COST OF MATERIALS CONSUMED		
22.1 Fish Meal	274,820,759	162,947,236
Soya DOC	348,924,878	127,667,503
Sundry Items*	409,235,817	277,913,428
22.2 Raw / Processed Shrimps - Head on / Headless	2,887,600	80,723,746
22.3 S S Crab / Crab	100,737	5,652,397
SUB TOTAL	1,035,969,791	654,904,310
Carriage Inward	6,726,677	2,985,107
GRAND TOTAL	1,042,696,468	657,889,417
* Includes individual items of less than 10% of the total and therefore, not considered for the above classification.		
23: CHANGE IN INVENTORIES OF FINISHED GOODS		
23.1 Closing Stock of:		
Finished Goods	96,036,040	148,775,576
Work-in-Process	36,977,934	46,815,057
TOTAL	133,013,974	195,590,633
23.2 Opening Stock of:		
Finished Goods	148,775,576	173,779,956
Work-in-Process	46,815,057	55,797,984
TOTAL	195,590,633	229,577,940
(Increase) / Decrease	62,576,659	33,987,307
24: EMPLOYEES BENEFIT EXPENSE		
24.1 Salary & Wages*	53,890,381	43,877,531
24.2 Contribution To Provident Fund, Pension Fund and Other Charges	3,690,621	3,379,809
24.3 Welfare and Other Amenities	9,650,654	8,400,383
TOTAL	67,231,656	55,657,723
* Includes remuneration of key management personnel ₹.17,79,551/- (Previous Year ₹.17,98,320/-)		
25: FINANCE COSTS		
25.1 Interest On Cash Credit / Overdraft / Term Loans	11,032,778	6,975,446
25.2 Interest - Others	1,147,000	1,555,157
25.3 Other Borrowing Cost	9,814,719	9,706,764
TOTAL	21,994,497	18,237,367



PARTICULARS	31st MARCH 2013	31st MARCH 2012
	₹	₹
26: OTHER EXPENSES		
Processing Charges	12,078,687	8,512,659
Consumable and Stores Consumed	76,237,211	37,588,092
Power & Utilities	31,821,544	23,329,588
Other Manufacturing Expenses	6,537,559	7,835,844
Discount On Sales	92,973,576	64,028,815
Rent	3,175,514	1,958,014
Rates & Taxes	384,193	352,839
Repairs to Building	5,913,422	5,934,564
Repairs to Machinery	555,038	283,039
Repairs Others	2,536,127	2,146,598
Insurance	2,496,643	1,798,513
Freight Outward	1,643,954	350,733
Selling Expenses	15,083,805	7,924,653
Legal & Professional Charges	1,756,285	1,566,492
Vehicle Maintenance	4,339,602	3,330,267
Travelling Expenses	8,543,416	6,839,945
Secretarial Expenses	943,787	1,454,527
Consultancy Charges	3,294,250	2,450,630
Business Communication Cost	1,232,731	1,156,129
Net Loss on Foreign Currency Transaction	-	585,085
Interest - Others	2,690,540	1,275
Miscellaneous Expenses*	2,705,320	2,768,929
Auditors' Remuneration:		
Statutory Audit Fees	168,540	168,540
Tax Audit Fees	28,090	28,090
Reimbursement of Expenses	95,250	45,173
TOTAL	277,235,084	182,439,033

* Includes Sitting Fees of ₹ 2,35,000/-
(Previous Year ₹ 2,90,000/-)

27 : EXCEPTIONAL ITEMS

27.1 Loss on Sale of Fixed Assets	(293,996)	(159,216)
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28 : CONTINGENT LIABILITES AND COMMITMENTS

(to the extent not provided for)

28.1 Contingent liabilities

(i) Claims against Company not acknowledged as debt	61,123,555	-
(ii) Bank Guarantees	26,111,942	22,215,412
(iii) Interest on dues to Canara Bank has not been provided as the settlement is under negotiation and hence not quantifiable at this stage	10,663,008	55,963,886

28.2 Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for	-	18,407,034
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PARTICULARS	31st MARCH 2013		31st MARCH 2012		
	₹		₹		
29 : DISCLOSURE REQUIRED IN TERMS OF SEBI GUIDELINES					
Part of Loan received during the earlier year from M/s. Towerbase Services Pvt. Ltd. has been converted in to Equity Shares.		-		10,000,000	
30 : FOREIGN CURRENCY INCOME & EXPENDITURE					
30.1 Value of Imports On CIF basis					
a) Raw Materials		38,501,220		18,980,452	
b) Spares		23,649,677		6,307,491	
c) Capital Goods		19,503,073		7,448,103	
TOTAL		81,653,970		32,736,046	
31 : Expenditure in Foreign Currency					
a) Travelling Expenses		1,326,406		1,068,168	
b) Subscription		77,033		52,250	
c) Insurance		34,853		36,044	
d) Consultancy Services		775,028		408,340	
e) Anti dumping Duty		-		157,104	
TOTAL		2,213,320		1,721,906	
31.1 Earnings in Foreign Exchange					
F O B Value of Exports		7,935,881		44,501,706	
31.2 Consumption of Materials		2012 - 2013		2011 - 2012	
		Value	%	Value	%
Imported		35,830,095	3.46%	16,047,134	2.45%
Indigenous		1,000,139,696	96.54%	638,857,176	97.55%
TOTAL		1,035,969,791	100.00%	654,904,310	100.00%
32 : EMPLOYEES BENEFITS					
<p>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:</p>					



PARTICULARS	31st MARCH 2013		31st MARCH 2012	
	₹		₹	
	Gratuity (Unfunded)	Leave Encashment (Unfunded)	Gratuity (Unfunded)	Leave Encashment (Unfunded)
32.1 Obligation				
Obligation at period beginning	7,935,000	2,286,000	6,604,000	1,663,000
Current service cost	674,685	270,000	545,000	149,000
Interest Cost	137,370	149,000	462,000	116,000
Actuarial gain (+) / loss (-)	1,367,951	1,710,000	719,000	603,000
Benefits Paid	647,140	305,000	395,000	245,000
Obligation at the year end	9,467,866	4,110,000	7,935,000	2,286,000
32.2 Cost for the Year				
Current service cost	674,685	270,000	545,000	149,000
Interest Cost	137,370	149,000	462,000	116,000
Actuarial (gain)/Loss	1,367,951	1,710,000	719,000	603,000
Net Cost recognised in the Statement of Profit & Loss	2,180,006	2,129,000	1,726,000	868,000
32.3 Assumption used to determine the benefit obligation				
Interest Rate	8.07%	8.07%	7.00%	7.00%
Expected Rate of increase in Salary	4.00%	4.00%	4.00%	4.00%

33 : 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	1,540,526,030	970,619,821
(ii) Outside India	9,009,966	49,948,690

34 : RELATED PARTY DISCLOSURE

a Key Management Personnel:

(i) Mr. Ashok Nanjapa, Manager and Chief Executive. Remuneration paid including perquisites	1,779,551	1,798,320
(ii) Transactions with relatives of key management personnel	Nil	Nil

b Associates

(i) Gourmet Delicatessens Ltd. Investments in Equity shares	2,500,000	2,500,000
Goods sold	-	593,295
Receivables	545,186	545,186



PARTICULARS	31st MARCH 2013	31st MARCH 2012
	₹	₹
(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	47,500,000
- Maximum amount outstanding during the year	47,500,000	57,500,000

35 : EARNING PER SHARE

a) Net Profit available for Equity Shareholders (Numerator based for calculation)	60,084,046	56,342,173
b) Weighted average number of Equity Shares (Used as denominator for calculating EPS)	25,735,500	25,735,500
c) Basic and diluted earning per share of ₹ 10/-	2.33	2.19

36 : Amount outstanding for more than 30 days payable to small and ancillary undertakings NIL

37 : On the basis of available information the suppliers are not registered under Micro, small and Medium Enterprise Development Act, 2006

38 : Figures for the previous year have been reclassified to make them comparable with that of the current year, to the extent possible. Figure in brackets relate to that of the previous year, in general.

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

New Delhi, May 24, 2013



THE WATERBASE LIMITED

Regd. Office : Ananthapuram Village, Nellore - 524 344

Attendance Slip

Please fill this Attendance Slip and hand it over at the entrance of the meeting hall.

Folio No. :

Client ID :

DP ID :

No. of Shares :

NAME OF THE MEMBER :

NAME OF THE PROXY :

.....
SIGNATURE OF THE MEMBER OR PROXY

I hereby record my presence at the 26th Annual General Meeting of the Company held on Monday, July 29, 2013 at 12.15 p.m. at Ananthapuram Village, Nellore - 524 344.

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 26th Annual General Meeting of the Company to be held on Monday, July 29, 2013 at 12.15 p.m. at Ananthapuram Village, Nellore - 524 344 and at any adjournment thereof.

Signed this..... day of 2013.

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.



FOR YOUR KIND ATTENTION PLEASE

GREEN INITIATIVE

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

Thanking You

Yours faithfully

for THE WATERBASE LTD.

- Sd -

Company Secretary

SAVE PAPER

SAVE THE PLANET

SAVE TREES

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.