

THE WATERBASE LTD

25th

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.

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**

Vikram M Thapar
Chairman

New Delhi, July 25, 2012

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.

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

I Power and Fuel Consumption (During the period of Manufacture)

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

	2011-12	2010-11
	₹ in Lakhs	
- Earnings	460.16	126.49
- Outgo	286.27	117.72

For and on behalf of the Board

New Delhi, July 25, 2012

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. 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.

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.