



# 12<sup>th</sup> ANNUAL REPORT 2016 - 2017



OCEANAA BIOTEK INDUSTRIES LIMITED



## 12<sup>th</sup> ANNUAL REPORT

### **01 COMPANY OVERVIEW**

### **06 CORPORATE INFORMATION**

09 FIVE YEARS CONSOLIDATED FINANCIAL HIGHLIGHTS

10 NOTICE OF ANNUAL GENERAL MEETING

### **18 BOARD'S REPORT**

25 SECRETARIAL AUDIT REPORT

29 CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

30 Annual Return

38 REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

44 CORPORATE GOVERNANCE REPORT

### **59 MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **66 INDEPENDENT AUDITORS' REPORT**

### **72 STANDALONE FINANCIAL STATEMENTS**

73 BALANCE SHEET

74 STATEMENT OF PROFIT AND LOSS

75 CASH FLOW STATEMENT

76 STATEMENTS ON SIGNIFICANT ACCOUNTING POLICIES

81 NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### **95 FORWARD LOOKING STATEMENT**

## A conceptual illustration representing food safety and quality management. A large, realistic hand is shown holding a glowing blue globe with a white world map. The globe is surrounded by a network of white lines connecting several circular inset images. These images depict various food safety and quality control activities: a laboratory setting with a person in a white coat and mask working with equipment; a close-up of a person's face wearing a mask and cap; a person in a white coat and mask working with a large container; a person in a white coat and mask working with a large container; a person in a white coat and mask working with a large container; a person in a white coat and mask working with a large container; a person in a white coat and mask working with a large container; a person in a white coat and mask working with a large container; a person in a white coat and mask working with a large container; a person in a white coat and mask working with a large container. The background is a soft, out-of-focus grey with some glowing orange and yellow light effects.





## L. VANNAMEI

White leg shrimp (*Litopenaeus vannamei*), also known as Pacific white shrimp, is a variety of prawn of the eastern Pacific Ocean commonly caught or farmed for food. *Litopenaeus vannamei* grows to a maximum length of 230 millimeters (9.1 in). It is restricted to areas where the water temperature remains above 20 °C (68 °F) throughout the year.



## BROOD STOCK MANAGEMENT

Method involves manipulating environmental factors surrounding the brood stock to ensure maximum survival and increase fecundity. A matured, full grown Broods measuring 36 to 40 gms were imported from United States for reproduction, under goes a detailed examination by Aquatic Quarantine Facility, Chennai, to facilitate a regulated mode of introduction of non-native *L. vannamei* into India.

## OPERATIONS



## WATER TREATMENT

**Slow Sand Filter** - used in water purification for treating raw water to produce a potable product. They are typically 1 to 2 metres deep, can be rectangular or cylindrical in cross section and are used primarily to treat surface water.

**Water storage and filtration tank** - The water storage tank is normally elevated to effectively distribute water by gravity to the hatchery. The water storage tank capacity should be at least 20% of the larval rearing tanks. Storage tanks are normally constructed out of reinforced concrete to withstand the water pressure.

**Effluent Treatment System (ETP)** - All the waste water is collected in the Effluent Treatment Plant and is applied 50ppm Chlorine. It is then subjected to aeration for about 1 hour and released into the sea.



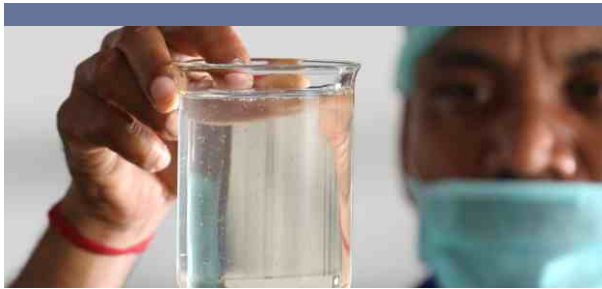
## MATURATION

Matured male and female brood stocks are reared about 20-25 days in holding tanks to recover from transport stress & to adopt climate change. They are feed with warms, Squids, Oysters supplemented with feed additives. Mating occurs during the time when the broods are newly molted. Succeeding maturation females release developing embryos into the water. The first larval stage is known as Nauplius.



## EYE STALK ABLATION

Removal of one (unilateral) or both (bilateral) eye stalks on female shrimps to stimulate the development of mature ovaries. Eye stalk ablated shrimps respond to their operation with a rapid and unstoppable gonadal development thus augmenting total egg production in given time.



## NAUPLII

### LRT

The un-segmented body of nauplius undergoes six moltings within 50 hours into a protozoa. The body becomes elongated with a distinct cephalothorax. The early protozoa stage has a pair of protruded compound eyes, the next stage is characterized by the presence of a rostrum and the late protozoa stage has a pair of uropods.

### PLRT

After 4–6 days, the protozoa finally turn into a mysis. The mysis remain drifting in the water column until they transform into post larvae within 10–12 days. The animals grow very fast in terms of size and are able to swim freely at a body size of 0.8–1 cm in body length. Brine shrimp (*Artemia*) nauplii are the most widely used food item to feed nauplii.



## FEED

### ALGAE

The purpose of the algal mass culture system is to provide a dense "starter" culture of the desired species of algae that are known to satisfy the nutritional requirements of shrimp larvae. This is accomplished by producing "pure" algal cultures in the laboratory in enriched sea water medium under controlled environmental conditions and using these cultures to inoculate still larger cultures, eventually used as feed.

The algal cultures are produced daily on a production line basis by transferring small cultures at intervals into larger growth vessels containing new media. The transfers are made according to a schedule of inoculations that provide alternate food organisms to the shrimp larvae.

### ARTEMIA

The dormant embryos "cysts" (brine shrimp eggs) are used as live diets for nauplii. Nutritional enrichment of *Artemia* can enhance levels of important marine-based highly unsaturated fatty acids



## HARVEST

The larvae in nursery tanks can be harvested by first reducing the water level to about 1/3 of its depth and then can be collected from the bag net positioned at the tip of the drained pipe.

Plastic Bags & containers for Transport - Each bag containing about 4–6 liters of water can be stocked with 2000 SEEDS. The water in the bags are oxygenated and the open end is closed with rubber bands. The survival rate is about 80–90% if transport takes about 10–12 hours.





## LABORATORY

A specialized food testing laboratory to provide the market a state-of-the-art lab that is certified and accredited to the highest standards, offers both Indian and International clients scientific and up-to-date technology. Company has a well-equipped R&D Lab infrastructure which focuses on ensuring complete safety by sampling and testing of each day's production and to make sure that the seafood process adheres to the highest industry standards and meticulous product specification.

Lab highlighted with a capacity to run 121 samples in one run. Owns a walk-away Robotic ELISA Station as well as robotic sample preparation and extraction for chemistry.



## SERVICES OFFERED

**Food Microbiology** - Microbiological analysis is important to determine the safety and quality of food. More recently, advances in biotechnology have led to the development of "rapid methods" that minimize man effort, providing results in less time, thus reducing cost.

**Molecular Biology** - Molecular biology explores cells, their characteristics, parts, and chemical processes, and pays special attention to how molecules control a cell's activities and growth.

**Food Analytical Chemistry** - Analytical Chemistry can determine the presence of a known chemical in a food. The nutritional value of food is determined by chemical analysis for components such as protein, fat and carbohydrates. Even the calorie content is calculated from chemical analysis. Our trained staff use state-of-the-art equipment in this practice.

Dear Stake holder,

India is fast emerging as a major aquaculture destination. Aquaculture in India got more than its fair share of opportunities, especially after 2009, to credit, shrimp producers in India immediately lobbied with the central government to allow import of white leg or Pacific white shrimp (*Litopenaeus Vannamei*) from the US for cultivation.

Company started with food testing laboratory aims to achieve complete safety by sampling and testing of each day's production and to make sure that the seafood process adheres to the highest industry standards and meticulous product specification.

On gaining grip over the Shrimp Cultivation and with the help of Promoter's expertise & aptitude in Hatchery business, the Company purchased a Hatchery business with a capacity of 400 million seed per annum (the survival has taken into 40%) during August, 2014 located at keelaiyur village, sirkali talk, nagapattinam District, Tamil Nadu. For a sale value of Rs. 3.9 Crores allotting 7,81,850 shares with a premium under consideration of cash. As a favorable outcome of Hatchery business Company has recorded revenue of Rs. 46.47 crore in 2015 compared to Rs. 6.70 crore in the year 2014. Resulting in increased profit of Rs. 80 lakhs in 2015 compared to Rs. 34.79 lakhs in 2014. In the year 2016 Company recorded profit of Rs. 2.17 crore reflected radiant progress in business.



Without the maturation facility the company had struggled in producing the good quality seed at right time. To cope up with the magnified evolution of the Hatchery Industry and eternal support received from the stakeholder, the Company invested in acquisition of another Hatchery which possess capacity of 250 million seed production and a big maturation facility which can hold 1600 pairs of brood stock at a time from a partnership firm, a Chennai based firm engaged in rearing of prawn seeds and trading of prawn seeds. To give effect to the purchase Company allotted 33,65,275 shares with Premium to the partners for consideration other than cash amounting sale value of Rs. 20.19 crore.

To bring lot of prawn farmers to purchase our seed, the company is giving the testing service as discount to the farmers for which the value for one test is very minimal when we compared to their purchase volume and value. That is why we were able to sell huge quantity of our own manufacturing seed and rather than trading in the year 2017. The company has recorded a revenue of Rs. 36.70 crore and profit margin Rs. 2.70 crore in the year 2017.

Going forward, the favorable monsoon is expected to result in the significant trading opportunities. Company is planned to introducing new and innovative technologies to cope up with global advancement. The year in retrospect was truly eventful- Enthused by the performance we are redoubling our efforts to face the emerging challenges with greater confidence.

I take this opportunity to thank all the employees of the company, whose dedication and confidence in the management has contributed to the success of the company. I also take this opportunity to thank all the shareholders for their continued faith in the company and understanding they have shown.

Thanks,  
**Joseb**

# CORPORATE INFORMATION





**BOARD OF DIRECTORS**

Mrs. VIMALLA JOSEB, Managing Director  
Mr. A JOSEB RAJ, Director  
Mrs. IRUDAYARAJ BEAULARAJ, Independent Director  
Mr. JESURAJ, Independent, Director  
Ms. LITHYA JOSEB, Additional Director

**CORPORATE IDENTIFICATION NUMBER**

L15549TN2005PLC057919

**REGISTERED OFFICE**

NO.15, ZACKARIA COLONY,  
4<sup>TH</sup> STREET, CHOOLAIMEDU,  
CHENNAI-600094  
TAMIL NADU

**LABORATORY**

PUDUKUPPAM VILLAGE,#92, KEELAIYUR VILLAGE,  
MANDAVAI POST, MARAKKANAM,  
TINDIVANAM TALUK,  
VILLUPURAM DISTRICT – 604 303  
TAMIL NADU

**LISTED STOCK EXCHANGE**

**BOMBAY STOCK EXCHANGE**  
PHIROZE JEEJEEBHAY TOWERS,  
1<sup>ST</sup> FLOOR, DALAL STREET,  
MUMBAI - 400 001  
MAHARASHTRAMAHAARASHTRA

**STATUTORY AUDITOR**

ELANGOVAN AND CO.,  
CHARTERED ACCOUNTANT  
NO.15 (OLD NO.4), DR. RANGA ROAD,  
METRO HOMES, 3<sup>RD</sup> FLOOR, MYLAPORE,  
CHENNAI - 600 004

**CHIEF FINANCIAL OFFICER**

MR.S.ARPUTHASAMY

**CORPORATE OFFICE**

NO.6, 1<sup>ST</sup> FLOOR, WELLINGTON ESTATE,  
NO.53, ETHIRAJ SALAI, EGMORE  
CHENNAI – 600 008  
TAMIL NADU

**HATCHERY PLANT**

POOMPUHAR, SEERKAZHI,  
NAGAPATTINAM DISTRICT – 609 105,  
TAMIL NADU

**REGISTRAR & SHARE TRANSFER AGENT**

**BIG SHARE SERVICES PVT LTD**  
1<sup>ST</sup> FLOOR, BHARAT TIN WORKS BUILDING,  
OPP. VASANT OASIS, MAKWANA ROAD,  
MAROL, ANDERI EAST,  
MUMBAI – 400059, MAHARASHTRA

**INTERNAL AUDITORS**

SRIVATSAN & ASSOCIATES  
CHARTERED ACCOUNTANT  
NEW NO.21, OLD NO.8,  
M.K.AMMAN KOIL STREET,  
MYLAPORE, CHENNAI-600 004

## COMMITTEE INFORMATION

### **AUDIT COMMITTEE:**

MRS.IRUDAYARAJ BEAULA RAJ, CHAIRMAN  
MRS.VIMALLA JOSEB  
MR.JESU RAJ

### **NOMINATION AND REMUNERATION COMMITTEE:**

MR.JESU RAJ, CHAIRMAN  
MR.JOSEB RAJ  
MRS.IRUDAYARAJ BEAULA RAJ

### **STAKEHOLDER RELATIONSHIP COMMITTEE:**

MR.JOSEB RAJ, CHAIRMAN  
MRS.IRUDAYARAJ BEAULA RAJ  
MRS.VIMALLA JOSEB