

SANSCO SERVICES LIMITED

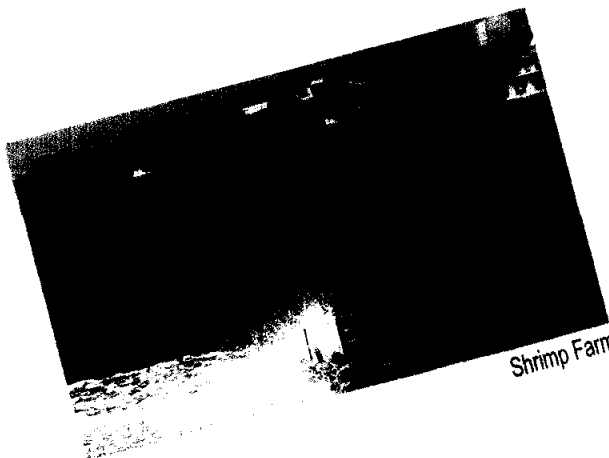
# THE WATERBASE LTD.



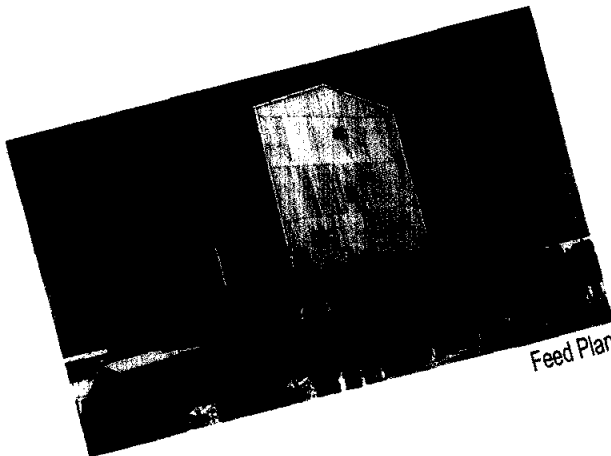
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## ANNUAL REPORT 2001-2002

# THE WATERBASE LTD.



Shrimp Farm



Feed Plant



Process Plant



<b>CONTENTS</b>	<b>Page No.</b>	<b>CONTENTS</b>	<b>Page No.</b>
Board of Directors	1	Profit & Loss Account	15
Notice to Shareholders	2	Schedules	16
Directors' Report	4	Notes on Accounts	20
Corporate Governance	7	Balance Sheet Abstract /	23
Auditors' Report	12	Business Profile	
Balance Sheet	14	Cash Flow Statement	24

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# THE WATERBASE LIMITED

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## ANNUAL REPORT

2001-2002

### BOARD OF DIRECTORS

SHRI VIKRAM M THAPAR  
Chairman

SHRI ANIL KUMAR BHANDARI

SHRI ANIL THADANI

SHRI J B DADACHANJI

SMT JYOTI THAPAR

SHRI PRADEEP DINODIA

SHRI KIRIT C SHAH

SHRI AJAY GUPTA  
( Nominee of ICICI )

### ALTERNATE DIRECTORS

SHRI PREM PANDHI (Alternate to Shri Anil Thadani)

SHRI MANEESH MANSINGKA (Alternate to Shri Kirit C Shah)

### CHIEF EXECUTIVE

SHRI ASHOK NANJAPA

### COMPANY SECRETARY

SHRI D VENKATESWARLU

### AUDITORS

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

### REGISTERED OFFICE & WORKS

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

### SHARE TRANSFER AGENTS

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

### LISTING ON EXCHANGES

1. THE HYDERABAD STOCK EXCHANGE LTD.
2. THE STOCK EXCHANGE, MUMBAI
3. MADRAS STOCK EXCHANGE LTD.
4. THE STOCK EXCHANGE, AHMEDABAD
5. THE CALCUTTA STOCK EXCHANGE ASSOCIATION LTD.
6. THE DELHI STOCK EXCHANGE ASSOCIATION LTD.

The company has paid the listing fees for the year  
2002-03 to all the above Exchanges.

### 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 600 086.

**THE WATERBASE LIMITED****NOTICE**

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Company will be held on Wednesday, the 31<sup>st</sup> July 2002 at 2.00 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 31<sup>st</sup> March 2002 and the Profit and Loss Account for the year ended on that date and the Directors and the Auditor's Report thereon.
2. To appoint a Director in place of Shri Vikram M Thapar who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Pradeep Dinodia, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Anil Kumar Bhandari, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Kirit C Shah, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint auditors and to fix their remuneration. M/s. Mitra Kundu & Basu, Chartered Accountants, retire and are eligible for re-appointment, on such remuneration as may be decided by the Board of Directors in addition to reimbursement of out of pocket expenses.

**SPECIAL BUSINESS :**

7. To consider and, if thought fit, to pass with or without modifications, the following, as a Special Resolution:

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 and such other approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the Articles of Association of the Company be and are hereby altered as follows:

(i). Clause (b) of Article 90 shall be deleted and the following new Article be substituted therefor:

90 (b). Each Director of the Company other than the Managing Director / Whole time Director who are in whole time employment of the Company, shall be entitled to receive sitting fee of such sum as may be decided by the Board of Directors from time to time and the same shall not exceed the sum prescribed under first proviso to Section 310 of the Companies Act, 1956, for attending each meeting of the Board or Committee thereof.

(ii). After Article 76, the following new article shall be inserted as under:

76A. Notwithstanding anything contained in Article 76 of the Articles of Association, a member entitled to vote at general meetings, may cast his vote either by Postal Ballot or through electronic media as provided in Section 192A of the Companies Act, 1956 on such business as the Central Government may notify in this behalf or amend from time to time the Act or Rules framed thereunder.

(iii). The following sub-clause be substituted for the "Registrar" clause under Article 1:

"Registrar" means the Registrar of Companies, Andhra Pradesh."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do and perform all such other acts, deeds and things as may be necessary or desirable to give effect to this Resolution."

By Order of the Board

Registered Office :  
Ananthapuram Village,  
Nellore 524 344.  
6<sup>th</sup> May 2002.

D VENKATESWARLU  
Company Secretary

**Notes:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and that 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 Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the Special Business is annexed thereto.
3. The Register of Members and Share Transfer Books of the company will remain closed from 16<sup>th</sup> July 2002 to 31st July 2002 (both days inclusive).
4. Members are requested to bring their copies of Annual Report to the meeting as the practice of distributing the same in the meeting has been discontinued.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956****Item No. 7 :**

- (i) The existing article 90 (b) of the Articles of Association of the Company provides for a sitting fee of Rs. 250/- for each director for attending each meeting of the Board. In view of the amendments to Section 310 of the Companies Act, 1956, which provides for a maximum sitting fee of Rs.5,000/- to the Directors for attending each meeting of the Board, it is proposed to substitute the existing article 90 (b) with new article.

The Directors may be deemed to be concerned or interested in the resolution.

- (ii) The Companies (Amendment) Act, 2000, has introduced postal ballot system giving shareholders a right to cast their vote by postal ballot including electronic media. To facilitate the same, Article 76A is proposed to be included in the Articles of Association of the Company.

None of the Directors of the company is concerned or interested in the resolution.

- (iii) Subsequent to the change in the Registered Office to Nellore, Andhra Pradesh the clause defining the Registrar has to be altered.

None of the Directors of the company is concerned or interested in the resolution.

The Board recommends the above resolution for approval as a Special Resolution.

**By Order of the Board**

Registered Office :  
Ananthapuram Village,  
Nellore 524 344.  
6<sup>th</sup> May 2002.

**D VENKATESWARLU**  
Company Secretary

## THE WATERBASE LIMITED

### DIRECTORS' REPORT

Your directors have pleasure in presenting their Fifteenth Annual Report together with the Audited Accounts for the financial year ended 31<sup>st</sup> March 2002.

#### FINANCIAL RESULTS :

Rs. In Millions

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Gross Sales	1035.60	883.62
Profit before Tax	19.61	33.14
Provision for Current Tax	0.40	2.10
Profit before Deferred Tax	19.21	31.04
Provision for Deferred Tax	1.89	-
Net Profit	17.32	31.04

#### OPERATIONS :

The company has seen a higher turnover than last year. The operating profit before interest, depreciation and tax has been lower at Rs. 121.66 million as compared to Rs. 129.73 Million. The decrease is basically due to drop in international prices and also the September 11<sup>th</sup> incident. These factors had impact internationally, which in turn affected our industry.

The sale of Feed has increased by 37%. The Feed operations of the company have grown during this year despite the market size remaining static. The company's leading feed brand " Ultra" has emerged as the single largest selling brand. The above performance may be viewed considering the difficult market conditions.

The Company's exports increased by 14%. The Company is approved for supplies for U.S.A. and Europe. Farming activity was conducted with marginal success.

#### FINANCE :

During the year under review, the company was able to reschedule a part of its debts. The company's attempts towards reducing its finance costs continues. The company has maintained good working relationship with its Banks and Financial Institutions.

#### ACHIEVEMENTS :

The Company has been awarded the 1<sup>st</sup> prize in Aquaculture amongst 100% Export Oriented Units in the State of Andhra Pradesh and Yanam

The company has also been awarded 3<sup>rd</sup> prize in Export Performance amongst 100% Export Oriented Units in the State of Andhra Pradesh and Yanam.

These two awards were conferred by Visakapatnam Export Processing Zone for the year 2000-01 and were presented by Hon'ble Chief Minister Mr.Chandrababu Naidu.

#### 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 Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988 is given in Annexure – A of this report.

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 :**

ICICI has nominated Mr. Ajay Gupta as its nominee Director on the Board in the place of Mr. Ram Kumar Mehra with effect from 28<sup>th</sup> October 2001. The Directors welcome the appointment of Mr. Ajay Gupta.

The Board places on record the appreciation for the valuable contribution rendered by Mr. Ram Kumar Mehra during his tenure as Director in this company.

Mr. Vikram M Thapar, Mr. Pradeep Dinodia, Mr. Anil Kumar Bhandari and Mr. Kirit C Shah, Directors retire by rotation and are eligible for reappointment.

**DIRECTORS RESPONSIBILITY STATEMENT :**

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

- (1) That in the preparation of the Annual Accounts for the financial year ended 31<sup>st</sup> March 2002, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- (2) That 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) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (4) That the Directors have prepared the Annual Accounts on a going concern basis.

**CORPORATE GOVERNANCE :**

The company has consistently stood for Corporate Governance. A separate report on Corporate Governance together with Auditor's Certificate regarding Compliance of conditions of Corporate Governance forms part of the Annual Report.

**AUDITORS :**

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

**ACKNOWLEDGEMENT :**

Your Directors place on record their appreciation of the assistance and support extended by all Government Authorities, Financial Institutions 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,  
29<sup>th</sup> April 2002.

**VIKRAM M THAPAR**  
Chairman

**THE WATERBASE LIMITED****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 optimise energy utilisation.

**PARTICULARS IN FORM A****A. Power and Fuel consumption :**  
(During the period of Manufacture)

	Current year	Previous year
<b>1. Electricity :</b>		
a) Purchased:		
Units	5185797	4301226
Total Amount (Rs.)	23102029	19420678
Rate / Unit (Rs.)	4.45	4.52
b) Own Generation:		
( i ) Through Diesel Generator		
Units	320716	460674
Total Amount (Rs.)	1866997	2268422
Rate / Unit (Rs.)	5.82	4.92
( ii ) Through Steam Turbine/Generator	-N.A.-	-N.A.-
<b>2. Coal (Quality and where used)</b>	-N.A.-	-N.A.-
<b>3. Furnace Oil :</b>		
Quantity (K.Lts)	186.24	156.78
Total Amount (Rs.)	1955562	1677650
Average Rate	10500	10700
<b>4. Other/Internal Generation</b>	NIL	NIL
<b>B. Consumption per unit of Production :</b>		
Electricity (Unit/MT)	8754.62	8165.76
Furnace Oil (Litres/MT)	97.45	96.77

**PARTICULARS AS PER FORM B****A. Research and Development (R & D) :**

The Company continues to work in areas of applied research on feed nutrition, shrimp health and feed safety related issues, being some of the key areas. Based on the successful results from the in-house research, Pelletised Starter Feed #3, the first of its kind in the world for shrimp feed was launched. Infact, the product has been very well accepted by the market because of the benefits to the farmers. Other areas of research has been in the development of Performance Enhanced Diets for the shrimp. The company has also carried out a number of trials on areas related to food safety and improving the post harvest technology in handling of material. As part of the R&D efforts, the company's work in the other species are also on.

**B. Technology absorption, adaptation and innovation :**

During the period, we continued to work on value added products like Breaded Shrimps, etc., in conjunction with leading ingredient suppliers. The focus of the company has been to move towards higher value addition by tying up with key buyers and working with them for technology upgradation of our facilities.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Export of frozen shrimp block and other value added items continued during the year.

	2001-2002	2000-2001
	(Rs. in Millions)	
Foreign Exchange Income	342.19	392.97
Foreign Exchange Outgo	210.59	152.17

For and on behalf of the Board of Directors

New Delhi,  
29<sup>th</sup> April 2002.

**VIKRAM M THAPAR**  
Chairman