

Annual Report 2004-05

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THE WATERBASE LIMITED



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THE WATERBASE LIMITED



Annual Report 2004-2005

BOARD OF DIRECTORS

Mr. VIKRAM M THAPAR, Chairman

Mr. ANIL KUMAR BHANDARI

Mr. ANIL THADANI

Mrs. JYOTI THAPAR

Mr. PRADEEP DINODIA

Mr. A. V. S. RAMANUJAN
(Nominee of ICICI Bank Ltd.)

Mr. MANEESH MANSINGKA

Mr. ADARSH SARAN

Mr. PREM PANDHI
(Alternate to Mr. Anil Thadani)

CHIEF EXECUTIVE

Mr. ASHOK NANJAPA

COMPANY SECRETARY

Ms. SUGUNA KRISHNAMURTHY

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.
SHREE SOVEREIGN COMPLEX
22, 4TH CROSS STREET
TRUSTPURAM, KODAMBAKKAM
CHENNAI - 600 024.

LISTING IN STOCK EXCHANGES

THE STOCK EXCHANGE, 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.

The Waterbase Limited

NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Company will be held on Friday, July 29, 2005 at 10.00 a.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, 2005 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. Anil Thadani, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Adarsh Saran, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Maneesh Mansingka, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint M/s. Mitra Kundu & Basu, Chartered Accountants, as 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**

SUGUNA KRISHNAMURTHY
Company Secretary

New Delhi, May 19, 2005

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 July 19, 2005 to July 29, 2005 (both days inclusive).



DIRECTORS' REPORT

Your Directors have pleasure in presenting their Eighteenth Annual Report together with the Audited Accounts for the financial year ended March 31, 2005.

FINANCIAL RESULTS

(Rs. in million)

Particulars	Current Year	Previous Year
Gross Sales	986.72	889.26
Profit before Tax	5.33	18.04
Provision for Tax	(4.84)	1.27
Profit after Tax	10.17	16.77

OPERATIONS

The operating profit before interest, depreciation and tax is Rs.85.98 million as against Rs.97 million in the previous year.

During the year, international price for shrimps was affected by the large scale export of small size white shrimps produced in China, Thailand and other Latin American countries. During the year, United States imposed Anti Dumping Duty on shrimps. The Anti Dumping Duty levied by United States on six countries including India had its effect on the contributions of the Company.

In the final determination of the Anti Dumping Duty of the six countries targeted by the United States Government, four countries, viz Thailand, Vietnam, Ecuador & Brazil, who are major exporters to the United States have a duty imposition of 5.95%, 4.57%, 3.58% & 7.05% respectively compared to the duty of 10.17% imposed on India. This imposition had a major impact on all aspects of aqua operations.

FINANCE

The Company continues to pursue suitable options in its efforts to reduce interest cost.

HANDY-WATERBASE

M/s. Handy Waterbase India Pvt. Ltd., a joint venture company with M/s. John T. Handy Inc., U.S.A., exports Pasteurised Crab Meat to the US market.

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

Information pursuant of 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 this 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.

The Waterbase Limited

DIRECTORS

Mrs. Jyoti Thapar, Mr. Anil Thadani, Mr. Adarsh Saran and Mr. Maneesh Mansingka retire by rotation and offer themselves for re-appointment at the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (1) In the preparation of the Annual Accounts for the financial year ended March 31, 2005, 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 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 safeguarding 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 Corporate 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 Auditors, M/s. Mitra Kundu & Basu, Chartered Accountants, retire and being eligible, offer themselves for re-appointment.

ACKNOWLEDGEMENTS

Your Directors place on record their appreciation for the assistance and support extended by the 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

VIKRAM M THAPAR
Chairman

New Delhi, May 19, 2005



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 utilization.

FORM A

		Current Year	Previous Year
A. Power and Fuel Consumption			
1. Electricity			
a) Purchased – Units (Kwh)		5,454,229	5,244,477
– Total Amount - Rs.		23,117,464	23,881,178
– Rate / Unit - Rs.		4.24	4.55
b) Own Generation			
(i) Through Diesel Generator – Units (Kwh)		178,532	276,284
– Total Amount - Rs.		1,480,541	1,893,655
– Rate / Unit - Rs.		8.29	6.85
(ii) Through Steam Turbine/Generator		NA	NA
2. Coal (Quantity and where used)		NA	NA
3. Furnace Oil – Quantity - (K.ltrs)		182.43	279.27
– Total Amount - Rs.		2,630,741	3,574,630
– Average Rate - Rs.		14,421	12,800
4. Other Internal Generation		NIL	NIL
B. Consumption per Unit of Production			
Electricity - Kwh/MT		315.81	321.14
Furnace Oil - Litres / MT		10.23	16.25

FORM B

TECHNOLOGY ABSORPTION

A. Research and Development (R & D)

To ensure maximum benefit to the farming community, the Company continues its research work into improvement of quality of the feed for the shrimps.

The Company is also carrying out research to produce pathogen free seeds which would be a great step forward for the industry.

B. Technology Absorption, Adoption and Innovation

The Company has been tying up with international aquaculture companies on nutritional requirements of the marine species.

FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans

Efforts are being made to increase exports by entering into arrangements with buyers in spite of severe competition and imposition of higher anti dumping duty by USA.

2. Foreign Exchange used and earned – Rs. in million	Current Year	Previous Year
Used	202.18	193.30
Earned	367.15	281.16

For and on behalf of the Board of Directors

VIKRAM M THAPAR

Chairman

New Delhi, May 19, 2005

The Waterbase Limited

CORPORATE GOVERNANCE

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 present strength of the Board is eight Directors. All the Directors are Non-executive Directors. Three Directors are Promoter Directors. Five are Independent Directors of whom one is a Nominee Director of ICICI Bank Ltd. The number of Independent Directors is more than one third of the total number of Directors. The number of Non-executive Directors is more than 50 percent of the total number of Directors and conforms with the requirements of Corporate Governance Code under the Listing Agreement. The Company has a Non-executive Chairman.

During the year, apart from the sitting fees paid for attending Board Meetings, the Company has not had any pecuniary relationship with any of the Directors.

b) Number of Board Meetings and dates on which held

During the year, four Board Meetings were held as follows:

April 29, 2004, July 15, 2004, October 26, 2004, & January 27, 2005

c) Attendance of the Directors at the Board Meetings and at the last Annual General Meeting

Name of the Director	Category	Attendance Particulars		No. of Other Directorships and Committee Memberships (other than TWL)		
		Board Meetings	Last AGM	No. of Directorships	Membership	Chairman
Mr. Vikram M Thapar, Chairman	Non-executive, Promoter	4	Yes	7	Nil	2
Mrs. Jyoti Thapar	Non executive, Promoter	4	Yes	3	Nil	1
Mr. Pradeep Dinodia	Non-executive, Independent	0	No	11	5	1
Mr. Anil Kumar Bhandari	Non-executive, Independent	4	Yes	3	Nil	Nil
Mr. Prem Pandhi (Alternate Director to Mr. Anil Thadani)	Non-executive, Independent	3	No	6	Nil	2
Mr. Maneesh Mansingka	Non-executive, Independent	2	No	4	Nil	Nil
Mr. A. V. S. Ramanujan (Nominee Director of ICICI Bank Ltd.)	Non-executive, Independent	2	No	Nil	Nil	Nil
Mr. Adarsh Saran	Non-executive, Promoter	1	No	4	Nil	Nil

None of the Directors of the Board is a member of more than ten Committees and Chairman of more than five Committees as specified in Clause 49 of the Listing Agreement.