



# THE WATERBASE LIMITED

*Annual Report 2006-2007*



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## CONTENTS

## Page No.

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Board of Directors.....	1
Notice .....	2
Directors' Report.....	3
Corporate Governance Report.....	7
Management Discussion and Analysis.....	12
Auditors' Report.....	14
Balance Sheet.....	17
Profit and Loss Account.....	18
Schedules to Accounts.....	19
Notes on Accounts.....	23
Cash Flow Statement.....	27
Balance Sheet Abstract.....	28

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# THE WATERBASE LIMITED

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**Annual Report 2006-2007**

**BOARD OF DIRECTORS**

Mr. VIKRAM M THAPAR, Chairman

Mr. ANIL KUMAR BHANDARI

Mr. ADARSH SARAN

Mr. ANIL THADANI

Mrs. JYOTHI THAPAR

Mr. MANEESH MANSINGKA

**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  
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.



NOTICE is hereby given that the Twentieth Annual General Meeting of the Company will be held on Friday, 21<sup>st</sup> September 2007 at 12.00 noon 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, 2007 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

Chennai, May 18, 2007

### 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.**
2. 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.
3. The Register of Members and Share Transfer Book of the Company will remain closed from 18th July 2007 to 27th July 2007 (both days inclusive)



## DIRECTORS' REPORT

Your Directors have pleasure in presenting their Twentieth Annual Report together with the Audited Accounts for the financial year ended March 31, 2007.

### FINANCIAL RESULTS

(Rs in Million)

Particulars	Current Year	Previous Year
Gross Sales / Services	595.27	677.82
Operating Profit before Interest, depreciation, Prior period & Tax	43.95	24.60
Profit/ (Loss) before Tax	(26.54)	(70.98)

### OPERATIONS

The operating profit before interest, depreciation, tax and extraordinary item is Rs 43.95 million as against Rs. 24.60 million in the previous year.

The continued set backs faced by the Industry on account of multiple factors both in terms of external environment related issues like US customs bond, anti- dumping etc as well as disease problems in the farms post Tsunami due to infected seed have impacted the operations.

The Industry expects the trend to continue in the current year also but with slight improvement because of recovery in export prices especially for Black Tiger shrimps. However the sharp strengthening of the Rupee by over 10% is a major concern for all export activities since other competing countries like China, Vietnam, Indonesia do not have this problem.

The Government of India has recently prevailed upon the National Fisheries Development Board, to focus mainly on supporting development of Aquaculture Industry in India. One of the thrust areas of this Board is to help the industry overcome disease problems through a genetic programme. This should substantially alleviate the problems of the Industry.

### FINANCE

The company continues to pursue suitable options to reduce interest cost in the given circumstances.

The interest cost to a large extent is affected due to reasons mentioned above as our customers take longer time than usual to settle their dues.

During the year a one-time settlement was made with respect to a Term Loan due to a Financial institution. The company is also in discussion with another Financial Institution to arrive at a settlement for amount mentioned in the Auditors report. The above settlement would bring down the cost of interest to the Company. However the present trend of increasing interest on borrowings from banks would offset the benefits obtained due to this settlement.



## **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 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.

## **DIRECTORS**

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

During the year Mr. Mathew Verghese, nominee director of ICICI Bank Ltd was withdrawn from the Board. The Company places its appreciation for the contribution made by him during his tenure.

## **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 that ;

- (1) In the preparation of the Annual Accounts for the financial year ended March 31, 2007, 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 judgments 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 loss 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 Auditor's certificate regarding Compliance of conditions of Corporate Governance under clause 49 of the Listing agreement forms part of the Annual Report.



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## AUDITORS

The Auditors M/s Mitra Kundu & Basu, Chartered 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, 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

Chennai, May 18, 2007

**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 optimise energy utilisation.

#### FORM A

	Current year	Previous year
<b>A. Power and Fuel consumption</b> (During the period of Manufacture)		
<b>1. Electricity</b>		
a) Purchased: - Units (Kwh )	4,102,536	3,966,171
- Total Amount Rs.	16,867,766	17,295,462
- Rate / Unit Rs.	4.11	4.36
b) Own Generation:		
( i )Through Diesel Generator - Units (Kwh )	344,406	187,170
- Total Amount	5,262,936	1,999,723
- Rate / Unit Rs.	15.28	10.68
( ii )Through Steam Turbine/Generator	NA	NA
<b>2. Coal</b> (Quality and where used)	NA	NA
<b>3. Furnace Oil</b> - Quantity (K.Lts)	105.62	130.85
- Total Amount Rs.	2,108,264	2,476,120
- Average Rate Rs.	19,961	18,923
<b>4. Other/Internal Generation</b>	NA	Nil
<b>B. Consumption per unit of Production</b>		
Electricity (Unit/MT)	327.852	338.166
Furnace Oil (Litres/MT)	10.94	10.65

#### FORM B

### TECHNOLOGY ABSORPTION

#### A. Research And Development (R & D )

The Company continues its work on species suitable for crop rotation. Trials are being conducted in the company 's R & D facilities in association with a number of International Companies on nutritional aspects of shrimps. Studies are also being conducted in areas of behavioural aspects of shrimp in stressful conditions.

#### B. Technology Absorption, Adaptation And Innovation.

Efforts are on to source alternative raw material for feed manufacture.

### FOREIGN EXCHANGE EARNINGS AND OUTGO

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

	(Rs. in Millions)	
Foreign Exchange Income	131.78	180.57
Foreign Exchange outgo	76.83	154.48

For and on behalf of the Board

**VIKRAM M THAPAR**  
Chairman

Chennai, May 18, 2007





## 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 six Directors. All the directors are Non-executive directors. Three directors are Promoter directors. Three are Independent directors. During the year two independent directors resigned, one of whom was a nominee director of a bank whose directorship was withdrawn by the bank. 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) No of Board Meetings and dates on which held

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

May 22, 2006, July 28, 2006, October 27, 2006, & January 25, 2007

#### 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 Directorship	Member	Chairman
Mr. Vikram M Thapar, Chairman	Non-executive promoter	4	Yes	7	Nil	2
Mrs. Jyoti Thapar	Non-executive, promoter	3	No	3	Nil	1
Mr. Anil Kumar Bhandari	Non-executive, independent	3	Yes	3	Nil	Nil
Mr. Adarsh Saran	Non-executive, independent	3	No	6	Nil	2
Mr. Maneesh Mansingka	Non-executive, independent	1	No	4	Nil	Nil
Nominee Director of ICICI Bank Ltd: Mr. Mathew Verghese Withdrawn wef 4.12.2006	Non-executive, independent	2	Yes	Nil	Nil	Nil
Mr.. Anil Thadani	Non-executive promoter	0	No	4	Nil	Nil

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.