

# **THE WATERBASE LTD**

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# THE WATERBASE LIMITED

*22nd Annual Report 2008 - 2009*

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# THE WATERBASE LIMITED

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## *22nd Annual Report 2008 - 2009*

### **BOARD OF DIRECTORS**

Mr. VIKRAM M THAPAR, Chairman

Mr. ANIL KUMAR BHANDARI

Mr. ADARSH SARAN

Lt.Gen. DEEPAK SUMMANWAR, (Retd.)

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 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 EXCHANGE**

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

NOTICE is hereby given that the Twenty Second Annual General Meeting of the Company will be held on Tuesday, September 08, 2009 at 11.30 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 31<sup>st</sup>, March 2009 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. Jyothi Thapar who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr. Maneesh Mansingka who retires by rotation and being eligible, offers himself for re-appointment.
4. 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 such remuneration as may be decided by the Board of Directors.

Registered Office:  
Ananthapuram Village  
Nellore - 524 344

By Order the Board  
For **THE WATERBASE LIMITED**

New Delhi, July 27, 2009

**SUGUNA KRISHNAMURTHY**  
*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. 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 Wednesday, September 2, 2009 to Tuesday, September 8, 2009 (both days inclusive).



## DIRECTORS' REPORT

Your Directors have pleasure in presenting their Twenty Second Annual Report together with the Audited Accounts for the financial year ended 31<sup>st</sup> March 2009.

Rs. million

Particulars	Current Year	Previous Year
<b>Gross Sales /Services</b>	<b>335.23</b>	396.49
<b>Operating Profit/ (Loss) before Interest, Depreciation, Extra Ordinary Item, Prior Period Expenses and Tax</b>	<b>(175.42)</b>	44.34
<b>Profit after Tax, Extra Ordinary Item and Prior Period Adjustment</b>	<b>10.46</b>	(43.06)

### OPERATIONS

The operating Profit after interest, depreciation, tax and extraordinary item is Rs.10.46 Million as against a loss of Rs. 43.06 million in the previous year and the operating loss before Interest, depreciation and Extra Ordinary Item is Rs.175.42 million as against profit of Rs. 44.34 million in the previous year.

The year under review was an extremely difficult year. The Industry faced an unprecedented turbulence in the wake of the global economic meltdown, which affected the demand for shrimps, and consequently shrimp feed production.

The Indian government has recently approved the farming of the exotic species called Vannamei. Given the advantage of this species, which is widely exported by shrimp farming countries to US and other countries, it is hoped that the Industry would benefit by way of increase in farming area and consequently increase in production of the shrimps. It is expected that the full benefit of this introduction would be felt in the year 2010.

The US government reduced the Anti – Dumping Duty to 0.79% and has also agreed to withdraw the bond requirements for Exporters.



These developments would help to mitigate the adverse effects of the economic slowdown.

During the year, the company had revalued its lands to reflect the increase in land value following the development of Krishnapatnam Port situated near our factory.

The Company sold its excess agricultural lands. This will have no impact on normal working capacity or future growth of the company.

## **FINANCE**

During the year, the company deposited the unclaimed debenture amounts into the Investor Education and Protection Fund.

Part of the sale proceeds from sale of land were utilized for reduction in the working capital loans and liquidating long term debts. This will help to reduce the interest burden.

## **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 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. Jyothi Thapar and Mr. Maneesh Mansingka, Directors of the Company retire by rotation and offer themselves for reappointment at the ensuing Annual General Meeting.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirements under Section 217 (2 AA) 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 31st March 2009, 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 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 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 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.

## **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 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, July 27, 2009



## ANNEXURE TO THE DIRECTOR'S 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

##### A. Power and Fuel Consumption (During the period of Manufacture)

	2008-09	2007-08
<b>1. Electricity</b>		
a) Purchased: – Units(Kwh)	2568690	3264660
– Total Amount-Rs.	10176790	13756424
– Rate / Unit	3.96	4.21
b) Own Generation:		
i) Through Diesel Generator: – Units (Kwh)	39011	91016
– Total Amount –Rs.	476219	1092988
– Rate / Unit	12.2	12.01
ii) Through Steam Turbine / Generator	NA	NA
<b>2. Coal</b> (Quality and where used)	NA	NA
<b>3. Furnace Oil:</b> – Quality (K.Lts)	23.02	78.94
– Total Amount Rs.	61072	1848235
– Average Rate Rs.	26.53	23.39
<b>4. Other / Internal Generation</b>	NA	NA
<b>Consumption per unit of production</b>		
Electricity (Unit / MT)	468.39	474.44
Furnace Oil (Litres / MT)	10.98	11.30

#### FORM B

### TECHNOLOGY ABSORPTION

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

The company is constantly striving to improve its shrimp feed and has developed an organic feed. Trials are being conducted in the Company's R & D facilities in association with a number of International Companies on nutritional aspects of shrimps.

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

The company is constantly making efforts to use alternative raw materials in its feed manufacture.

### FOREIGN EXCHANGE EARNINGS AND OUTGO

	(Rs. Million)	
	2008-09	2007-08
Foreign Exchange Income	86.45	103.07
Foreign Exchange Outgo	10.94	12.63

For and on behalf of the Board

**Vikram M Thapar**  
Chairman

New Delhi, July 27, 2009





## 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. The Company has a Non-executive Chairman. All the directors are Non-executive directors. Three directors are Promoter directors. Three are Independent directors. The number of independent Directors is one half of the total number of directors. All the directors are non-executive directors, and this conforms with the requirements of Corporate Governance Code under the Listing Agreement. during the year there has been no change in the composition of the Board. 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, five Board Meetings were held as follows: May 28, 2008, June 30, 2008, July 25 2008, October 30 , 2008, and January 22, 2009.

#### (c) Attendance of the directors at the Board Meetings/ the last Annual General Meeting

Name of the Director	Category	Attendance Particulars		No. of other Directorships and Committee Memberships (other than TWL)		
		Board Meeting	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	1	No	3	Nil	1
Mr. Anil Kumar Bhandari	Non Executive, Independent	5	Yes	3	Nil	Nil
Mr. Adarsh Saran	Non Executive, Promoter	1	No	6	Nil	2
Mr. Maneesh Mansingka	Non Executive, Independent	3	No	4	Nil	Nil
Lt. Gen. Deepak Summanwar (Retd).	Non Executive, Independent	4	Yes	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.



## AUDIT COMMITTEE

### (a) Composition, No. 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
Mr. Maneesh Mansingka	Non Executive Independent	2
Lt. Gen. Deepak Summanwar (Retd)	Non Executive Independent	3

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 held meetings on June 30, 2008, July 25 2008, October 30, 2008, and January 22, 2009. The Audit Committee met on July 30, 2009 to review the audited Annual Accounts for the year ended 31st March 2009 and recommended approval of the Annual Accounts to the Board of Directors of the Company.

### (b) 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:

- (i) Review of Company's financial reporting process, quarterly and annual financial statements, and disclosure of financial information
- (ii) Review with the management, internal and external auditors, the adequacy of the internal control systems
- (iii) Review of reports of the Internal Auditor and functioning of the Internal Audit teamd) Post Audit review with Statutory Auditors and discussions on findings, suggestions, and any areas of concern,
- (iv) Recommending the appointment/removal of statutory auditor , fixation of audit fees and approval for payment for any other services.

## REMUNERATION COMMITTEE

The Remuneration Committee consists of Mr. Anil Kumar Bhandari, Chairman, Mr. Maneesh Mansingka and Lt. Gen. Deepak Summanwar. 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.

## INVESTOR / SHAREHOLDERS GRIEVANCE COMMITTEE AND SHARE TRANSFER COMMITTEE

The Committee comprises of two Non executive directors Mr. Anil Kumar Bhandari, the Chairman and Mr. Maneesh Mansingka. Ms.Suguna Krishnamurthy, Company Secretary is the Compliance Officer of the Company. Share transfers in the physical form are approved' on a fortnightly basis by the Company Secretary and these are confirmed by the Committee at its meetings. The Committee met four times during the year under review. Requests for Demat