

**26<sup>th</sup>**

**Annual Report**  
**2012 - 2013**

** THE WATERBASE LTD**

*"On the 26th Annual General Meeting of the Company*

*The Board of Directors*

*Sincerely Thank*

*All Our Investors, Bankers, Customers and Employees"*



# **THE WATERBASE LIMITED**

*26th Annual Report 2012 - 2013*

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# — THE WATERBASE LIMITED —



## *26th Annual Report 2012 - 2013*

### **BOARD OF DIRECTORS**

Mr. VIKRAM M THAPAR, Chairman  
Mrs. JYOTI THAPAR  
Mr. ANIL KUMAR BHANDARI  
Mr. ADARSH SARAN  
Lt. Gen. DEEPAK SUMMANWAR (Retd.)  
Mr. NAKUL KAMANI  
Ms. AYESHA THAPAR  
Mr. RANJIT MEHTA

### **CHIEF EXECUTIVE**

Mr. ASHOK NANJAPA

### **COMPANY SECRETARY**

Ms. SUGUNA KRISHNAMURTHY

### **AUDITORS**

MITRA KUNDU & BASU  
CHARTERED ACCOUNTANTS  
No.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**

CAMEO CORPORATE SERVICES LTD.  
SUBRAMANIAN BUILDING  
No.1, CLUB HOUSE ROAD  
CHENNAI - 600 002

### **LISTING IN STOCK EXCHANGE**

BSE LTD., 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 - 600 108  
STATE BANK OF HYDERABAD, INDUSTRIAL FINANCE BRANCH, CHENNAI - 600 001.



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## NOTICE

NOTICE is hereby given that the 26th Annual General Meeting of the Company will be held on **Monday, July 29, 2013 at 12.15 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 March 31, 2013 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 Ms. Ayesha Thapar who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr. Nakul Kamani who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Ranjit Mehta who retires by rotation and being eligible, offers himself for re-appointment.
5. 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 of the Board  
For **THE WATERBASE LIMITED**

**Vikram M Thapar**  
Chairman

New Delhi, May 24, 2013

### 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 Tuesday, July 23, 2013 to Monday July 29, 2013 (both days inclusive).
3. Members are requested to keep the Company informed of changes in their mailing address.

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the twenty sixth Annual Report with the Audited Accounts for the financial year ended 31st March, 2013.

₹ Millions

Particulars	Current Year	Previous Year
Gross Sales / Services	<b>1570.21</b>	1034.72
Profit before Interest Depreciation, Tax and Exceptional Item	<b>126.23</b>	111.35

### OPERATIONS

During the year under review the gross revenue from sales and services of the Company increased to ₹ 1570.21 million compared to ₹ 1034.72 million in the previous year, registering an impressive growth of 51.75 %.

The profit before tax expenses is at ₹ 75.85 million in the current year compared to ₹ 68.31 million in the previous year. The profit before interest depreciation, Tax and exceptional item in the current year is ₹ 126.23 million as against ₹ 111.35 million of the previous year.

The Company's profitability was adversely affected due to steep increase in the prices of raw materials and increased cost of power due to excessive use of captive power.

The industry is in a turn around mode and the area under vannamei farming is rapidly increasing, resulting in increased demand for shrimp feed.

We foresee a steady growth in all the sectors of the industry.

### RIGHTS ISSUE

SEBI has given its approval to the Rights Issue which was approved by the shareholders in the Annual General Meeting held on Friday, 2nd September, 2011 in the proportion of one equity share for every two shares held by the equity shareholders.

### 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 in 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 (2 A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

### DIRECTORS

Ms. Ayesha Thapar, Mr. Nakul Kamani and Mr. Ranjit Mehta, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under section 217 ( 2 AA ) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is here by confirmed that :

- (1) In the preparation of the Annual Accounts for the financial year ended March 31, 2013 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 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 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 auditors certificate regarding compliance of conditions of corporate governance under clause 49 of the listing agreement, forms part of the annual report.

## **AUDITORS**

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

## **COST AUDIT**

Pursuant to section 233(B)(2) of the Companies Act, 1956, the Board of Directors have appointed J.P & Co., Cost Accountants as Cost Auditor of the Company for the Financial Year ended 31st March, 2013.

## **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 service rendered by the employees of the Company.

For and on behalf of the Board of Directors

New Delhi, May 24, 2013

**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 optimize energy utilization.

#### FORM A

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

	2012-13	2011-12
<b>1. Electricity</b>		
a) Purchased: - Units(Kwh)	<b>5718750</b>	5297550
- Total Amount - ₹	<b>32509671</b>	23550800
- Rate / Unit - ₹	<b>5.68</b>	4.45
b) Own Generation:		
i) Through Diesel Generator: - Units(Kwh)	<b>963601</b>	90514
- Total Amount - ₹	<b>14624255</b>	1415511
- Rate / Unit - ₹	<b>15.18</b>	15.64
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)	<b>273.630</b>	200.189
- Total Amount - ₹	<b>12382458</b>	7316908
- Average Rate - ₹	<b>45.25</b>	36.55
<b>4. Other / Internal Generation</b>	NA	NA
<b>Consumption per unit of production</b>		
Electricity (Unit / MT)	<b>205.14</b>	239.54
Furnace Oil (Litres / MT)	<b>8.40</b>	8.90

#### FORM B

#### II TECHNOLOGY ABSORPTION

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

Your Company envisages R & D as a backbone in developing quality feeds to meet with market requirements.

The Company is constantly focusing to develop alternative raw materials in order to provide environmentally safe and affordable feed to the farmers.

The Company works closely with international nutritionists and renowned research institutes in order to develop the best feed formulations.

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

The Company is constantly engaged in finding alternatives to animal proteins which would reduce the reliance on scarce animal proteins. There is a constant effort being made to reduce the cost of feed inputs while improving its productivity.

#### III FOREIGN EXCHANGE EARNINGS AND OUTGO

	2012-13	2011-12
	₹ in Lakhs	
- Earnings	<b>84.47</b>	460.16
- Outgo	<b>722.57</b>	286.27

For and on behalf of the Board

New Delhi, May 24, 2013

**Vikram M Thapar**  
Chairman



## CORPORATE GOVERNANCE REPORT

### 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 strength of the Board is eight Directors out of which four are independent Directors. The Company has a non-executive Chairman. All the Directors are non-executive Directors. There has been no change in the constitution of the Board during the previous year. Except for 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 30, 2012, July 25, 2012, October 30 2012, and January 30, 2013. The gap between two meetings did not exceed four months. The necessary quorum was present at all meetings.

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

Name of the Director	Category / Relationship with other Directors	Attendance Particulars		No. of Directorships and Committee Memberships (Other than TWL)*		
		Board Meeting	Last AGM	No. of Directorships	Member	Chairman
Mr. Vikram M Thapar, Chairman	Non-Executive Promoter	4	No	8	Nil	2
Mrs. Jyoti Thapar	Non-Executive Promoter / Wife of Mr. Vikram M. Thapar	3	No	2	Nil	1
Mr. Anil Kumar Bhandari	Non-Executive Independent	2	No	5	Nil	Nil
Mr. Adarsh Saran	Non-Executive Promoter / brother in law of Mr. Vikram M Thapar	1	No	3	Nil	Nil
Lt. Gen. Deepak Summanwar	Non-Executive Independent	3	No	2	Nil	Nil
Mr. Nakul Kamani	Non-Executive Independent	3	No	5	Nil	Nil
Ms. Ayesha Thapar	Non-Executive Promoter / Daughter of Mr. Vikram M. Thapar & Mrs. Jyoti Thapar	2	No	3	Nil	Nil
Mr. Ranjit Mehta	Non-Executive Independent	3	No	Nil	Nil	Nil

\*does not include Directorships of private limited companies.

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:

### Composition, Number of Meetings and Attendance during the year.

Name of the Member	Category	Meetings attended
Mr. Anil Kumar Bhandari, Chairman	Non-Executive, Independent	2
Mr. Vikram M Thapar	Non-Executive, Promoter	4
Lt. Gen. Deepak Summanwar	Non-Executive, Independent	3
Mr. Nakul Kamani	Non-Executive, Independent	3
Mr. Ranjit Mehta	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 met four times on the following dates : May 30, 2012, July 25, 2012, October 30, 2012, and January 30, 2013.

#### 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:

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

#### Remuneration Committee :

The Remuneration Committee consists of Mr. Anil Kumar Bhandari, Chairman, Lt. Gen. Deepak Summanwar, Mr. Nakul Kamani, and Mr. Ranjit Mehta. 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 Lt. Gen Deepak Summanwar. Ms.Suguna Krishnamurthy, Company Secretary is the Compliance Officer of the Company. The Committee met four times during the year on May 30, 2012, July 25, 2012, October 30, 2012 and January 30, 2013.

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. Requests for demat of shares are processed within a period of 14 days by the Company's Registrars.