



THE WATERBASE LTD

2013-2014

27th ANNUAL REPORT



THE WATERBASE LIMITED

27th Annual Report 2013 - 2014

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THE WATERBASE LIMITED



27th Annual Report 2013 - 2014

BOARD OF DIRECTORS

Mr. VIKRAM M THAPAR, Chairman
Mrs. JYOTI THAPAR
Mr. VARUN THAPAR
Mr. ANIL KUMAR BHANDARI
Mr. ADARSH SARAN
Lt. Gen. DEEPAK SUMMANWAR (Retd.)
Mr. NAKUL KAMANI
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
CIN:L05005AP1987PLC018436

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



DIRECTORS' REPORT

₹ Lacs

Particulars	Current Year	Previous Year
Gross Sales/Services	22820.86	15702.09
Profit before Interest, Depreciation, Tax and Exceptional item	2511.91	1274.35

OPERATIONS

During the year under review, the gross revenue from sales and services of the company has increased to ₹ 22820.86 lacs as against ₹ 15702.09 lacs for the corresponding period in the previous year, registering an impressive growth of 45%.

The profit before tax was ₹ 2043.56 lacs as against ₹ 758.49 lacs in the previous year.

The industry continues to do well as the area under Vannamei shrimp farming continues to increase.

With increased internal demand and lucrative prices for shrimps, the farmers have been able to get good prices for their produce.

RIGHTS ISSUE

The Company's rights issue as approved by the shareholders and SEBI for ₹ 12.86 crores consisting of 1,28,67,750 Equity shares at face value of ₹ 10/- each for cash made on the basis of 1 share for every 2 equity share held as on the record date of September 12, 2013 was completed in October 2013. The issue was subscribed at 106.86%.

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

DIRECTORS

In accordance with the requirements of the Companies Act 2013 and the Articles of Association of the company, Mr. Vikram M. Thapar retires by rotation and being eligible offers himself for reappointment.

Mr. Varun Aditya Thapar who was appointed as Additional Director on February 5, 2014 pursuant to Section 260 of the Companies Act, 1956 and the Articles of Association of the Company holds office upto the forthcoming AGM. The Company has received a notice in writing from a member along with required deposit proposing Mr. Varun Aditya Thapar as Director retiring by rotation.

Ms. Ayesha Thapar resigned from the Board with effect from February 5, 2014 due to professional preoccupation. The Board places on record its appreciation for the valuable contribution of Ms. Ayesha Thapar during her tenure as Director of the Company.

As per the provisions of Companies Act, 2013, Independent Directors are required to be appointed for a term of maximum of 5 (five) consequent years and Independent Directors shall not be liable to retire by rotation. Accordingly, Mr. Anil Kumar Bhandari, Lt. Gen. Deepak Summanwar (Retd.), Mr. Nakul Kamani and Mr. Ranjit Mehta are proposed to be appointed as Independent Directors to hold office for a term of five consecutive years upto 31st March 2019.

The Company has received requisite notices in writing from members proposing them for appointment as Independent Directors.

The Company has received declarations from all the independent Directors confirming that they meet with the criteria of independence as prescribed under section 146(6) of the Companies Act, 2013.

Mr. Ramakanth V. Akula has been appointed by the Board of Directors as Chief Executive Officer effective from 1st August 2014.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement 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 March 31, 2014 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 as 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

- 1) The Statutory Auditors M/s. Mitra Kundu & Basu, Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.
- 2) The Company has received their letter confirming that their re-appointment, if made, would be within the prescribed limits under section 141(3) (g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

COST AUDIT

Pursuant to Section 233 (B) (2) of the Companies Act 1956, the Board of Directors on the recommendation of the Audit Committee, appointed Mr. K. Suryanarayana, Practicing Cost Accountant as the Cost Auditor of the Company for the Financial Year ended 31st March, 2014.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation for the assistance and support extended by the Government Authorities and Banks.

Your Directors place on record 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, July 31, 2014

Vikram M Thapar
Chairman



ANNEXURE TO THE DIRECTORS' REPORT - Annexure -A

CONSERVATION OF ENERGY

Your Company has implemented a system for continuous review of energy costs to reduce energy generation costs and optimize the energy utilisation.

FORM - A

I. Power and Fuel Consumption

		2013-14	2012-2013
1 Electricity			
a) Purchased	- Units (Kwh)	8026420	5718750
	- Total Amount -₹	57171292	32509671
	- Rate / Unit -₹	7.12	5.68
b) Own Generation:			
i) Through Diesel Generator	- Units (Kwh)	508805	963601
	- Total Amount -₹	8966351	14898585
	- Rate / Unit -₹	17.62	15.46
ii) Through Steam Turbine / Generator		NA	NA
2 Coal (Quantity And Where Used)		NA	NA
3 Furnace Oil-Quantity (K.Lts)			
	- Total Qty	278054	273630
	- Total Amount -₹	12462745	12108128
	- Average Rate -₹	44.82	44.25
4 OTHER/INTERNAL GENERATION		NA	NA
Consumption per unit of production			
Electricity (Unit/MT)		214.70	205.14
Furnace Oil (Litres / MT)		7.33	8.40

II. TECHNOLOGY ABSORPTION

Efforts made in technology absorption are shown in Form B below:

FORM - B

I Research and Development (R&D)

The company continuously interacts with International Experts on Shrimp Feed Nutrition, water quality management and Development of specialised Feed Ingredients. The company also works closely with reputed Institutes who are involved in Aqua Feed Nutrition Research.

ii Technology Absorption, Adaptation and Innovation

The company is continuing its Research work in implementing alternate Indigenous Raw Material in its Feed Manufacture. The company is engaged in finding animal protein substitutes and Feed Conversion improvement trials. The Company is conducting various trials on Shrimp culture related matters and is also working on alternate Feed ingredients and digestability studies.

III. Foreign Exchange Earnings and Outgo

	2013-14	2012-2013
	<u>₹ in Lakhs</u>	<u>₹ in Lakhs</u>
- Earnings	130.32	84.47
- Outgo	648.79	722.57

For and on behalf of the Board

Vikram M Thapar
Chairman

New Delhi, July 31, 2014

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 Promoter Directors and four are independent directors. The Company has a Non-executive Promoter Chairman. All the Directors are Non-executive Directors. Ms. Ayesha Thapar, a Promoter Director, resigned from the Board with effect from February 5, 2014 and Mr Varun Thapar was appointed as additional Director by the Board. Except or 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 24, 2013, July 28, 2013, August 29, 2013, October 29, 2013 & February 5, 2014. The gap between two meetings did not exceed four months. The necessary quorum was present for 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 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	5	Yes	8	Nil	2
Mrs. Jyoti Thapar	Non Executive, Promoter	5	No	2	Nil	1
Mr. Anil Kumar Bhandari	Non Executive, Independent	4	Yes	5	Nil	Nil
Mr. Adarsh Saran	Non Executive Promoter, brother in law of Mr. Vikram Thapar	2	No	3	Nil	Nil
Lt. Gen Deepak Summanwar	Non Executive, Independent	5	No	1	Nil	1
Mr. Nakul Kamani	Non Executive, Independent	3	Yes	5	Nil	Nil
Ms. Ayesha Thapar - Resigned w.e.f. 05.02.14.	Non Executive Promoter, daughter of Mr. & Mrs. Vikram Thapar, Niece of Mr. Adarsh Saran	-	No	3	Nil	Nil
Mr. Ranjit Mehta	Non Executive, Independent	5	No	0	Nil	Nil
Mr. Varun Aditya Thapar - Additional Director w.e.f. 05.02.14	Non Executive Promoter, son of Mr. & Mrs. Vikram Thapar, Nephew of Mr. Adarsh Saran	1	No	5	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, 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	5
Lt. Gen. Deepak Summanwar (Retd.)	Non-Executive, Independent	5
Mr. Nakul Kamani	Non-Executive, Independent	3
Mr. Ranjit Mehta	Non-Executive, Independent	5

The Chief Executive, Financial Controller and Internal Auditor attended the meetings as invitees. The Company Secretary acted 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 five times on the following dates: May 24, 2013, July 28, 2013, August 29, 2013, October 29, 2013 & February 5, 2014.

Terms of reference

The terms of reference of Audit Committee cover all the areas prescribed by Clause 49(II)(D) and Section 292A 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, fixation of audit fees and approval of payment for any other services.

Remuneration Committee

The Remuneration Committee consists of Mr. Anil Kumar Bhandari, Chairman, Lt. Gen. Deepak Summanwar (Retd.), 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 (Retd.). Ms. Suguna Krishnamurthy, Company Secretary is the Compliance Officer of the Company. The Committee met four times during the year on May 24, 2013, July 28, 2013, October 29, 2013 and February 5, 2014.

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 21 days by the Company's Registrars.

During the year under review, the Company received 44 cases of share transfer / Transmission / Transposition. As on March 31, 2014 no case was pending for transfer. During the year, 23 queries/complaints were received 20 pertaining to change of address, 3 for non-receipt of annual reports, share certificate. All the queries/complaints were duly attended and resolved to the satisfaction of the Investors.

- a) A practicing Company Secretary audits the system of shares that are de-materialised and in physical form every quarter and necessary certificates are filed with the Stock Exchange / Depositories. The shares in demat and physical form tally with the issued/paid up capital of the Company.
- b) A practicing Company Secretary carries out a Secretarial Compliance Audit pertaining to share transfers and transmissions every six months and the required Report is filed with the Stock Exchange.

GENERAL BODY MEETING :

Date, time, and location of last three Annual General Meetings :

Year	Date	Time	Location	Special resolutions passed
2010-11	2/09/2011	12.15 p.m.	Regd. office at Ananthapuram Village, Nellore	1) Reclassification of share capital 2) Alteration of Articles of Association 3) Re-appointment of Manager and Payment of remuneration 4) Approval of preferential issue of Equity shares 5) Approval for rights issue of equity shares
2011-12	28/09/2012	12.15 p.m.	-do-	NIL
2012-13	29/07/2013	12.15.p.m.	-do-	NIL

No postal ballots were used for voting at these meetings in respect of special resolutions passed.

PARTICULARS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 (VI) A OF THE LISTING AGREEMENT

Name	Mr. Vikram M Thapar
Date of birth & Age	26.10.1947/67 years
Appointed on	23.11.1988
Qualification	Chartered Accountant
Experience	43 years
Directorship held in other Public Companies	KCT & Bros (Coal Sales) Ltd The Silkbase Co. Ltd Indian City Properties Ltd. Indicon Enterprises Ltd. Thapar Infra Construction India Ltd. Bharat Westfalia Engineering Ltd.

Membership/Chairmanship at Committees across public companies	KCT & Bros. (Coal Sales) Ltd Indian City Properties Ltd.
No of shares held in Company	53,750

Disclosures

a) Materially significant related party transactions with its Promoters, Directors or Management or relatives etc that may have a potential conflict with the interest of the company.

Details of transactions between the Company and related parties as per Accounting Standard 18 is set out on page 30 of the Annual report.

b) Compliances by the Company

There has been no case of non compliance by the Company, or any penalties / strictures imposed on the Company by the Stock Exchange, SEBI or any other authority on any matter related to capital markets in the last three years.

c) Board disclosure - Risk management

Risk management is done through review of the operations by the Board and necessary steps taken by the executive management to minimize /control the same..

d) Compliance with mandatory requirements

The Company has complied with all mandatory requirements of code of Corporate Governance stipulated Under Clause 49 of Listing Agreements with the BSE Ltd.

e) Compliance with Non-mandatory requirements

- There is no reimbursement of expenses to the office of the Non executive Chairman of the Company for the maintenance of his office.
- The statutory financial statements of the company are not qualified.
- The Company does not have a formal Whistle Blower policy. However access to Audit Committee is available to every employee.
- Preparation of financial statements are on the basis of generally accepted accounting principles and policies and the mandatory accounting standards announced by the Institute of Chartered Accountants of India.

f) Declaration of Compliance with the Code of Conduct

All the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as approved and adopted by the Board of Directors. The said Code of Conduct has also been posted on the website of the Company. A declaration signed by the Chief Executive Officer is given below:

“It is hereby declared that the Company has obtained confirmation from all members of the Board and the senior management of the Company that they have complied with the Code of Conduct of the Company for the financial year 2013-14.”