



**The
Waterbase
Limited**



Corporate Office :

T: +91 44 30127000

Thapar House | 37 Montieth Road **F: +91 44 30127001**

Egmore | Chennai | 600008 | India. **www.waterbaseindia.com**

17-Oct-18

**Corporate Relationship Department
BSE Limited
Floor 25, P.J. Towers,
Dalal Street,
Mumbai 400 001
Fax No. 22723121
Ref: Security Code: 523660**

Dear Sirs,

Sub: Annual Report – Regulation 34 of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015

We hereby submit the 31st Annual Report for the financial year 2017-18 as required under Regulation 34 of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 duly approved and adopted by the members at the Annual General Meeting held on Thursday, 27th September, 2018 at 12:00 Noon at Hotel Minerva Grand, Grand Trunk Road, Saraswathi Nagar, Dargamitta, Nellore, Andhra Pradesh - 524003 as per the provisions of the Companies Act, 2013.

Request you to take the same on record as required under the provisions of the said Regulation.

Thanking You.

For **The Waterbase Limited**


**R Achuthan
Company Secretary & Compliance Officer**



Registered Office / Factory:

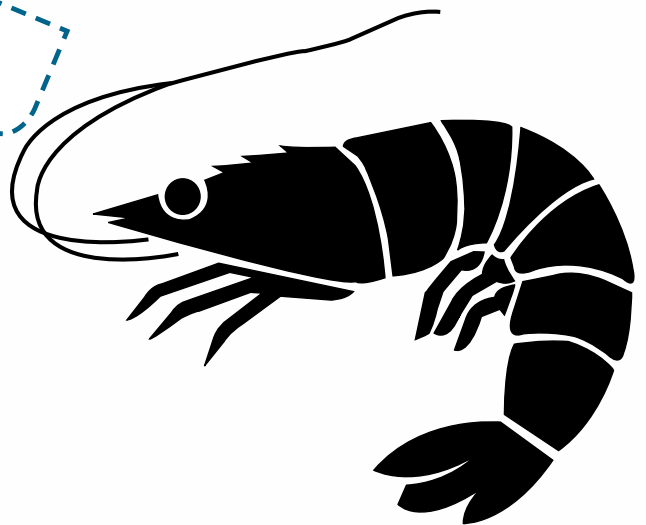
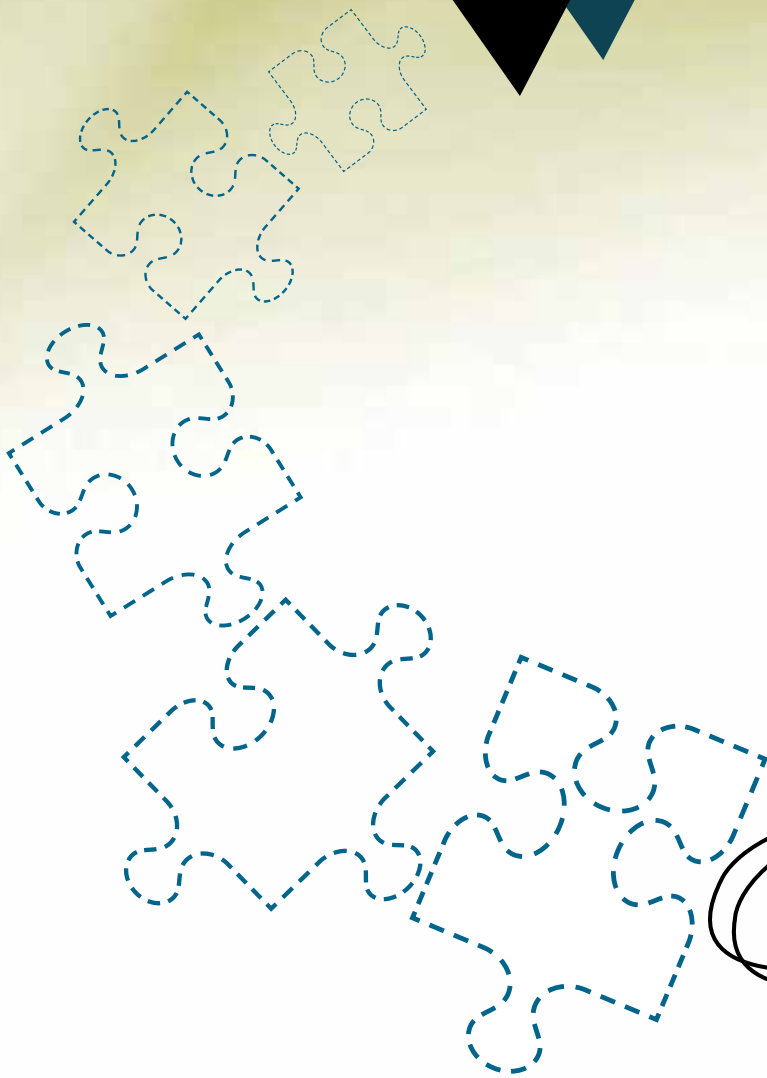
Ananthapuram Village | T.P. Gudur Mandal | Nellore | Andhra Pradesh | 524344.

T: +91 91000 18037 | 91000 18038 | E: info@waterbaseindia.com | CIN: L05005AP1987PLC018436



ISO 9001 : 2008
Shrimp Feed

POISED TO LEAP



31ST ANNUAL REPORT
2017–18

Safe Harbor Statement:

Certain statements in this report concerning our future plans, growth prospects, etc. are forward looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those indicated in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, fluctuations in earnings, our ability to manage growth, competitive intensity in our industry of operations including those factors which may affect our cost advantage, wage increases, our ability to attract and retain highly skilled professionals, sufficient availability of raw materials, our ability to successfully complete and integrate potential acquisitions, liability for damages on our contracts to supply products, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry.

CONTENTS

	3	Core Values
FY 2018 at a Glance	4	
	5	From the Chairman's Desk
Our Key Strengths	7	
	8	Focus on Research & Development
Strategic Alliance with CIBA	9	
	10	Feed and Farm Care Range of Products
New Initiatives	11	
	12	Strategy for Growth
Key Growth Drivers	14	
	15	Business Overview
Our Five Year Performance	16	
	18	Being a Responsible Corporate Citizen
Awards and Accolades	20	
	21	Corporate Information
Directors' Report	22	
	60	Management Discussion & Analysis
Financial Statements	62	
	103	Notice

POISED TO LEAP

Waterbase is standing on the cusp of a major change. It is breaking new ground by deploying solutions for a sustainable future; an approach that will build new capabilities for profitable growth. Given the sector's sustained growth momentum, growing worldwide demand for shrimps, the company's strategy of diversification, premiumization, integration, and its adoption of new technology, it is not an exaggeration to say that the Company is Poised to Leap.

This phenomenon is being fuelled by growing population, health consciousness, rising middle incomes and supportive Government policies. Increased awareness of consuming leaner proteins for better health is expected to drive a strong upward trajectory in the consumption of shrimp across the globe. With marine resources depleting at a faster pace, aquaculture is the only solution to meet the growing demand for Shrimps.

Waterbase's organizational culture upholds sustainability and social impact as core values of the company. It will not adopt a business strategy that violates natural resources or the ecosystem upon which the country's economy and society depend. Waterbase will espouse a sustainable process of embracing change in a balanced and harmonious fashion. The Company will cater to the needs of the present without compromising the ability of future generations to meet their own needs.

VISION MISSION & VALUES

OUR VISION

Leverage the Company's pioneering efforts in innovation and create sustainable solutions in the entire value chain of 'Farm to Fork' to attain market leadership.

To maximize stakeholder value by consistently exceeding customers' expectations and achieving operational excellence in whatever we do.

We are fundamentally committed to developing new technologies and imparting best practices for the growth of the sector and its contribution to the Indian economy.

OUR MISSION

The Company's mission is to supply products of the highest quality and deliver a superior service to its customers – farmers, shrimp feed dealers, as well as domestic and overseas buyers of processed shrimp.

OUR VALUES

INTEGRITY

We consistently adhere to ethical and fair practices with the highest degree of transparency and honesty in whatever we do.



COLLABORATION

We constantly leverage collective genius by working together across teams, departments/functions, businesses and with our external partners towards a shared/common goal.



EXCELLENCE

We passionately work towards developing people and setting high standards of quality in both what we do and the way we do it.



QUALITY

We believe that quality comes first. We continuously improve products and services by investing in top-notch R&D and implementing rigorous quality control protocols.



RESPONSIBILITY

We commit to developing/maintaining sustainable business practices in order to make a positive difference to our industry, environment and society.



INNOVATION

We demonstrate thought leadership in the markets we play in, constantly striving towards forward thinking solutions for our products, processes and offerings.



FY 2018 AT A GLANCE

Waterbase is a niche player in the high growth aquaculture industry in India

**1,10,000
MT**

Installed manufacturing capacity of shrimp feed

₹344 Cr
Revenues

17%
Revenue
CAGR
(FY13-18)

0.2x
Debt-Equity

₹58 Cr
EBITDA

₹7.58
EPS

263
of
employees

184
of dealers
pan India

FROM THE CHAIRMAN'S DESK



Dear Shareholders,

I am delighted to inform you that FY 18 was a landmark year for your Company. We delivered our highest ever annual profit fueled by strong volume growth and supported by benign raw material prices.

We are encouraged by the robust global demand for farmed shrimp and the increasing sophistication of the aquaculture ecosystem and therefore stay positive about further growth. It is noteworthy that the industry has been increasingly moving from capture fishing to aquaculture. The burgeoning middle-income households in developing countries will now contribute to the steady increase in seafood consumption across the world, this augurs well for future growth of the sector. Indian seafood exports crossed USD 7 billion for the first time in the FY 2017-18, and frozen shrimp remained

the cornerstone by contributing 68% of dollar earnings. This provides us distinct impetus for progressively increasing our footprint in the sector.

Our financial performance for 2017-18 resulted in revenue earnings of Rs. 344.29 crores. Our Net Profits for the year stand at Rs. 29.90 Crores (having grown by 158%). The Board has recommended a final dividend of Rs. 1.50 per share for FY18.

Our Company has been consistently focused on R&D and innovation. This has yielded results leading to enhancements in our product portfolio. The farm care range of products under the 'Baylife' brand have been steadily gaining traction and popularity among customers across all markets. We are confident that this business

will add significantly to the revenue of the Company in the coming years.

The positive momentum in volume growth, in both existing and new markets, has been possible due to our sustained efforts over the last several years to build and strengthen a robust dealer network and farmer base. Our ability to introduce innovative products & services along with widespread branding and marketing initiatives have yielded good results.

We have commenced trial production of Post Larvae (seed) in our Vannamei hatchery after obtaining all necessary approvals from authorities. The commercial operations will commence very soon. This is a huge step forward and I am very encouraged by the bearing this will have on future earnings and growth.

We have signed a MOU with Central Institute of Brackishwater Aquaculture (CIBA), a unit of Indian Council of Agricultural Research,

Ministry of Agriculture, New Delhi. This MOU provides for collaboration for joint development of eco- friendly Vanamei shrimp feed. This strategic alliance will help us differentiate our products in the market.

Our employees have been steadfast and single-minded in the pursuit of our objectives and goals. I would like to place on record that it is this dedication that has brought us to where we are today. I thank them sincerely for their contribution and support.

I thank the Board for their invaluable support over the years, especially in steering us through challenging times. I thank all our shareholders for the trust and faith they have reposed in us and look forward to their continued support in the future as well.

With best wishes,

Vikramaditya Mohan Thapar
Chairman

OUR KEY STRENGTHS

- ▶ Robust manufacturing processes and step by step quality control system
- ▶ Global best practices implemented
- ▶ Processing facilities are FDA and BAP approved, EU listed and HACCP certified

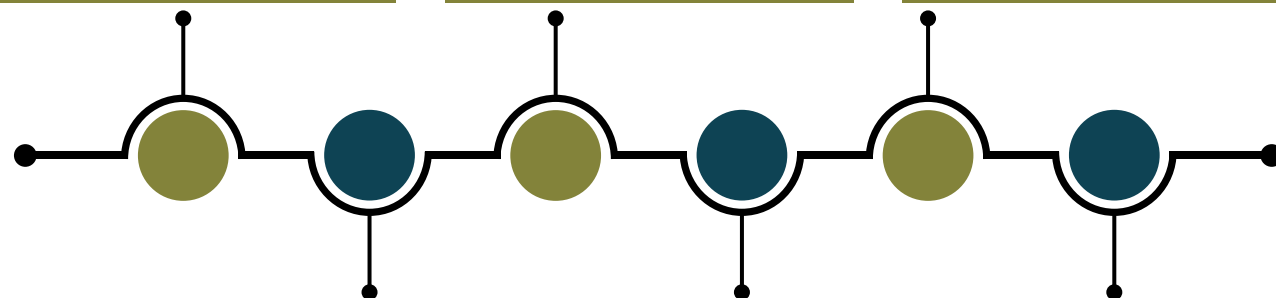
Quality Control

- ▶ TWL enjoys unparalleled technical expertise in the industry as the Pioneer
- ▶ Staffed by well-qualified personnel with rich industry experience
- ▶ Products, processes, practices are viewed as gold standard by industry

Technical Expertise

- ▶ Several popular brands which are favoured by shrimp farmers
- ▶ Enjoys high recall and is seen to be synonymous with quality and value
- ▶ Bagged "Asia's Most Valuable Business Brand Award 2018" in Shrimp Feed Category

Strong Brands



Rich Legacy

- ▶ Long-standing expertise in the business—strong connect with suppliers and farmers
- ▶ Backed by the KCT Group - has inculcated ethical business practices with long-term vision in mind

Financial Position

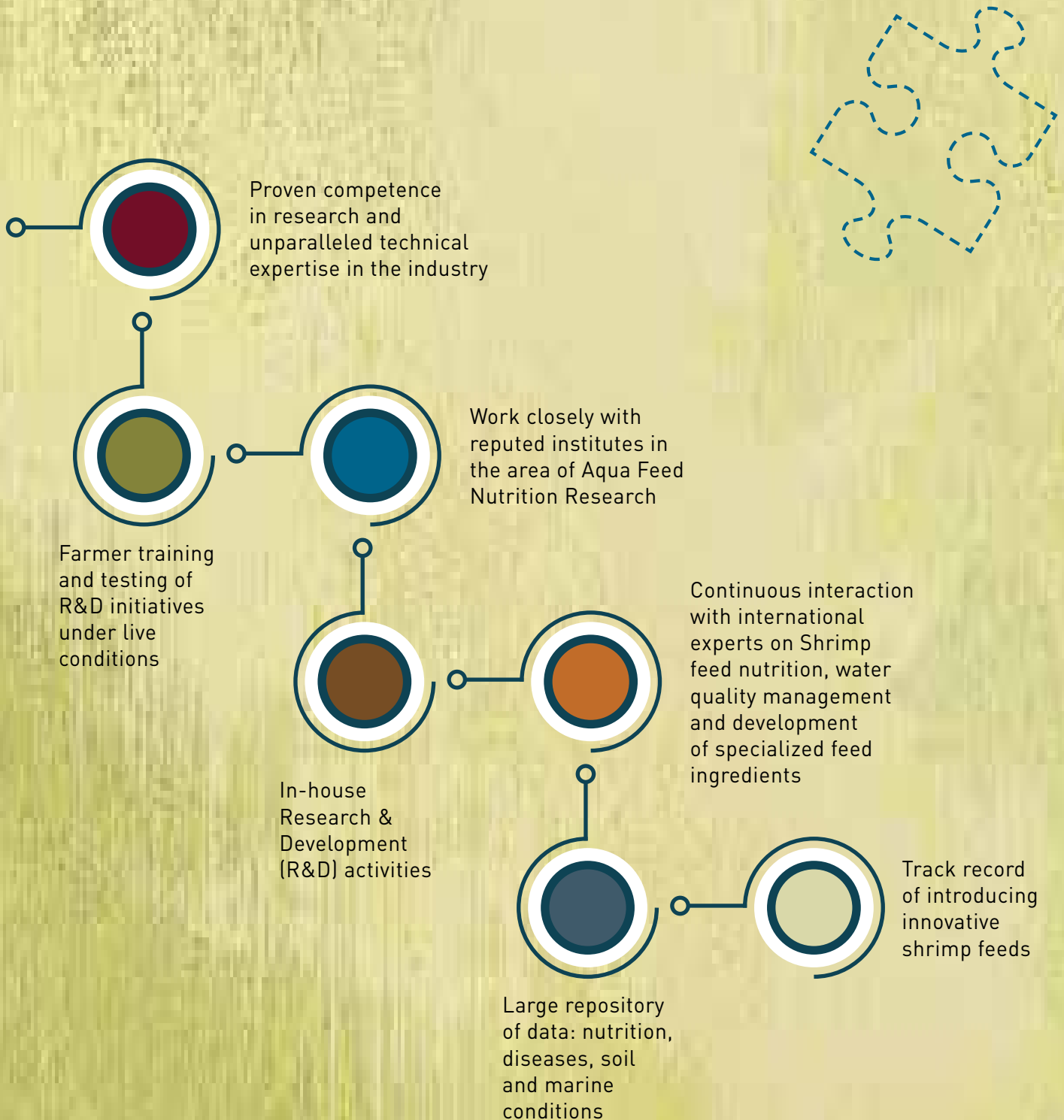
- ▶ Comfortable debt levels with a debt equity ratio of 0.2x
- ▶ Demonstrated financial discipline through good and bad years for industry
- ▶ Net Debt to EBITA was ~ 0.48x

In-house R&D

- ▶ Working with renowned companies and research institutions in India and abroad for the benefit of industry
- ▶ R&D initiatives have been meaningfully converted into new products
- ▶ Have driven improvements in feed manufacturing, farm practices, waste management, shrimp processing

FOCUS ON RESEARCH & DEVELOPMENT

Our R & D setup is best-in-class in the industry. We focus on feed nutrition and the development of specialized feeds.



STRATEGIC ALLIANCE WITH CIBA

We formalized a strategic alliance with the Central Institute of Brackishwater Aquaculture (CIBA) for a collaborative programme of ecofriendly shrimp feed technology. The MoU signed in the presence of Dr. K. K. Vijayan, Director, CIBA, Mr. Varun Thapar, Director, The Waterbase Limited and Mr. Ramakanth V. Akula, CEO, The Waterbase Limited, will take forward testing and refinement of ecofriendly shrimp feed. It will cover technical collaboration and assistance related to development of ecofriendly Vanami Eco^{plus} feed.

1

Indian Council of Agricultural Research (ICAR), New Delhi under the Ministry of Agriculture, Government of India established the Central Institute of Brackish water Aquaculture (CIBA)

2

CIBA serves as the nodal agency for the development of brackish water aquaculture in the country

3

As part of the MoU, CIBA will collaborate with Waterbase for testing the growth performance and refinement of eco-friendly shrimp feed

4

MoU will involve exchange of information on feed formulations and testing of identified feed ingredients, trial feeds and any other market feed for macro and micro nutritional parameters at CIBA's Quality Testing Laboratory

5

Both CIBA and Waterbase will identify competent technical personnel namely, Scientists / Technicians, Chemists, and others for implementation of the programme. Waterbase will also be able to use CIBA's technology in its own facilities



FEED AND FARM CARE RANGE OF PRODUCTS

The feeds from Waterbase are specially designed for each species of shrimp. They are scientifically formulated to provide high energy and micro-nutrients for delivering optimum growth in varying conditions.

Shrimp Feed



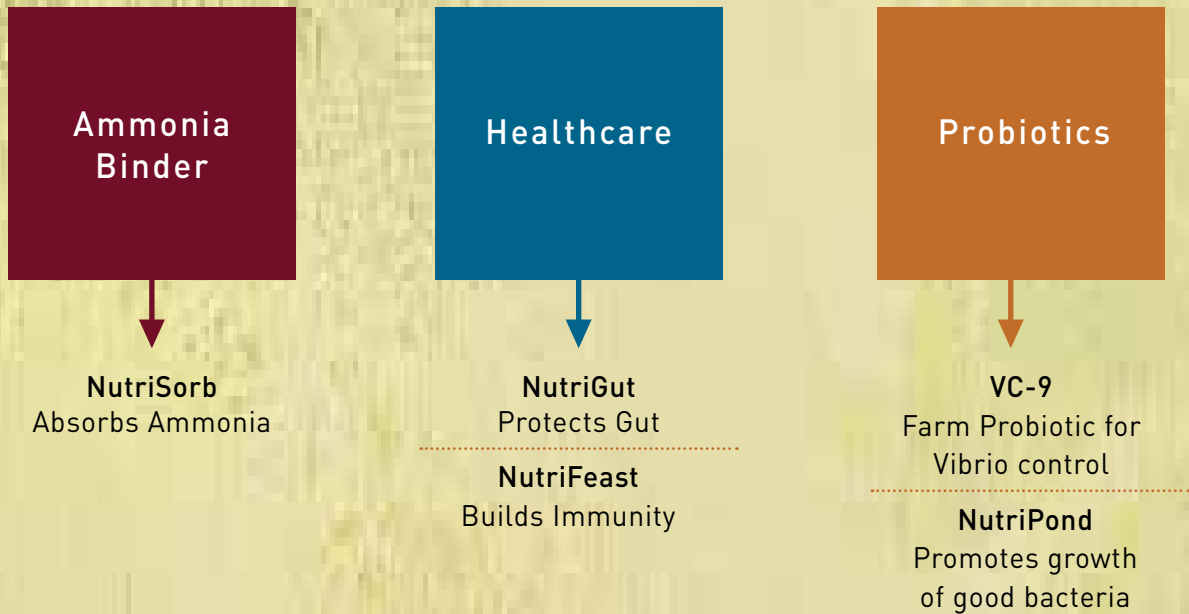
The Farmcare range under the Baylife brand had a successful season excelling in disease management and enhancement of yields. More offerings are on the anvil.

Farmcare Range

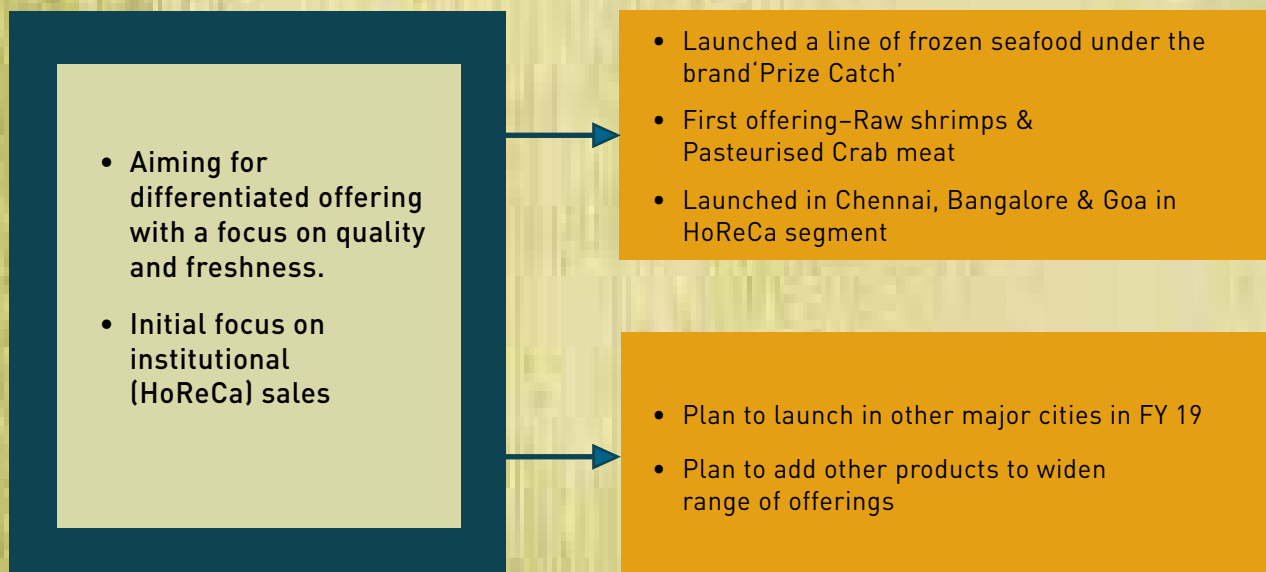


NEW INITIATIVES

In Farm Care Products



Processed Sea Food in the Domestic Market



STRATEGY FOR GROWTH

We have expanded into new markets and product ranges in the past year. Our Farmcare range enjoys popular acceptance in the market. We plan to increase our presence by expanding our dealer network as well as product range in both existing and new markets.

We have also forayed successfully into the frozen food range with Prizecatch and are looking to expand our reach across the country

Shrimp feed capacity has increased post merger from 35,000 MTPA to 110,000 MTPA

- Focused on higher utilisation through increased sales volumes

Elevate presence in current strongholds

- Premiumisation of offering
- Deepening of distribution network
- Addressing all sizes of orders

Increase market share and enhance presence outside of current strongholds

- Increasing the farmer base
- Adding new dealers & distributors
- Dealer connect through workshops, training camps & farmer meets
- Leveraging after sales service

Vertical & Horizontal Integration to enhance business stability

- Launched farm care products under the brand name 'Baylife'
- Launched packaged shrimp and crab meat under the brand name 'Prize Catch'
- Foraying into hatchery to produce good quality seeds for shrimp farming

Driving premiumisation in the feed business



Vertical and horizontal integration

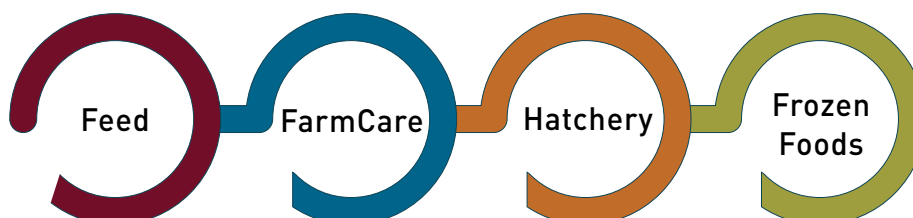
Segment	Hatchery* [@]	Farming	Processing	Export as end result
		 KEY INPUTS • Shrimp Feed • Farm Care Products*		
Shrimp farming- Current status	500 hatcheries in India	150,000 hectares under farming	500 processing plants for shrimp	
2018 Industry requirement/ potential	80 Billion of Post Larvae (PL)	Requires 10,00,000 MT of shrimp feed	1,000,000 MT (Current Capacity)	Frozen shrimp exports in FY18 - actual 5,65,980 MT
TWL capacity	1 Hatchery 500 Mn PL	1,10,000 MT	4,000 MT [#]	175 MT

* New growth areas

[#] This capacity is currently being partly utilised for third party processing and exports

[@] Hatchery , Phase I with 250 mn PL capacity is expected to be operational in FY 18-19

Diversifying Revenue Streams



KEY GROWTH DRIVERS

1

Limited natural resources & growing population

2

Rise of protein consumption for balanced diet

3

Aquaculture is more cost effective compared to agriculture/animal husbandry

4

Increasing global demand for shrimps

5

Income Growth / Rise in per capita income

6

Rapid switchover to Vannamei farming across the globe

7

Very high return, short crop period leading to rapid expansion

8

Adoption of new technologies

BUSINESS OVERVIEW

Feed Business

Healthy volume growth during the fiscal in existing and new markets

Continued strong traction in existing markets while new markets picked up with some lag

Feed input prices were soft during FY 18

Focussed on optimising performance in the feed business.

Farmcare Products

Highly successful debut season for 'Baylife' range of farmcare products

Key objectives of disease management and yield enhancement have been met

In the process of identifying few more products to expand portfolio

Helps the Company to diversify revenue streams and capture larger share of wallet

Other updates

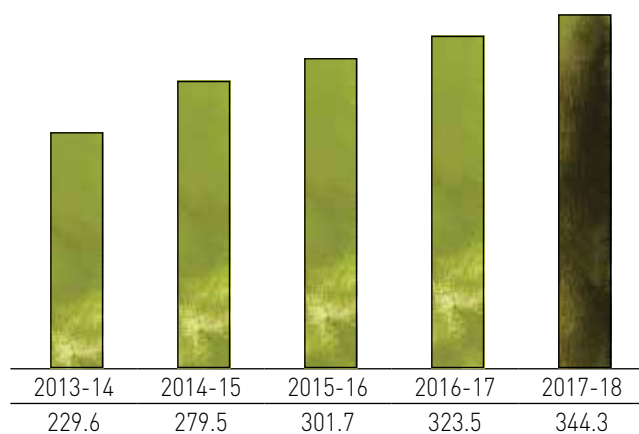
- Have de-emphasised shrimp processing and exports; facility being partly utilised for third party processing and exports
- Offers frozen shrimps and pasteurized crab meat under the 'Prize Catch' brand to institutional customers
- Construction of Phase I of Vannamei Hatchery unit completed

OUR FIVE YEAR PERFORMANCE

TOTAL REVENUE

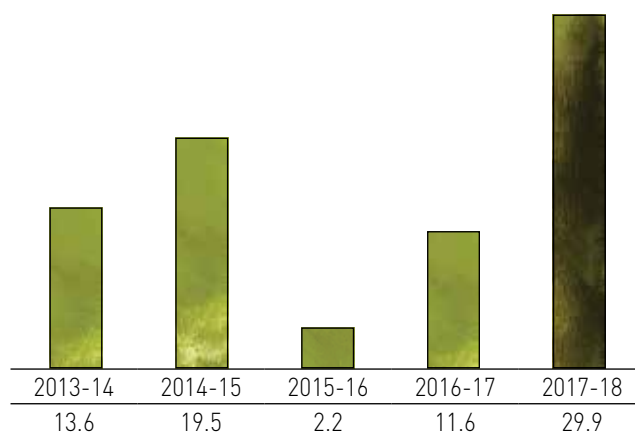
CAGR - 17%

(₹ in Crore)



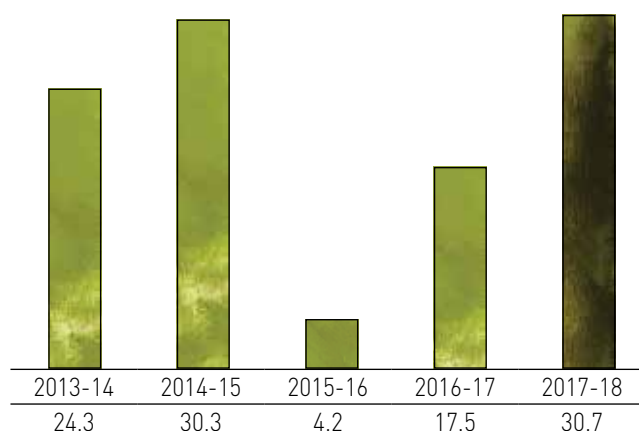
PAT

(₹ in Crore)



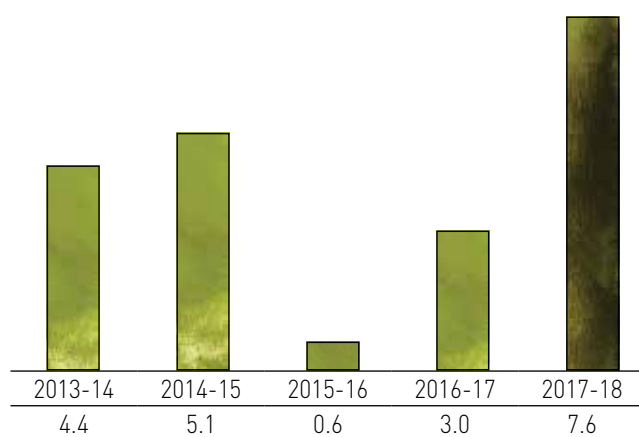
RETURN ON CAPITAL EMPLOYED

(in %)

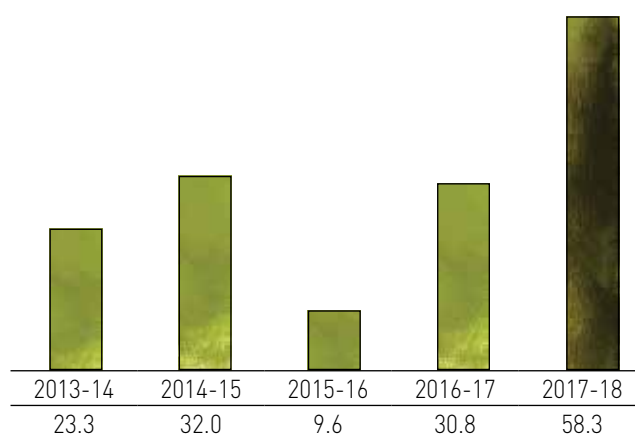


EARNINGS PER SHARE (BASIC)

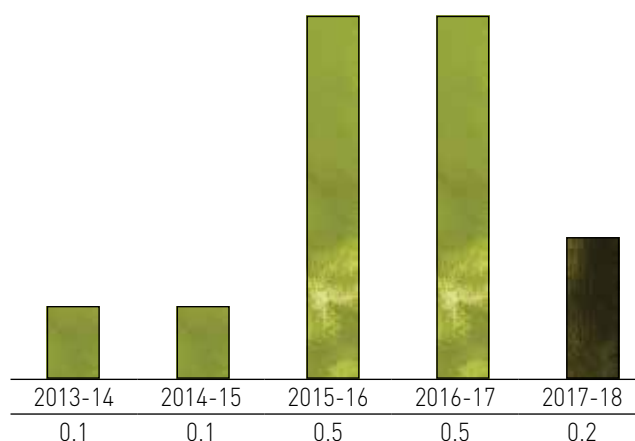
(₹)

**EBITDA**

(₹ in Crore)

**DEBT EQUITY RATIO**

(in times)



BEING A RESPONSIBLE CORPORATE CITIZEN

Community Development Centre for Learning, Livelihood and Research (CDC-LLR)

The CSR initiatives of the Company and other group companies are primarily carried out through the registered Trust established by the KCT Group under the name and style of “KCT Group Trust”.

CDC-LLR, KCTGT’s first flagship project, aims to improve quality of Aqua Farming in India. It offers a range of services to farmers, such as a state of the art laboratory where testing can be done at subsidized rates, training modules and interactive sessions with industry professionals.

It also provides social services such as health care in collaboration with local NGOs and Government organizations with the goal of improving the quality of life of the farmers, their families and that of the local community at large.

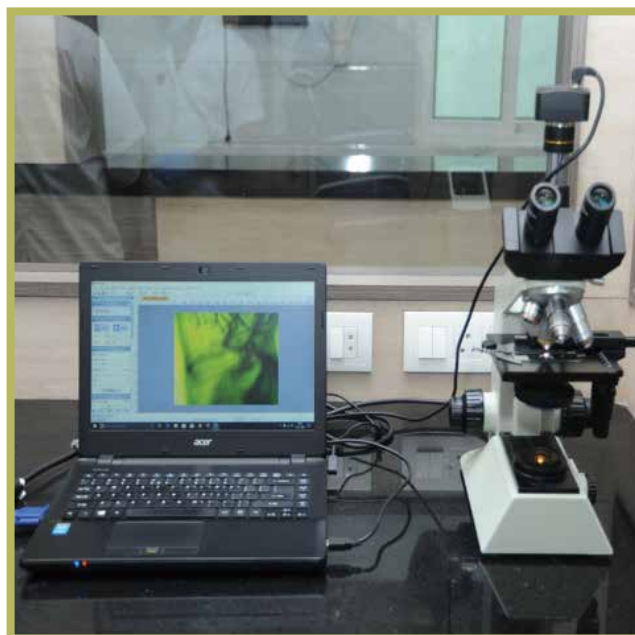
Bi-monthly farmers’ meetings, where local experts speak on various aqua farming procedures, are organised across villages. International experts are also invited to speak to the farmers about global best practices on aqua farming. This event is organised once a year and at multiple locations.

Services in the Laboratory

The CDC-LLR was set up in 2016. It has an international standard laboratory with most sophisticated equipment and accurate testing facilities. Farmers from over 70 villages of Nellore district and other neighbouring districts, have access to the laboratory which offers advanced testing services for soil, pesticides, farm input products, bacteria and viruses at subsidized rates.

The CDC-LLR was the first laboratory in Nellore to introduce real time Polymerase Chain Reaction which tests select sections of DNA or RNA for analysis. The laboratory also has sophisticated equipment for water and soil testing, and is the only laboratory to give real time reports.

The CDC-LLR collates and studies data for research, to understand aquaculture industry trends and patterns.





CDC-LLR Laboratory, Nellore

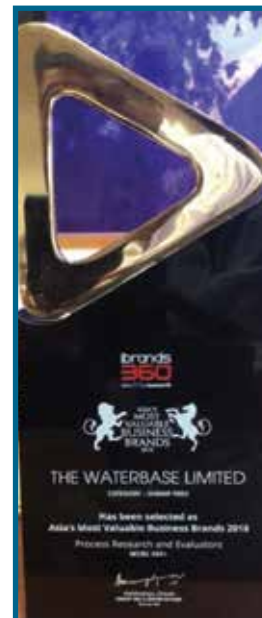
ICAR-Central Institute of Brackishwater Aquaculture (CIBA) became CDC-LLR laboratory's knowledge partner in April 2018. CIBA serves as a nodal agency for brackishwater aquaculture development in the country. It is an organization of international reputation and provides technological and policy support to the Government of India for the development of the brackishwater aquaculture sector.



AWARDS AND ACCOLADES



Bagged 'Asia's Most Valuable Business Brand Award 2018' in the Shrimp Feed category. The award is a distinctive recognition of the Company as leader in its industry category. Judgment is based on brand value proposition, brand persona, prestige, brand reinvention, social conscience, marketing connect and 'Cult Premium' (propensity to influence consumer action), all of which render a multi-dimensional competitive advantage to a company



Corporate Information

CIN: L05005AP1987PLC018436

Registered Office: Ananthapuram Village, Nellore, Andhra Pradesh - 524344

Corporate Office: Thapar House, No. 37, Montieth Road, Egmore, Chennai - 600 008.

Phone: + 91 44 3012 7000, Fax: + 91 44 3012 7001

Board of Directors

Mr. Vikramaditya Mohan Thapar	- Non-Executive Chairman
Mrs. Jyoti Thapar	- Non-Executive Director
Mr. Varun Aditya Thapar	- Non-Executive Director
Mr. Rahul Kapur	- Non-Executive Director
Mr. Anil Kumar Bhandari	- Independent Director
Lt. Gen. (Retd.) Deepak Summanwar	- Independent Director
Mr. Nakul Kamani	- Independent Director
Mr. Ranjit Mehta	- Independent Director

Chief Executive Officer

Mr. Ramakanth V. Akula

Chief Financial Officer

Mr. R. Sureshkumar

Company Secretary

Mr. G. Venkatram (upto 14th February 2018)

Mr. R. Achuthan (from 25th May 2018)

Stock Exchange

BSE Limited
PhirozeJheejeebhoy Towers
Dalal Street, Mumbai- 400001

Auditors:

1. Statutory Auditor: M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, 13th & 14th Floor, Building- Omega, Bengal Intelligent Park, Block - EP & GP, Sector- V, Salt Lake Electronics Complex, Kolkata 700091
2. Internal Auditors: M/s. PricewaterhouseCoopers LLP, Bangalore & M/s. Francis Charles & Associates, Chennai
3. Secretarial Auditor: M/s. ARUB & Associates, Practicing Company Secretaries, Chennai

Bankers

State Bank of India
Axis Bank
YES Bank
ICICI Bank

Registrars & Share Transfer Agent

M/s. Cameo Corporate Services Limited
Subramaniam Building, No. 1, Club House Road, Chennai - 600 002
Phone: 044-28460390 / 391/ 392 / 393 / 394
Fax: 044-28460129
Email: investor@cameoindia.com

Directors' Report

Dear Shareholders, The Directors have pleasure in presenting the 31st Annual Report together with the audited financial statements for the year ended 31st March, 2018.

Financial Highlights

(₹ in Cr.)

Particulars	FY18	FY17
Total Revenue	344.29	323.50
Total Expenses	295.68	305.58
Profit Before Tax (PBT)	48.61	17.92
Income Tax	18.71	6.34
Profit After Tax (PAT)	29.90	11.57
Other Comprehensive Income	0.17	[0.22]
Total Comprehensive Income	30.07	11.35
Basic EPS (in Rs)	7.58	3.00
Diluted EPS (in Rs)	7.58	2.79

Financial Statements

The Financial Statements for the year ended March 31, 2018 have been prepared under Ind AS (Indian Accounting Standards) by the Company. Further the Board at the Meeting held on 25th May 2018 approved the Audited Financial Statements for the year ended 31st March 2018.

Performance Overview & Strategic Initiatives

The Company reported revenues of Rs. 344.29 Crores in FY18 compared to Rs. 323.50 Crores last year, registering a growth of 6%. Total expenditure for the year stood at Rs. 295.68 Crores lower by 3% when compared with last year. The Finance costs have almost come down to half of previous year from Rs. 8.60 Crores to Rs 4.39 Crores. During the year, the Company provided Rs. 18.71 Crores for taxation as against Rs.6.34 Crores in the same period last year.

A concerted focus on the shrimp feed business and leveraging our expanded distribution network has led to strong volume growth which, supported by benign raw material prices, has propelled the Company to deliver its highest ever annual profit. The amalgamation with Pinnae Feeds has contributed significant capacity addition.

During the year customers responded favorably to the Company's range of farm care products under the brand 'Baylife' which strengthened the competitive offering.

The Company also offers frozen raw shrimp and pasteurized crab meat under the brand "Prize Catch" to institutional clients (Hotel Chains, Restaurants and Institutions) in Chennai, Bangalore & Goa and has received a good response. The company is looking progressively to extend the launch of 'Prize Catch' products in other Cities.

The Company has commenced trial production at its Vannamei hatchery, after obtaining all necessary approvals.

Dividend and Appropriations

Based on the Company's financial performance and considering the profitability and cash flow, the Board had recommended a final dividend of Rs. 1.50/- per equity share for FY18 at the meeting held

on 25th May, 2018. This dividend was declared considering the paid-up equity share capital of 4,14,26,779 shares of Rs 10/- each. The Dividend is payable on obtaining the Shareholder's approval in the ensuing thirty first Annual General Meeting of the Company. The Company does not propose to transfer any amount to reserves.

Directors and Key Managerial Personnel

During FY18 there was no change in the composition of the Board of Directors. The Independent Directors of the Company have given a declaration as to their Independence, as required under Section 149 of the Companies Act 2013. Mr. G Venkatram, resigned from the post of Company Secretary with effect from 14th February 2018 and Mr. R. Sureshkumar, Chief Financial Officer of the Company who is also a qualified Company Secretary, was designated as the Compliance Officer with effect from 15th February 2018 in the Board meeting held on 09th February 2018. Mr. R. Achuthan, a qualified Company Secretary was appointed as Company Secretary and Compliance Officer of the Company in the Board meeting held on 25th May 2018.

Board Evaluation and Familiarization

The Company's Board has established a formal annual evaluation framework for measuring the performance of itself, the individual Directors and the Board level Committees. The evaluation framework envisages a three stage evaluation process wherein the Independent Directors, Nomination and Remuneration Committee and the Board are involved. During FY18, the annual evaluation process was kick started at the meeting of Independent Directors held on 26th February, 2018. Thereafter, the Nomination and Remuneration Committee and the Board completed the annual evaluation process at their respective meetings held on 25th May, 2018.

The evaluation criteria for the Directors include parameters such as Strategic and functional contribution, ethics, values etc. Similarly, for the Board as a whole, parameters such as Strategic decision making, Risk Management, Governance etc were considered. The Committees of the Board were evaluated on the basis of their performance as against their terms of reference.

Further details on the said evaluation have been enumerated in the Corporate Governance Report, which is annexed to and forms part of this Report.

The Company takes all steps necessary to keep the Directors apprised of key developments in the business and Industry and to familiarize them for enabling their contribution and good governance. Independent Directors are the critical link in any successful Corporate Governance program, a detailed Appointment Letter incorporating the roles, duties and expectations, remuneration, insurance cover, code of conduct, etc., is issued for the acceptance of the Independent Directors. Presentations made to analysts and any Corporate Presentations are circulated to them on periodical basis. Annual Reports, product information brochures etc are also given for their reference. Further, as part of the Board/ Committee Meetings, the Independent Directors are briefed about the developments impacting the Industry, various strategic initiatives of the Company, update on operations etc. Senior Executives regularly make presentations by audio visual means to the Board. The broad overview of the Company's approach to familiarization of Directors is available at the link http://www.waterbaseindia.com/pdf/Independent_Directors_Familiarisation_Programme.pdf

Meetings of the Board

The meetings of the Board are scheduled at regular intervals to decide and discuss on business performance, policies, strategies and other matters of significance. The Board of Directors of the Company met five times during the financial year on 30th May 2017, 09th August 2017, 14th November 2017, 29th November 2017 and 09th February 2018. Further details of Board and Committee Meetings and attendance thereon are provided in the Corporate Governance Report, which is annexed to and forms part of this Report.

Policy on Directors' Appointment and Remuneration

As on 31st March, 2018, the Board consists of 8 (eight) members, of which 4 (four) are Independent non-executive directors and 4 (four) are non-executive directors. The policy of the Company on Director's appointment and remuneration, including criteria for determining qualifications, independence and other matters as provided under subsection (3) of Section 178 of the Companies Act, 2013 and the details of employees as per Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to and forms part of this Report.

Corporate Social Responsibility

The Company believes that its ultimate objective is to benefit communities through initiatives, which contribute to nation-building. The Company's leadership takes active responsibility in various community engagement initiatives. The Company follows a system of Triple Bottom Line accountability to measure its performance and its impact on inclusive and equitable growth of the marginalized sections of society.

During FY18, the CSR initiatives of the Company was primarily carried out through the registered Trust established by the KCT Group under the name and style of 'KCT Group Trust'. Many exciting and beneficial CSR programs were launched under the aegis of KCT Group Trust with far reaching societal implications.

The CSR Committee of the Board, had approved the list of CSR Projects/ Programmes to be undertaken by KCT Group Trust from out of the funds provided by the Company and also monitored the implementation of those CSR projects and programmes.

Further, the Board has also adopted a policy on CSR which lays down the parameters to deepen the societal impact significantly. The CSR policy of the Company can be accessed at http://www.waterbaseindia.com/pdf/code_of_conduct/Corporate_Social_Responsibility_Policy.pdf. A detailed report regarding Corporate Social Responsibility is annexed to and forms part of this report.

Energy, Technology Absorption and Foreign Exchange

Information required under Section 134(3) (m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, with respect to conservation of energy, technology absorption and foreign exchange earnings/outgo is annexed to and forms part of this report.

Extract of Annual Return

In accordance with section 134(3) (a) of the Act, the extract of the Annual Return in Form MGT-9 is annexed to and forms part of this report. The Annual return of the Company is available on the Company's website, www.waterbaseindia.com.

Related Party Transactions

The Company has formulated a Policy on Related Party Transaction (RPT) which is available on Company's website http://www.waterbaseindia.com/pdf/code_of_conduct/Related_Party_Transaction_Policy.pdf

All RPTs are done on an arm's length basis and in the ordinary course of business. The Company presents a detailed summary of all RPTs to the Audit Committee, specifying the nature, value and terms and conditions of the transaction. The Audit Committee also grants omnibus approval for certain contracts and arrangements with Related Parties as per the provisions contained in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details of all Related Party Transactions were placed before the Audit Committee for consideration on a quarterly basis.

Corporate Governance

The Company strives to maintain high standards of Corporate Governance in all interactions with stakeholders. The Company has conformed to the Corporate Governance code as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate section is provided on Corporate Governance containing the details as required to be provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with a certificate from the Secretarial Auditor of the Company annexed thereto and forms part of this report.

Loans, Guarantees or Investments

The details of changes in the Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements which are annexed hereto and form part of this report.

Directors Responsibility Statement

Pursuant to Section 134 of the Act, the Directors affirm the following:

- The Financial Statements have been prepared in conformity with the applicable accounting standards and requirements of the Companies Act, 2013 ("the Act") to the extent applicable to the Company; on the historical cost convention; as a going concern and on the accrual basis. There are no material departures in the adoption of the Applicable Accounting Standard;
- The Board of 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 affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- The Board of Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- The Board of Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- The Board of Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Management's Discussion and Analysis

Management's Discussion and Analysis report as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is disclosed separately in the Annual Report.

Prevention of Sexual Harassment Policy

The Company's policy on prevention of sexual harassment of women provides for the protection of women employees at the workplace and for prevention and redressal of such complaints. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. There were no complaints pending for redressal at the beginning and at the end of FY18.

Whistle Blower Policy / Vigil Mechanism

In accordance with section 177 (9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI (LODR) Regulations, 2015, the Company has implemented a Whistle Blower Policy, whereby employees can report matters such as abuse of authority, misconduct, fraud, misappropriation of assets, non-compliance to code of conduct etc to the Audit Committee. The Audit Committee reviews on quarterly basis the functioning of the Whistle Blower and Vigil Mechanism. In order to ensure that the Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company has committed itself to the following:

- 1) Ensure that the Whistle Blower and/or the person processing the Disclosure is not victimized for doing so;
- 2) Treat victimization as a serious matter including initiating disciplinary action on such person(s);
- 3) Ensure complete confidentiality and no attempt to conceal evidence of the Disclosure;
- 4) Take disciplinary action, if any one destroys or conceals evidence of the Disclosure made/to be made;
- 5) Provide an opportunity of being heard to the persons involved, especially to the person against or in relation to whom a Disclosure is made or evidence gathered during the course of an investigation

The policy lays down the detailed mechanism for reviewing the Complaints, spells out the remedial mechanism, assures the confidentiality and protection of whistle-blowers from victimization. The policy provides for confidential and anonymous reporting to the Chairman of Audit Committee wherever required. The policy also discourages frivolous and vexatious complaints by suitably incorporating penal provisions for such complaints.

The details of the Whistle Blower Policy are available on the website of the Company at http://www.waterbaseindia.com/pdf/code_of_conduct/Whistle_Blower_Policy.pdf

Deposits

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

Auditors

Statutory Audit

The current Statutory Auditor, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) were appointed at the Annual General Meeting held on 30th December 2017 for a period of 5 (Five) consecutive years, to hold office till the conclusion of the Thirty Fifth Annual General Meeting. As per the provisions of the Companies Act, 2013 the appointment of Statutory Auditor shall be ratified by the Shareholders at every Meeting till the expiry of the tenure for which they were appointed. The Audit Committee had considered the ratification of appointment of the Statutory Auditor for FY18 which was approved by the Board. A suitable resolution proposing the ratification of appointment by the Shareholders is included in the Notice convening the forthcoming Annual General Meeting for consideration and approval of Shareholders.

Further, the report of the Statutory Auditors for FY18 is given along with the Financial Statements which is annexed to and forms part of this report.

Secretarial Audit

As required under Section 204 of the Companies Act, 2013 and Rules thereunder, the Board had appointed M/s. ARUB & Associates, Practicing Company Secretaries, as secretarial auditor of the Company for FY18. The report of the said Secretarial Auditor for FY18 is annexed to and forms part of this report.

Risk Management

The Company carries out a detailed Risk assessment exercise and has implemented the Enterprise Risk Management (ERM) policy and framework. This policy is applicable for all strategic, high level operational, financial reporting, compliance and enterprise wide risks that have a high impact on the Company. The ERM framework is a continuous cycle beginning with risk identification and followed sequentially by risk assessment, risk evaluation and risk response. The framework also lays down the process for risk monitoring, review, reporting, control and managing materialized risks to support the entire ERM process across the Company. The ERM framework aims to realize the following benefits:

1. **Link growth, risk and returns** - Risk management enhances the capacity to identify events and assess risks and set risk tolerances consistent with growth and return objectives;
2. **Rationalize resources** - Deploy resources more effectively, thereby reducing overall capital requirements and improving capital allocations;
3. **Exploit opportunities** - Identify and take advantage of opportunities and events quickly and efficiently;
4. **Reduce operational surprises and losses** - Recognize potential adverse events, assess risks and establish responses, thereby reducing surprises and related costs or losses;
5. **Report with greater confidence** - Prepare internal and external information that is reliable, timely and relevant; and
6. **Satisfy legal and regulatory requirements** - Ensure compliance

with legal and regulatory requirements and identify risks of non-compliance.

Under this framework, the Company has segregated the risks into two levels:

1. **Enterprise-wide Risks** – These are risks that have a mid to long term impact on us and would include any form of Risk that would have high impact on the Company. An example of such a risk is 'Reputational Risk'. The ERM framework lays down the procedures for addressing such risks.
2. **Process level Risks** – These are risks that have a current to short term impact on the Company. These risks are faced by the operational teams on a periodic basis due to the ongoing operations of the company. An example of such a risk is 'duplicate invoices from vendors'. These risks can also arise from change of business offerings, processes, activities etc. In order to mitigate such risks, the process owner shall update the Standard Operating Procedures (SOPs) to include mitigating checks and controls.

Towards inculcating a strong Risk Management culture, the Company had constituted an Executive Committee on Risk Management comprising of Senior executives to periodically review the risk profile and to fine tune the Risk Management initiatives. To add to it, a strong and independent Internal Audit function carries out risk focused audits across the Company and enables identification of areas where the processes may need to be improved to mitigate the risks.

Internal Financial Control Framework

The Company's Internal Financial Controls encompass policies and procedures adopted by the Board for ensuring the orderly and efficient conduct of business, including adherence to its policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of accounting records and the timely preparation of reliable financial information. Appropriate

review and control mechanisms are built in place to ensure that such control systems are adequate and are operating effectively.

The systems/frameworks include proper delegation of authority, operating philosophies, policies and procedures, effective IT systems aligned to business requirements, an Internal Audit framework, a comprehensive Code of Conduct & Business Ethics framework, a Risk Management framework and adequate segregation of duties to ensure an acceptable level of risk. Documented Standard Operating Procedures are in place for all business processes. Key controls are tested to assure that these are operating effectively. Besides, the Company has also implemented SAP ERP for all its processes to strengthen the internal control and segregation of duties/access.

Significant and Material Orders passed by the Regulators

There are no significant material orders passed by the regulators or courts or tribunals which would impact the going concern status of the company and its future operations.

Acknowledgement

The Board greatly appreciates the commitment and dedication of its employees across all levels, the collaborative spirit, unrelenting dedication and expert thinking which has led to the growth and success of the Company. We would like to thank all our customers, investors, bankers, business partners, vendors and other business associates for their continued support and encouragement during the year.

We also thank the Government of India, Government of Andhra Pradesh, Ministry of Agriculture and Farmers Welfare, Ministry of Commerce and Industry, Ministry of Finance, Indirect taxes and Customs Departments, Income Tax Department, and all other government agencies for their support during the year and look forward to the same in the future.

For and on behalf of the Board of Directors

Vikramaditya Mohan Thapar **Anil Kumar Bhandari**

Director

Director

New Delhi, 3rd August, 2018 DIN: 00030967

DIN: 00031194

Annexures to Directors' Report

ANNEXURE – A

Nomination and Remuneration Policy and Remuneration Details

A. Nomination and Remuneration Policy

The Nomination and Remuneration Policy has been formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of the SEBI (Listing Obligation and Disclosure Requirement), 2015, as amended from time to time. This policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management Personnel has been formulated by the Nomination and Remuneration Committee (NRC) and has been approved by the Board of Directors.

The following are the salient features of the Policy:

Objective:

The objective of the policy is to ensure that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors and other employees of the quality required to run the company successfully;
- There is a transparent and consistent system of determining the appropriate level of remuneration across all levels of the Company;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Appointment and removal of Director, Key Managerial Personnel and Senior Management Personnel:

- a) The NRC shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and Key Managerial Personnel and recommend his / her appointment, as per the Company's Policy. Similarly, for appointments to Senior Management, the person to be recruited shall have the qualification requisite for the role and should be one of integrity and expertise.
- b) The NRC has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The NRC shall ensure that the person to be appointed as Director/ Managing Director/ Whole-Time Director does not suffer from any disqualification stipulated and also possesses all the qualifications stipulated under the Companies Act, 2013. Wherever required, any such appointment shall be made with the requisite approval of the Central Government.
- d) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that, the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.
- e) Each Executive Director will enter into a contract with the Company clearly setting out the terms and conditions and the remuneration package for that person. The contract will set out the expectations for the performance of the role and criteria for assessment. The NRC and the Board must approve all such contracts.
- f) Independent Directors shall be issued a letter of appointment containing the terms and conditions of appointment, expectations from them and the benefits available for such Independent Directors. The appointment letter shall be approved by the NRC and the Board before it is issued to Independent Directors.
- g) Key Managerial and Senior Management Personnel (both contractual & permanent) will be issued a Letter of Appointment clearly setting out the terms and conditions and the remuneration package. This appointment will be accompanied with a detailed Job Description stating the Key Responsibility Areas (KRAs) of that respective person. The Executive Director or Chief Executive Officer must approve such appointment letter and the same will be governed by the HR policy.

Term / Tenure:

- a) Managing Director / Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

- b) Independent Director:

- i. An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- ii. No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.
 - iii. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
 - iv. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.
 - v. The continuation of the term of an Independent Director is subject to the outcome of the annual evaluation process of the Director.
- c) Key Managerial and Senior Management Personnel:

Appointment as Key Managerial Personnel shall be without any time limit and as per the terms mentioned in the appointment letter. However, the maximum age for retirement of Key Managerial Personnel shall be as per the policy applicable for all the other employees of the Company. The continuation of Key Managerial Personnel shall also be dependent upon satisfactory performance evaluation. The Committee shall have the full freedom to recommend the removal of any Key Managerial Personnel if performance evaluation is found unsatisfactory.

Evaluation:

- i) The NRC shall carry out evaluation of performance of Directors at yearly intervals or at such intervals as may be considered necessary. This shall include evaluation of Independent Directors.
- ii) The NRC shall recommend the performance evaluation criteria for Board approval. The evaluation criteria shall comprise the framework of evaluation applicable for Directors (including the Chairman and Independent Directors), the Board as a whole and various Committees of Directors.
- iii) The NRC shall also lay down the evaluation parameters (KRA's) of Key Managerial and Senior Management Personnel. These parameters shall be suitably incorporated in the Performance evaluation framework applicable to Key Managerial and Senior Management Personnel who shall be subject to annual evaluation process based on these parameters.
- iv) A report on annual performance evaluation of the Key Managerial and Senior Management Personnel shall be placed before the NRC for suitable recommendations to the Board, if needed.

Policy for Remuneration to Directors/KMP/Senior Management Personnel/Other Employees:

- 1) Remuneration to Managing Director / Whole – Time Directors:
 - a) The Remuneration / Commission etc. to be paid to Managing Director / Whole – Time Directors etc. shall be governed as per the provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
 - b) The NRC shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole – Time Directors.
 - c) The Board in consultation with the NRC will from time to time determine the fixed remuneration level for Managing / Whole-time Directors. Such remuneration levels will be determined according to industry standards, market conditions and scale of the Company's business relating to the position.
 - d) The Board in consultation with the NRC may determine incentive designed to create a strong relationship between performance and remuneration. However, such remuneration shall be within the limits specified by the Act and approval of shareholders.
 - e) Termination benefits shall be as per the terms specified in the Contract.
- 2) Remuneration to Non- Executive / Independent Directors:
 - a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of the Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the NRC and approved by the Board of Directors.
 - b) The remuneration of the Non - Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the NRC and approved by the Board of Directors or shareholders, as the case may be.
 - c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

- d) Any remuneration paid to Non - Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above, if the following conditions are satisfied:
- The services are rendered by such Director in his capacity as the professional; and
 - In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
- e) The Board in consultation with the NRC will from time to time determine the Commission payable to Non-Executive Directors. Such Commission shall be within the limits specified by the Act/ approved by Shareholders. The actual commission will be determined according to industry standards, relevant laws and regulations, labour market conditions and scale of the Company's business relating to the position.
- 3) Remuneration to Key Managerial and Senior Management Personnel:
- The remuneration to Key Managerial and Senior Management Personnel shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
 - The fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time. The Board in consultation with the NRC will, from time to time determine the fixed remuneration level. Such remuneration levels will be determined according to industry standards, market conditions and other factors.
 - The incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial and Senior Management Personnel, to be decided annually or at such intervals as may be considered appropriate by the Board in consultation with the NRC.
- 4) Remuneration to Other Employees:

The Chief Executive Officer will approve the form of remuneration which may include fixed remuneration, termination payments and employee entitlement for other employees of the Company.

B. Details of Remuneration

Information in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as given below:

- Details of sitting fee paid to Directors and Commission approved during the year ended 31st March, 2018:

(in ₹ lakhs)

Particulars	Title	Commission	Sitting Fee
Mr. Vikramaditya Mohan Thapar	Non-Executive Chairman	6.56	1.20
Mrs. Jyoti Thapar	Non-Executive Director	6.56	0.25
Mr. Varun Aditya Thapar	Non-Executive Director	6.56	1.25
Mr. Rahul Kapur	Non-Executive Director	6.56	0.75
Mr. Anil Kumar Bhandari	Independent Director	6.56	1.85
Lt. Gen. Deepak Summanwar	Independent Director	6.56	2.25
Mr. Nakul Kamani	Independent Director	6.56	1.45
Mr. Ranjit Mehta	Independent Director	6.56	1.85
Total		52.48	10.85

Note:

- Remuneration for FY 18 for KMPs is given as a part of MGT-9 (Extract of Annual Return)
- Other details as required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sl. No.	Requirements	Details	Ratio X times / % / Number
1	Ratio of remuneration of each Director to the median remuneration of employees	Ratio of Commission paid to the Directors in relation to median remuneration of employees	1.74x
2	Percentage increase in remuneration of Director and KMP during the financial year	Commission to Directors	168%
		Chief Executive Officer	26%
		Chief Financial Officer	(21)%
		Company Secretary	7%

Sl. No.	Requirements	Details	Ratio X times / % / Number
3	Percentage increase / (decrease) in median remuneration of employees in the financial year	The median remuneration of employees increased by 11.51%. While computing the increase in median remuneration, employees as at 31 st March, 2018 and as at 31 st March, 2017 was considered.	
4	Number of permanent employees on the rolls of the Company	There were 263 permanent employees on the rolls of the Company as on 31 st March, 2017.	
5	Average percentile increase in salaries of employees other than managerial personnel and its comparison with the percentile increase in managerial remuneration and justification thereof	The average increase in employee remuneration other than Key Managerial Personnel was 16.7% and for Key Managerial Personnel it was 4.2%. The increase in Key Managerial Remuneration is in line with the measures to attract and retain the best talent. The Company also uses a mix of fixed and variable based compensation on a mid-to-long term basis to align senior management compensation to enhancing shareholder values.	

Notes:-

- During the year Mr. G Venkatram, resigned from the post of Company Secretary with effect from 14th February 2018 and Mr. R. Sureshkumar, Chief Financial Officer of the Company who is also a qualified Company Secretary, was designated as the Compliance Officer with effect from 15th February 2018.
 - Sitting fee was not considered as part of remuneration.
 - We hereby affirm that the remuneration paid to Directors and Key Managerial Personnel are in line with the Nomination and Remuneration Policy of the Company.
- Information in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sl.No	Employee Name	Designation in the Company	Qualification	Age (in Years)	Previous Employer	Total Experience (in years)	Designation at Previous Employment	Date of Joining	Remuneration for year ended 31 st March 2018 (Rs. In Lakhs)
1	Ramakanth V. Akula	CEO	MBA, PGCBM	50	Nippon Paint India Pvt Ltd	28	President	1 st August 2014	188.31

For and on behalf of the Board of Directors

Vikramaditya Mohan Thapar
Director
DIN: 00030967

Anil Kumar Bhandari
Director
DIN: 00031194

New Delhi, 3rd August 2018

ANNEXURE B

Report on Corporate Social Responsibility as required by Section 135 read with Rule 8(1) of the Companies (Corporate Social Responsibilities Policy) Rules, 2014

The Corporate Social Responsibility (CSR) activities of the company have already been textured into the company's value system through KCT Group Trust. The CSR activities of the company are routed through the KCT Group Trust specifically formed for the purpose of carrying out the CSR activities as mandated under section 135 of the Companies Act, 2013.

The KCT Group Trust was formed along with other Companies in the KCT Group to undertake the CSR activities as per the provisions of Section 135 of the Companies Act, 2013. The KCT Group Trust was formed to carryout programmes or activities in the following areas:

- i) Eradicating hunger, poverty and malnutrition, promoting health care (including preventive healthcare) and sanitation, including contribution to the Swachh Bharat Kosh set up by Central Government for the promotion of sanitation and making available safe drinking water;
- ii) Promoting education including special education and employment, enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- iii) Promoting gender equality, empowerment of women, set up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintain or assist in maintenance of quality of soil, air and water including contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga;
- v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- vi) Measures for the benefit of armed forces veterans, war widows and their dependents;
- vii) Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- viii) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- ix) Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- x) Rural development projects; and
- xi) Slum area development

A. Outline of the CSR Policy of the Company:

- 1) The Company is committed to the following principles with regard to CSR:-
 - a) Synergizing the long term value creation for the shareholders with creation of societal capital for seamless integration of the enterprise with the society at large.
 - b) To integrate CSR programmes with the Company's business and endeavour to implement the Social Investments/CSR programmes.
 - c) Integrating economic progress, social responsibility and environmental concerns (Triple Bottom Line accountability) with the objective of improving quality of life.
 - d) Ensuring inclusive and sustainable socio-economic development of the underprivileged/needy/deserving communities through the means of primary and higher education, eradication of poverty, elimination of hunger, supporting research & development work in the field of cancer, eye care, building of medical-care capacity, rural development projects and such other initiatives.
 - e) Supporting and promoting the cause of all kinds of sports and physical health education.
 - f) Promoting the cause of environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agro-forestry, conservation of forest & natural resources, maintaining quality of soil, air and water.
 - g) Promoting gender equality empowering of women economically and such other initiatives.
 - h) Encouraging the development of human capital through skills development, vocational training etc. and contributing to the happiness index of the community by promoting livelihood enhancement projects.

- i) Contribution for the promotion and accomplishment of the afore stated causes through collaborative partnership with the Government, the District Authorities, the village panchayats, NGOs etc. including contributions to Prime Minister Relief Fund or any other fund setup by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, Scheduled Tribes, other backward classes, minorities and women.

2. Focus areas of the Policy:

The Company plans to focus on the following areas that aim to contribute value to the society:

- Education
- Health care and Family Welfare
- Sports & Culture
- Social Causes
- Infrastructure development
- Sustainable livelihood
- Environment
- Women Empowerment

3. Partners: Trust, NGO, Govt. Agencies, Employees

B. Composition of the CSR Committee:

The CSR Committee comprises of the following Directors:

- Mr. Vikramaditya Mohan Thapar – Non-Executive Director (Chairman)
- Lt. Gen. Deepak Summanwar – Independent Director
- Mr. Varun Aditya Thapar – Non-Executive Director
- Mr. Ranjit Mehta – Independent Director
- Mr. Nakul Kamani – Independent Director

C. CSR Computation:

The following table indicates the contribution the Company is required to make under Section 135 of the Act read with the Companies (CSR) Rules, 2014:

(in ₹)

Net Profits as per Section 198 of the Companies Act, 2013	Amount
Financial Year 2016-17	18,67,60,399
Financial Year 2015-16	4,23,45,990
Financial Year 2014-15	30,47,57,934
Total	53,38,64,322
Average Net profit	17,79,54,774
2% of the Average Net Profit (Amount to be contributed towards CSR Activities in the current year) (inclusive of Rs. 1,73,370/- incurred towards administrative charges for the Trust)	35,59,095
Amount spent during financial year 2017-18 (inclusive of Rs. 1,73,370/- incurred towards administrative charges for the Trust)	34,58,733
Amount unspent, if any	100,362

There is a shortfall of Rs. 100,362 in CSR spending due to a committed CSR expenditure which was not incurred by the Trust during the year 2017-18. The Company is taking necessary steps to spend the unspent amount in 2018-19.

D. Details of Contribution towards CSR activities**Contributions made for the year 2017-18**

In ₹ Actuals

Sl. No.	CSR project or program name	Sector in which the project was covered	Amount spent directly or through external agency	Location of project or program	Amount of outlay (Project/ Program wise)	Amount spent on the Project/ Program	Cumulative expenditure up to reporting period
1	Kashvi Learning Centre- Jharkhand	Education for girls through NIOS, followed by skill development and livelihood associated with KLC	Through KCT Group Trust	Ranchi - Jharkhand	27,37,860/-	27,37,860/-	27,37,860/-
2	Kashvi Learning Centre- Kolkata (YI)- Implementing agency of KLC	Education opportunity for girls to complete their school education and acquire skill for 21 st century livelihood	Through KCT Group Trust	Kolkata	5,47,503/-	5,47,503/-	5,47,503/-
TOTAL							32,85,363/-

An amount of Rs 1,73,370/- was incurred towards administrative charges for the trust.

The CSR Committee hereby confirms that the implementation and monitoring of CSR policy is in line with CSR objectives and policy of the Company.

For and on behalf of the Board of Directors

Ramakanth V Akula
Chief Executive Officer

Vikramaditya Mohan Thapar
Director
DIN: 00030967

Anil Kumar Bhandari
Director
DIN: 00031194

New Delhi, 03rd August 2018

ANNEXURE – C

Energy, Technology Absorption and Foreign Exchange

Conservation of energy, technology absorption and foreign exchange earnings/outgo

Particulars required by Section 134(3)(m) of the Companies Act, 2013 ("the Act") read with rule 8(3) of the Companies (Accounts) Rules, 2014 are as given below:

A. Conservation of Energy

- a) The Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.
- b) The Company has taken actions leading to energy conservation on fuel & power and has also taken efforts on reduction of average cost of fuel & power per ton of production. However, no specific investment has been made in reduction in energy consumption.
- c) Further, to enhance conservation & reduction towards carbon emission, company is working on sourcing of renewable energy from reliable sources. As the impact of measures taken for conservation and optimum utilization are not quantitative, its impact on cost cannot be quantified.

B. Technology Absorption

- a) The Company continuously interacts with international experts on Shrimp feed nutrition, water quality management and development of specialized feed ingredients. The company also works closely with reputed institutes who are involved in Aqua Feed Nutrition Research. All the Research & Development (R&D) activities are carried out in-house in collaboration with such experts/ institutes. The Company has entered into a strategic alliance with Central Institute of Brackishwater Aquaculture (CIBA), the nodal agency for the development of brackishwater aquaculture in the country for testing growth performance and refinement of ecofriendly shrimp feed with the Company. CIBA will provide its expertise in raw material sourcing and allow testing in its experimental ponds and commercial ponds. The Company will also be able to use CIBA's technology in its own facilities.
- b) The Company has done extensive Research on replacements for ingredients that are being depleted year on year, the important being fishmeal and fish oil. The Company has put in efforts to find alternate ingredients to replace them in association with internationally reputed research firms and the results have been so far encouraging.
- c) The Company constantly works on its feed formulation and improves it so that the feeds travel beyond meeting nutritional requirements. The benefits arising out of the R&D are as below:
 - Improving Feed Conversion Ratio (FCR)
 - Reducing visceral waste & improving yield
 - Reducing environmental output (pond conditions)
 - Optimizing digestible nutrient levels (maintaining performance)
 - Reducing impact of infections on productivity
 - Reducing the probability of Bacterial/ Viral infections and Parasitic infestations
- d) The expenditure incurred during the year under review towards Research & Development is as follows:
 - Revenue expenses – Rs. 44.60 Lakhs
 - Capital expenses – Nil

C. Foreign Exchange Earnings and Outgo

(₹ in Lakhs)

Particulars	2017-18	2016-17
Earnings in Foreign Exchange	1194.60	2476.99
Foreign Exchange Outgo	630.69	2218.19

For and on behalf of the Board of Directors

Vikramaditya Mohan Thapar
Director
DIN: 00030967

Anil Kumar Bhandari
Director
DIN: 00031194

New Delhi, 03rd August, 2018

ANNEXURE – D

Extract of Annual Return

Form No. MGT-9

As on financial year ended on 31-03-2018

Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014

I. Registration & Other Details:

1	CIN	L05005AP1987PLC018436
2	Registration Date	23 rd November, 1987
3	Name of the Company	The Waterbase Limited
4	Category/Sub-category of the Company	Company Limited by Shares/ Indian Non-Government Company
5.	Address of the Registered office & contact details	Ananthapuram Village, Nellore, Andhra Pradesh – 524344; Registered Office Contact: 91000 18037; Corporate Office Contact: 044 – 3012 7000, Fax – 044 - 3012 7001
6	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Cameo Corporate Services Limited Subramaniam Building No. 1, Club House Road, Chennai – 600 002 Phone: 044-28460390 / 391/ 392 / 393 / 394, Fax: 044-28460129 Email: investor@cameoindia.com

II. Principal Business Activities of the Company (All the business activities contributing 10% or more of the total turnover of the company shall be stated):

S.No	Name and Description of Main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1.	Manufacture of prepared animal feeds (Manufacture of/ Trading in Shrimp feed)	10809	92 %

III. Particulars of Holding, Subsidiary and Associate Companies

S.No	Name of the Company	Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Navsrijit Shakti Telangana Private Limited	3 rd Floor Plot No. 715A Jubilee Hills -36 Hyderabad Telangana 500033	U74900TG2015PTC100196	Holding	52.95	2(46)

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

A. Category-wise Share Holding

[illegible]

S. No.	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		(01-04-2017)				(31-03-2018)				
		Demat	Physical	Total	% of shares	Demat	Physical	Total	% of shares	
i	Any other									
	Foreign Portfolio Investor	6,08,000	0	6,08,000	1.57	3,64,255	0	3,64,255	0.88	-0.69
	Sub – Total (B)(1)	6,08,000	9,034	6,17,034	1.59	3,65,055	0	3,74,089	0.90	-0.69
2	Non - Institutions									
a	Bodies Corporate	10,32,604	1,03,100	11,35,704	2.94	10,99,687	1,02,100	12,01,787	2.90	-0.04
b	Individuals -									
	I. Individual Shareholders Holding Nominal Share Capital upto Rs. 2 Lakhs	72,83,580	18,52,888	91,36,468	23.67	83,96,227	17,43,088	1,01,39,315	24.48	0.81
	II. Individual Shareholders Holding Nominal Share Capital in excess of Rs. 2 Lakhs	17,41,371	50,000	17,91,371	4.64	11,48,886	50,000	11,98,886	2.89	-1.75
c	Qualified Foreign Investors	0	0	0	0	0	0	0	0	0
d	Any Other									
	Clearing Members	57,211	0	57,211	0.15	3,50,514	0	3,50,514	0.85	0.70
	Directors and their Relatives	0	0	0	0	0	0	0	0	0
	Hindu Undivided Families	5,03,118	0	5,03,118	1.30	5,45,131	100	5,45,231	1.32	0.02
	Non-Resident Indians	10,01,852	8,000	10,09,852	2.62	6,85,570	8,000	6,93,570	1.68	-0.94
	Overseas Corporate Bodies	0	7,70,400	7,70,400	2.00	2,60,000	2,50,400	5,10,400	1.23	-0.77
	Trusts	31,011	0	31,011	0.08	15,011	0	15,011	0.04	-0.04
	Any Other (Total)	15,62,181	7,78,400	23,71,592	6.15	18,56,226	2,58,500	21,14,726	5.12	-1.03
	Sub – Total (B)(2)	1,16,19,736	27,84,388	1,44,35,135	37.4	1,25,01,026	21,53,688	1,46,54,714	35.37	-2.03
	Total Public Shareholding (B) = (B) (1) + (B)(2)	1,22,27,736	27,93,422	1,50,52,169	38.99	1,28,66,081	21,62,722	1,50,28,803	36.28	-2.71
	Total (A)+(B)	3,57,78,817	27,93,422	3,86,03,250	100	3,92,64,057	21,62,722	4,14,26,779	100	0
C	Shares held by custodians And Against Which Depository Receipts have been issued									
	Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
	Public	0	0	0	0	0	0	0	0	0
	Total Custodian (C)	0	0	0	0	0	0	0	0	0
	Grand Total (A)+(B)+(C)	3,57,78,817	27,93,422	3,86,03,250	100	3,92,64,057	21,62,722	4,14,26,779	100	0

Note: Percentage of Shareholding at the beginning of the year is calculated on the basis of pre-merger share capital of 3,86,03,250 shares and the percentage of shareholding at the end of the year is calculated on the basis of post-merger share capital of 4,14,26,779 shares

B. Share Holding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
Promoter & Promoter Group								
1	Mr. Vikramaditya Mohan Thapar	53,750	0.14	0	53,750	0.13	0	-0.01
2	Karam Chand Thapar & Bros (Coal Sales Ltd)	0	0	0	28,46,895	6.87	0	6.87
3	Nav Srijit Shakti Telangana Private Limited	2,19,34,545	56.82	0	2,19,34,545	52.95	0	-3.87
4	Mrs. Jyoti Thapar	73,500	0.19	0	73,500	0.18	0	-0.01
5	Ms. Ayesha Thapar	51,875	0.13	0	51,875	0.13	0	0
6	Ms. Nitasha Thapar	51,875	0.13	0	51,875	0.13	0	0
7	Mr. Varun Aditya Thapar	1,69,800	0.44	0	1,69,800	0.41	0	-0.03
8	KCT Management Services Private Limited	12,15,736	3.15	0	12,15,736	2.93	0	-0.22

Note: Percentage of Shareholding at the beginning of the year is calculated on the basis of pre-merger share capital of 3,86,03,250 shares and the percentage of shareholding at the end of the year is calculated on the basis of post-merger share capital of 4,14,26,779 shares

C. Change in Promoter & Promoter Group Shareholding**Karam Chand Thapar & Bros. (Coal Sales) Limited**

S. No.	Particulars	No. of Shares	% of total shares of the company
1	At the beginning of the year	0	0
2	Date-wise increase/decrease in Promoters' Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc):	No. of shares acquired	28,46,895
	Dates of acquisition	13/Dec/2017 - 2823529	
		12/Mar/2018 - 23366	
	Reason	Creeping Acquisition of shares by the Promoter	
3	At the end of the year	28,46,895	6.87

D. Shareholding Pattern of top ten shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	Name of the Share holder	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Dje-Agrar & Ernaehrung	6,08,000	1.58	3,48,849	0.84
2	Lincoln P Coelho	3,01,000	0.78	3,01,000	0.73
3	ICICI Ltd	0	0.00	2,60,000	0.63
4	Nead Trading & Investments Limited	5,20,000	1.35	2,60,000	0.63
5	Subhash Chand Mantri HUF	0	0.00	2,57,090	0.62
6	Flash Rise Limited	2,47,000	0.64	2,47,000	0.60
7	Nishita Kirit Shah	4,90,171	1.27	2,12,385	0.51

S. No.	Name of the Share holder	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
8	Manoj Kumar Dawar	1,03,059	0.27	1,05,030	0.25
9	Angel Broking Private Limited	14,881	0.04	94,968	0.23
10	Melvin Ivan Rodrigues	77,602	0.20	77,602	0.19

Note: Percentage of Shareholding at the beginning of the year is calculated on the basis of pre merger share capital of 3,86,03,250 shares and the percentage of shareholding at the end of the year is calculated on the basis of post merger share capital of 4,14,26,779 shares

E. Shareholding of Directors and Key Managerial Personnel

S. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Ramakanth V. Akula	5	0.00	5	0.00
2	R. Sureshkumar	0	0.00	0	0.00
3	G. Venkatram	5	0.00	5	0.00

Note 1: The Shareholding of Directors is given separately in the Corporate Governance section of the report.

Note 2: Percentage of Shareholding at the beginning of the year is calculated on the basis of pre-merger share capital of 3,86,03,250 shares and the percentage of shareholding at the end of the year is calculated on the basis of post-merger share capital of 4,14,26,779 shares

V. Indebtedness - Indebtedness of the Company including interest outstanding/accrued but not due for payment. (in ₹ Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	6,833.47	-	-	6,833.47
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	6,833.47	-	-	6,833.47
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction (Net)	3,983.86	-	-	3,983.86
Net Change	(3,983.86)	-	-	(3,983.86)
Indebtedness at the end of the financial year				
i) Principal Amount	2,849.61	-	-	2,849.61
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,849.61	-	-	2,849.61

VI. Remuneration of Directors and Key Managerial Personnel

- Remuneration of Managing Director, Whole-Time Directors and/or Manager:

The Company does not have a Managing Director/ Whole-time Directors or Manager. Hence this section is not applicable.

- Remuneration to other Directors for the year 2017-18: (In ₹ Lakhs)

S. No.	Particulars of Remuneration	Name of Directors							
		Vikramaditya Mohan Thapar	Jyoti Thapar	Varun Aditya Thapar	Nakul Kamani	Lt. Gen. Deepak Summanwar	Anil Kumar Bhandari	Ranjit Mehta	Rahul Kapur
1	Independent Directors								
	Fee for attending board committee meetings	-	-	-	1.45	2.25	1.85	1.85	-

S. No.	Particulars of Remuneration	Name of Directors							
		Vikramaditya Mohan Thapar	Jyoti Thapar	Varun Aditya Thapar	Nakul Kamani	Lt. Gen. Deepak Summanwar	Anil Kumar Bhandari	Ranjit Mehta	Rahul Kapur
	Commission	-	-	-	6.56	6.56	6.56	6.56	-
	Others, please specify	-	-	-	-	-	-	-	-
	Total (1)	-	-	-	8.01	8.81	8.41	8.41	-
2	Other Non Executive Directors								
	Fee for attending board committee meetings	1.20	0.25	1.25	-	-	-	-	0.75
	Commission	6.56	6.56	6.56	-	-	-	-	6.56
	Others, please specify	-	-	-	-	-	-	-	-
	Total (2)	7.76	7.06	7.81	-	-	-	-	7.06
	Total (B) = (1+2)	7.76	7.06	7.81	8.01	8.81	8.41	8.41	7.06
	Total Managerial Remuneration								63.33
	Overall Ceiling as per the Act (including the sitting fee which does not form part of remuneration)								63.33

- Remuneration to Key Managerial Personnel Other than MD/Manager/WTD for the year 2017-18: (In ₹ Lakhs)

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Ramakanth V Akula (CEO)	Mr. G. Venkatram (CS) (Upto 14th Feb 2018)	Mr. R. Sureshkumar (CFO)	Total
1	Gross salary				
	(a) Salary as per the provisions contained in section 17(1) of the Income Tax Act, 1961	188.31	17.41	55.83	272.75
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	As % of profit	-	-	-	-
	Others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	188.31	17.41	55.83	272.75

VII. Penalties / Punishment / Compounding of Offences:

There were no material penalties or punishments levied on the company during the year. Also, there was no necessity for the Company to compound any offence.

For and on behalf of the Board of Directors

Vikramaditya Mohan Thapar
Director
DIN:00030967

Anil Kumar Bhandari
Director
DIN:00031194

New Delhi, 03rd August 2018

ANNEXURE – E

Particulars of contracts / arrangements with related parties
[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013, and
Rule 8(2) of the Companies (Accounts) Rules, 2014]

A. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2018, which were not at arm's length basis.

B. Details of material contracts or arrangement or transactions at arm's length basis

The Company had a related party contract with PFL which was material in nature. PFL has since been merged with the Company pursuant to the Order of NCLT, Hyderabad dated 14th November, 2017. Since no other material related party contract/ transaction exists, disclosure under this section is not applicable:

Name of the Related Party	Nature of Relationship	Duration of Contract/ Arrangement/ Transaction	Salient Terms of Contracts or arrangements or transaction including the value, If Any	Date of approval by the Shareholders	Amount
---------------------------	------------------------	--	---	--------------------------------------	--------

-Not Applicable-

For and on behalf of the Board of Directors

Vikramaditya Mohan Thapar

Director

DIN: 00030967

Anil Kumar Bhandari

Director

DIN: 00031194

New Delhi, 03rd August 2018

ANNEXURE – F

Corporate Governance Report

Company's Philosophy on Corporate Governance

The Company is committed to maintaining highest standards of Corporate Governance in all its activities and processes aimed at enhancing its brand and reputation. The Company believes that Good Corporate Governance has the following principles at its core:

- a) Emphasis on meeting long term goals and objectives rather than solely relying on short-term performance
- b) Strong and diversified Board which plays active role in monitoring corporate performance, driving strategic initiatives and setting the appropriate 'tone at the top'
- c) Robust and comprehensive flow of information between the Company's executive management and the Board/ its Committees to enable informed decision making
- d) Strong mechanism of Director Evaluation and feedback
- e) Transparency in disclosure of material events and their impact
- f) Robust Risk Management practices and Internal Controls framework overseen by the Board / Audit Committee

Good Governance responsibilities encompasses the activities of the Board of Directors, who execute their Corporate Governance role by focusing on the Company's strategic and operational excellence in the best interests of all stakeholders and, in particular, Shareholders, Employees and Customers in a balanced fashion with long term benefits to all. The Company ensures that transparency, which is the cornerstone of Corporate Governance, is maintained in all its interaction with Stakeholders. The Company's Corporate Governance framework ensures that timely disclosures are made and accurate information is shared regarding the financials, performance and other key Corporate events. The Company firmly believes that sound Corporate Governance practices are crucial to the smooth and efficient operation of a Company and its ability to attract investment, protect the rights of its Stakeholders and provide Shareholder value.

All the business policies are based on ethical conduct, health, safety and a commitment to build long term sustainable relationships with the Stakeholders rather than relying solely on short term performance.

The overarching Corporate Governance philosophy of the Company is that Corporate Governance standards should satisfy the letter as well as spirit of the law and the Management is the trustee of Shareholders' capital and not the owner.

Board of Directors

A. Composition and Category of Directors

As on 31st March, 2018, the Board constitutes of eight members comprising of four Non-Executive Directors (including one Women Director) and four Independent Directors. The composition of the Board is in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also the provisions of the Companies Act, 2013. Mr. Vikramaditya Mohan Thapar is the Chairman of the Company. The Independent Directors on the Board are competent and highly respected persons from their respective fields.

B. Scheduling of Board Meetings and Agenda

Minimum four board meetings are held each year. These meetings are held for considering the performance of the Company for the previous quarter. Apart from these meetings, additional board meetings are convened by giving appropriate notice to address specific needs of the company.

The minimum information placed before the board is as per schedule II (Part – A) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, and include:

- a) Business plan/ budget and any updates thereon.
- b) Capital Expenditure proposals/ budget and any updates thereon.
- c) Quarterly Results.
- d) Minutes of the meetings of Audit Committee and other committees of the Board.
- e) The information on recruitment and remuneration of senior personnel just below the Board level, including the appointment of Chief Financial Officer and the company secretary.
- f) Non – Compliance of any regulatory, statutory nature or listing requirements and shareholder's services such as delay in the share transfer etc.
- g) Show cause, demand prosecution notices and penalty notices which are materially important.
- h) Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- i) Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.

- j) Significant labor problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- k) Risk assessment and minimization procedures and periodical review of the Risk Management framework.
- l) Confirmation on adherence to the Company's Code of Conduct & Business Ethics.
- m) General notice of interest of Directors.
- n) Terms of reference of Board Committees.
- o) Any material events that would impact the performance of the company.

During FY18, the Board of Directors of the Company met five times during the financial year on 30th May 2017, 09th August 2017, 14th November 2017, 29th November 2017 and 09th February 2018. The composition of the Board of Directors and their attendance at the Board meetings during the year and at the last Annual General Meeting together with the number of other directorships are given below:

S.No.	Name of the Director	No. of Board Meetings Attended	Attendance at the Last AGM	Director Identification Number	Directorships in Other Companies*
Non-Executive Directors					
1.	Mr. Vikramaditya Mohan Thapar	3	No	00030967	4
2.	Mrs. Jyoti Thapar	1	No	00031035	2
3.	Mr. Varun Aditya Thapar	5	No	02322660	5
4.	Mr. Rahul Kapur	3	No	00020624	7
Independent Directors					
5.	Lt. Gen. Deepak Summanwar	5	No	02017830	2
6.	Mr. Nakul Kamani	3	No	00891344	4
7.	Mr. Anil Kumar Bhandari	4	Yes	00031194	7
8.	Mr. Ranjit Mehta	4	No	03172264	0

*Includes Private Limited Companies

C. Detail of Directorship in other Companies:

The details of Directorships of the Company's Directors in other companies as on **31st March, 2018** is given below:

Name of the Director	Directorship in other Companies
Mr. Vikramaditya Mohan Thapar	Karam Chand Thapar & Bros (Coal Sales) Limited Indian City Properties Limited Barbus Fiduciary Services Private Limited Indicon Westfalia Limited
Mrs. Jyoti Thapar	Gourmet Delicatessens Limited Dharma Trustee Private Limited
Mr. Varun Aditya Thapar	Karam Chand Thapar & Bros (Coal Sales) Limited Handy - Waterbase India Private Limited Indicon Westfalia Limited Piano Forte Fiduciary Services Private Limited ICP Developments Private Limited
Mr. Rahul Kapur	Immunetic Lifesciences Private Limited PML Mercantile Limited JMK Mercantile Limited Keggfarms Private Limited Indovax Private Limited Avitech Nutrition Private Limited Avitech Trading Private Limited

Name of the Director	Directorship in other Companies
Lt. Gen. Deepak Summanwar	Peninsula Land Limited Pusalkar Suraksha Components Private Limited
Mr. Nakul Kamani	Steel City Press Limited Samarth Engineering Co Private Limited Rushabh Investments Private Limited Sparx Technologies Private Limited
Mr. Anil Kumar Bhandari	Kirloskar Electric Company Limited Bhoruka Park Private Limited Karnataka Coffee Brokers Private Limited Sporturf Construction (India) Private Limited Swaki Habitat Private Limited SLPKG Estate Holdings Private Limited Luxquisite Parkland Private Limited
Mr. Ranjit Mehta	Nil

D. Details of Membership/ Chairmanship of Directors in Board Committees

Following is the list of Memberships / Chairmanships of Directors in the committees of the Indian public limited companies in which they are holding directorships:

S. No.	Name of the Director	Name of the Indian Public Limited Company	Name of the Committee	Member/ Chairman
1.	Mr. Vikramaditya Mohan Thapar	Karam Chand Thapar & Bros. (Coal Sales) Ltd	Share Transfer & Investor Grievance Committee	Member
		Karam Chand Thapar & Bros. (Coal Sales) Ltd	Corporate Social Responsibility Committee	Member
		Karam Chand Thapar & Bros. (Coal Sales) Ltd	Nomination and Remuneration Committee	Member
		Indian City Properties Limited	Corporate Social Responsibility Committee	Member
		Indian City Properties Limited	Nomination and Remuneration Committee	Member
		Indicon Westfalia Limited	Audit Committee	Member
2.	Mrs. Jyoti Thapar	NIL	NIL	NIL
3	Mr. Varun Aditya Thapar	Karam Chand Thapar & Bros. (Coal Sales) Ltd	Share Transfer & Investor Grievance Committee	Member
		Karam Chand Thapar & Bros. (Coal Sales) Ltd	Corporate Social Responsibility Committee	Member
		Karam Chand Thapar & Bros. (Coal Sales) Ltd	Nomination and Remuneration Committee	Member
		Indicon Westfalia Limited	Audit Committee	Member
4.	Mr. Rahul Kapur	NIL	NIL	NIL
5	Lt. Gen. Deepak Summanwar	Peninsula Land Limited	Nomination and Remuneration Committee	Chairman
		Peninsula Land Limited	Stakeholders Relationship Committee	Chairman
		Peninsula Land Limited	Audit Committee	Member
6.	Mr. Nakul Kamani	NIL	NIL	NIL

S. No.	Name of the Director	Name of the Indian Public Limited Company	Name of the Committee	Member/ Chairman
7	Mr. Anil Kumar Bhandari	Kirloskar Electric Company Limited	Stakeholders Relationship Committee	Chairman
		Kirloskar Electric Company Limited	Nomination and Remuneration Committee	Member
		Kirloskar Electric Company Limited	Audit Committee	Member
		Kirloskar Electric Company Limited	Corporate Social Responsibility Committee	Member
8	Mr. Ranjit Mehta	NIL	NIL	NIL

E. Shareholding of Directors

Name of the Director	Nature of Directorship	No. of Shares held as at 31st March 2018.
Mr. Vikramaditya Mohan Thapar	Non-Executive Chairman	53750
Mrs. Jyoti Thapar	Non-Executive Director	73500
Mr. Varun Aditya Thapar	Non-Executive Director	169800
Mr. Rahul Kapur	Non-Executive Director	NIL
Lt. Gen. Deepak Summanwar	Independent Director	NIL
Mr. Nakul Kamani	Independent Director	28401
Mr. Anil Kumar Bhandari	Independent Director	NIL
Mr. Ranjit Mehta	Independent Director	NIL

F. Appointment/ Re-appointment of Directors

Mr. Rahul Kapur, Director retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. Details required for re-appointment of Mr. Rahul Kapur is included in the notice convening the Annual General Meeting.

G. Board Evaluation Mechanism

The Board, based on recommendation of the Nomination and Remuneration Committee, had adopted an evaluation framework for evaluating the performance of the Board as a whole, individual Director and the Board Committees. The evaluation framework envisages a three stage evaluation process wherein the Independent Directors, Nomination and Remuneration Committee and the Board are involved. During FY18, the annual evaluation process was kick started at the meeting of Independent Directors held on 26th February, 2018. Thereafter, the Nomination and Remuneration Committee and the Board completed the annual evaluation process at the meeting held on 25th May, 2018.

The Directors individually were evaluated on the following parameters:

- 1) Level of attendance in Board/ Committee meetings.
- 2) Preparedness for the meetings.
- 3) Understanding the critical issues affecting the Company and keeping abreast of all developments relevant to the Company's business.
- 4) Level of participation in the Board/ Committee meetings.
- 5) Commitment to Ethics and Values.
- 6) Ability to give Strategic direction to the Company.

The Chairman was evaluated on certain additional criteria like helping the Board to stick to the agenda, ensuring participative decision making where every member of the Board has an opportunity to be heard, helping the Board to work together, ability to get the support of all Board members, encouraging and dealing with different points of view etc.

The Board of Directors as a whole was evaluated on performance indicators like Strategic contribution, advising the Company on Business investments and M&A's for its growth and profitability, Risk management, Core Governance and Compliance, reviewing all the information which are mandated by law and providing guidance with respect to improvements in the information provided to it etc.

H. Familiarization Programme

The Company takes all steps necessary to keep the Directors apprised of key developments in the business and Industry and to familiarize them for enabling their contribution and good governance. Since the Independent Directors are the critical link in any successful Corporate Governance program, a detailed appointment letter incorporating the role, duties and expectations, remuneration, insurance cover, code of conduct, etc., is issued for the acceptance of the Independent Directors. Presentations made to analysts and any Corporate Presentations are circulated to them. Annual Reports, product information brochures etc are also given for reference. Further, as part of the Board/ Committee Meetings, the Independent Directors are briefed about the developments impacting the Industry, various strategic initiatives of the Company, update on operations etc. Senior Executives regularly make presentations by audio visual means to the Board.

The overview of Company's familiarization programme is available on the website of the Company at http://www.waterbaseindia.com/pdf/Independent_Directors_Familiarisation_Programme.pdf

I. Disclosure of relationship between Directors Inter se

Mrs. Jyothi Thapar, Director is the Spouse of Mr. Vikramaditya Mohan Thapar, Chairman and Mother of Mr. Varun Aditya Thapar, Director. None of the other directors are related to each other in the Board.

J. Remuneration of Directors

Based on performance evaluation, the Directors are paid a commission of up to 1% of net profits as approved by the Shareholders apart from Sitting fee for attending Board and Audit Committee meetings.

The Independent Directors were appointed for a term of 5 years from 1st April, 2014. Service contracts, notice period, severance fees to Directors are not applicable as the Company does not have any Executive/ Whole-Time Director.

Board Committees

The Board has constituted various Committees to focus on specific areas and to make informed decisions within their authority. The Board, at the time of constitution of each committee fixes the terms of reference and also delegates powers from time to time. Various recommendations of the committees are submitted to the board for approval. The minutes of the meetings of the committees are circulated to the board for its information.

The various Board level Committees are as under:

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee

Audit Committee**A. Terms of Reference**

The committee acts as a bridge between the board, the statutory auditors and the internal auditors. The Committee functions as per the provisions of regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of Companies Act.

The responsibilities of the Committee, inter-alia, include:

- Overseeing the Financial Reporting process and disclosure of financial information
- Review of Financial Statements
- Review of Risk management systems
- Review of the findings of Internal Auditors
- Review of the functioning of Vigil mechanism
- Monitoring the usage of funds from issue proceeds
- Granting approvals for related party transactions as per the provisions of the Act, Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and the Policy on dealing with Related Party Transactions framed by the Company.
- Scrutiny of inter-corporate loans and investments
- Recommending the appointment / removal of the statutory auditors, the internal auditors and fixing their remuneration and review of the effectiveness of audit process.

- Valuation of undertakings or assets of the Company, wherever it is necessary
- Evaluation of Internal Financial Controls

The Company Secretary serves as the Secretary to the Committee.

B. Composition & Meetings

The committee comprises five non-executive directors with four of them being independent directors. As on 31st March, 2018, composition of the committee is as follows:

- Mr. Anil Kumar Bhandari - Independent Director (Chairman)
- Mr. Vikramaditya Mohan Thapar - Non-Executive Director
- Lt. Gen. Deepak Summanwar - Independent Director
- Mr. Nakul Kamani - Independent Director
- Mr. Ranjit Mehta - Independent Director

During the year, the committee met 5 (Five) times. All members of audit committee have knowledge of financial management, audit and accounts. The statutory auditors, the internal auditors and senior management were invited to attend all the meetings of the committee.

C. Attendance of Directors:

Name	No. of meetings held	No. of meetings attended
Mr. Anil Kumar Bhandari	5	4
Mr. Vikramaditya Mohan Thapar	5	3
Lt. Gen. Deepak Summanwar	5	5
Mr. Nakul Kamani	5	3
Mr. Ranjit Mehta	5	4

Nomination and Remuneration Committee

A. Terms of Reference

The Committee was constituted in terms of the requirements of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Section 178 of the Companies Act, 2013. The responsibilities of the Committee, inter-alia, include:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To identify persons who are qualified to become Directors and Key Managerial Personnel in accordance with the criteria laid down in this policy and recommend their appointment to Board.
- To formulate criteria for evaluation of Directors, the Board and various Committees of the Board.
- To carry out evaluation of Director's performance.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial and Senior Management Personnel.
- Succession planning for replacing Key Executives and overseeing the Implementation of the same.

The Company Secretary serves as the Secretary to the Committee.

The Nomination and Remuneration policy formulated by the committee and the details of remuneration of Directors and Key Managerial Personnel are given as annexure to the Directors' Report.

B. Composition & Meetings

The committee comprises of four Independent Directors and it met 4 (Four) times during the year. As on 31st March, 2018, composition of the committee is as follows:

- Mr. Anil Kumar Bhandari - Independent Director (Chairman)
- Lt. Gen. Deepak Summanwar - Independent Director
- Mr. Nakul Kamani - Independent Director
- Mr. Ranjit Mehta - Independent Director

C. Attendance of Directors

Name	No. of meetings held	No. of meetings attended
Mr. Anil Kumar Bhandari	4	3
Lt. Gen. Deepak Summanwar	4	4
Mr. Nakul Kamani	4	2
Mr. Ranjit Mehta	4	3

Stakeholders Relationship Committee**A. Terms of Reference**

The Committee was constituted in terms of the requirement of Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013. The responsibilities of the committee, inter-alia, include:

- Formulation of Shareholders' servicing plans and policies
- Consideration of valid share transfer requests with folios, share transmissions, issue of duplicate share certificates, issue of share certificates for split, rematerialisation, consolidation of shares, etc.
- Monitoring and reviewing the mechanism of share transfers, dematerialization of shares and payment of dividends.
- Redressal of Investors grievances like non-receipt of balance sheet, non-receipt of declared dividends and determining, monitoring and reviewing the standards for resolution of shareholders' grievances.

The Company Secretary serves as the Secretary to the Committee. Further, the Committee had designated the Company Secretary to be the Compliance Officer for the purpose of attending to the Share Transfer/ Transmission related formalities.

During the year, the company had received seven complaints from the Shareholders which have been resolved to their satisfaction. Only one complaint was pending as on 31st March, 2018 but the same was resolved on 08th May, 2018.

B. Composition & Meetings

The committee comprises of three Directors as on 31st March, 2018. The composition of the committee is as follows:

- Mr. Vikramaditya Mohan Thapar - Non-Executive Director (Chairman)
- Mr. Varun Aditya Thapar - Non-Executive Director
- Mr. Ranjit Mehta - Independent Director

During the year, the committee held Seven meetings.

Corporate Social Responsibility Committee**A. Terms of Reference**

The Committee was constituted in terms of the requirement of Clause 49 of the Erstwhile Listing Agreement and as per Section 135 of the Companies Act, 2013. The Committee had formulated the CSR policy covering the areas specified under Schedule VII to the Companies Act, 2013 which was approved by the Board. The purpose of the Committee is to oversee the CSR activities of the Company and to ensure that the CSR policy is implemented in letter and spirit. The responsibilities of the committee, inter-alia, include:

- Formulating and recommending to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII, including any revision/amendment/alteration thereof from time to time, as and when required.
- Making recommendations on the following to the Board:-
 - a. To identify the Projects/Programmes to be undertaken by the Company from time to time.
 - b. To recommend the amount of expenditure to be incurred on such Projects/Programmes/activities.
 - c. To recommend to build CSR capacity of the Company's personnel as well as those of the implanting agencies, if any.
- Identifying and appointing/engaging agencies/organizations, if required, to implement the CSR Projects/Programmes/activities of the Company, to carry on base line studies for implementation of such activities and also to carry on impact assessment studies of such Projects/Programmes/activities on the target area/group/population.
- Ensuring that the Company spends, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of the CSR Policy.
- Reviewing the annual report of the CSR activities and ensure that it forms part of the Company's Annual Report and displayed on the Company's website.

The CSR policy permits the Company to collaborate with other companies, including Group Companies, Subsidiaries, Associates, affiliates etc., for undertaking CSR Projects/ programmes in such a manner that the CSR Committees of respective Companies are in a position to report separately on such projects or programmes. CSR provisions under the Companies Act, 2013 is applicable for three other Companies belonging to KCT Group vis-à-vis KCT, Towerbase Services Private Limited (merged during the year with KCT Management Services Private Limited) and Indian City Properties Limited. In line with the approval granted by the CSR Committee the Company, along with the said Group Companies, had established the KCT Group Trust for implementing all CSR programmes/ projects. The Committee will oversee the implementation of CSR programmes/ projects by the Trust.

The Company Secretary serves as the Secretary to the Committee.

B. Composition & Meetings

The committee comprises of five Directors. Composition of the committee is as follows:

- Mr. Vikramaditya Mohan Thapar - Non-Executive Director
- Mr. Varun Aditya Thapar - Non-Executive Director
- Lt. Gen. Deepak Summanwar - Independent Director
- Mr. Nakul Kamani - Independent Director
- Mr. Ranjit Mehta - Independent Director

The Committee met for 3 (Three) times during the year. The outline of the CSR policy, the amount spent during the year on CSR and other details are given as Annexure B to the Directors' Report.

Compliance Report

The Company has formulated a Compliance Policy and a comprehensive Compliance manual covering all the laws applicable as detailed elsewhere in the report. Based on them, the Company Secretary submits a Compliance Certificate to the Board on a quarterly basis. The Board reviews the compliance of all applicable laws every quarter and gives appropriate directions, wherever necessary.

Compliance with Insider Trading Code

To curb Insider Trading, the Company ensures Compliance with the disclosure requirements of the Directors, the Key Managerial and Senior Management Personnel under the Company's Code of Conduct for Prevention of Insider Trading. The Code inter alia requires Designated Persons to pre-clear trades in the securities of the Company beyond a set threshold limit and prohibits trading in the securities of the company while in possession of unpublished price sensitive information and during the period when the trading window is closed. The Company follows a policy of sharing Unpublished Price Sensitive Information (UPSI) strictly on "need to know" basis, i.e., such Information will be disclosed only to those who need the information to discharge their duty. The Compliance Officer specifies, for each category of UPSI, the list of Designated Persons who shall normally expected to have access to such information (Chinese Wall). Further, the Code also lays down detailed reporting mechanism for trades done by Designated Persons. The Code of Conduct for Prevention of Insider Trading is available at the following link http://www.waterbaseindia.com/pdf/code_of_conduct/Revised-Code-of-Conduct-for-Prevention-of-Insider-Trading-and-Corporate.pdf

Shareholders Meetings

The Annual General Meetings of the Company are convened within the Statutory timelines. The details of location and time of the previous three Annual General Meetings are as below:

Year	Date and Time	Venue	Special Resolution Passed
2014-15	Date: 30 th September 2015 Time: 12:15 p.m.	Registered Office – Ananthapuram Village, Nellore, Andhra Pradesh – 524344	a) Approval of Material Related Party Transaction with PFL. b) Modification of the Borrowing powers of the Board. c) Creation of charges on the assets of the Company.
2015-16	Date: 29 th September 2016 Time: 12:15 p.m.	Registered Office – Ananthapuram Village, Nellore, Andhra Pradesh – 524344	NIL
2016-17	Date: 30 th December, 2017 Time : 12:15 PM	Registered Office – Ananthapuram Village, Nellore, Andhra Pradesh – 524344	a) Modification of Borrowing powers of the Board to Rs. 200 Crores. b) Creation of charges on the assets of the Company.

CEO/CFO Certification

Mr. Ramakanth V Akula, Chief Executive Officer and Mr. R.Sureshkumar, Chief Financial Officer have given a certificate to the Board with regard to Financial Statements, Compliance and Internal Control Systems as contemplated under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same is given as part of this report.

Secretarial Audit

The company annually conducts secretarial audit by an independent Practising Company Secretary. For the year ended 31st March, 2018, M/s. ARUB & Associates, Practising Company Secretaries, Chennai has conducted the secretarial audit and the certificate was placed before the board and annexed to this report.

Disclosures

a. Related Party Transactions

No other material related party contract/ transaction exists, disclosure in form AOC – 2 is not applicable.

The policy on dealing with Related Party Transactions has been posted on the Website of the Company the link of which has been given as part of the Director's Report.

b. Details of Non-Compliance

There were no penalties or strictures imposed on the Company by the Stock Exchange, SEBI or any statutory authority in any matter related to capital markets during the last 3 years.

c. Whistle Blower Policy

The Company has adopted a Whistle Blower Policy and has established the necessary mechanism in line with the requirements under the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015. The policy provides for access to the Audit Committee in case of following:

- Abuse of authority, breach of contract or negligence causing substantial and specific danger to public health and safety.
- Manipulation of Company data/ records or pilferation of confidential/ proprietary information
- Financial irregularities, including fraud, or suspected fraud or criminal offence.
- Deliberate violation of law/ regulation.
- Wastage/ misappropriation of Company's funds/assets, breach of employee Code of Conduct or Rules.
- Any other unethical, biased, favored, imprudent event.

The Whistle Blower policy has been posted on the Website of the Company the link of which has been given as part of the Director's Report.

d. Compliance with mandatory requirements

The Company complies with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The same is disclosed to the Stock Exchange as part of the Quarterly report on Compliance with Corporate Governance requirements of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

e. Other Disclosures

- i. Pecuniary Relationships: There were no pecuniary relationships or transactions between the Company and the Independent Directors during the year under review, except payment of sitting fees and profit related commission of 1% as approved by the Shareholders.
- ii. Conflict of Interest: During the year, there were no materially significant transaction with related parties that have potential conflict with the interest of the company at large.
- iii. Commodity Price & Foreign Exchange Risk: Shrimp feed manufacturing depends mainly on Fish Meal, Soya DOC and Wheat Flour (Maida). Fish Meal faces demand-supply skew globally and is becoming scarcer. To address this issue, the Company follows a two pronged strategy- Short Term and Long Term. In the Short Term, the Company plans in advance the procurement of Fish Meal and has committed sources of Fish Meal supply. In the long term, the Company plans to reduce its dependency on Fish Meal by using replacements. Other Raw Materials like Soya DOC and Wheat Flour (Maida) are seasonal in nature and hence the Company takes steps to purchase them based on Materials Requirement Planning. The Company also makes Strategic buys in case suitable buying opportunities arise. During the year, the Company did not face any significant foreign exchange risk.

Code of Conduct

The Board has laid down a "Code of Conduct" for all the Board members and the Senior Management personnel of the company. The objective of the Code is to conduct the business with responsibility, integrity, fairness, transparency and honesty and also to meet the obligations towards the shareholders and all other stakeholders of the Company. The Code also envisages to provide guidance and help in recognizing and dealing with ethical issues and to help foster a culture of honesty and accountability. The Code envisages parameters for the conduct for the Directors, Officers and Employees (Permanent Officer, Contract, Fixed Term Contract, Retainer, Staff, Workers, Trainee, Management Trainee, Permanent Field Staff) under the following heads:

1. Conflict of Interest
2. Compliance
3. Prevention of Fraud
4. Bribery and Kickbacks
5. Confidentiality
6. Use of Company Property
7. Corporate Opportunity
8. Gifts and Hospitality
9. Fair Competition
10. Environment and Community
11. Health & Safety
12. Workplace & Human Rights
13. Delegation and Assignments

The Code of Conduct has been posted on the website of the company at the following link: http://www.waterbaseindia.com/pdf/Code_of_Conduct_and_Business_Ethics.pdf

Annual declaration confirming compliance of the Code is obtained from every person covered by the Code of Conduct. A declaration to this effect signed by Mr Ramakanth V Akula, Chief Executive Officer is annexed to and forms part of this report.

Means of Communication

- a. The Quarterly / Half Yearly and Annual Financial results of the Company were forwarded to BSE Limited and were published in Financial Express/Business Standard and Andhra Bhoomi.
- b. The Company's results were disseminated on the website of BSE Limited.
- c. The Company's results were also disseminated in the Investors Page of the Company's website: www.waterbaseindia.com.
- d. The Management Discussion and Analysis Report is included elsewhere as part of this Annual Report.
- e. The Company has made presentations to Institutional Investors during the year on various dates and the presentations are hosted in the links given below:

http://www.waterbaseindia.com/online_pdf/Investor%20Presentation%20June,%202017.pdf

http://www.waterbaseindia.com/online_pdf/Investor%20Presentation%20August%20,2017.pdf

http://www.waterbaseindia.com/online_pdf/Investor%20Presentation%20February%20,2018.pdf

General Shareholders' Information

a. Annual General Meeting:

Date	Time	Venue
Thursday, 27 th September 2018	12:00 Noon	Hotel Minerva Grand, Grand Trunk Road, Saraswathi Nagar, Dargamitta, Nellore, Andhra Pradesh 524003

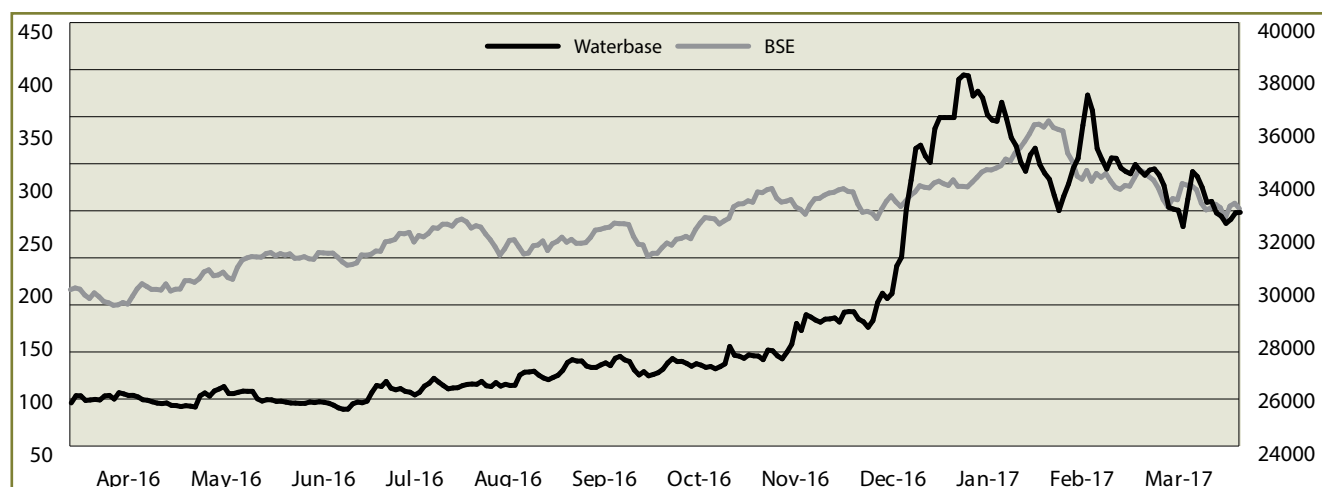
b. Financial Year & Financial Calendar:

S. No.	Item	Details
1	Financial Year	Financial Year of the Company is from 1 st April of every calendar year to 31 st March of the subsequent calendar year
2	Financial Calendar	<ul style="list-style-type: none"> First Quarter Results – By 15th August, 2018. Second Quarter / Half Year Results - By 15th November, 2018 Third Quarter / Nine Months Results - By 15th February, 2019 Fourth Quarter / Year end Results - By 30th May, 2019
3	Date of Book Closure/Record Date/ Cut-Off Date	The Record Date/Cut-Off Date for the purpose of Annual General Meeting and payment of dividend is 20 th September 2018
4	Dividend Payment Date	The Board had recommended a final dividend of 1.50/- per equity share for FY18 at the meeting held on 25 th May, 2018. Upon approval of the shareholders, the dividend will be paid within 26 th October 2018
5	Listing on Stock Exchange	The Company's Shares are listed on BSE Limited. The address of the exchange is as follows: BSE Limited - Floor 25, Phiroze Jhejeebhoy Towers Dalal Street, Mumbai - 400 001. The Annual Listing fees for the Financial Year 2018-19 of Rs. 2,95,000/- was paid on 27 th April 2018.
6	Stock Code	523660
7	ISIN	INE054C01015

c. Share Price Data:

The Company's monthly high and low quotations for the Financial Year 2017-18 at the BSE are given herein:

Month	BSE	
	High (in ₹)	Low (in ₹)
April 2017	104.00	90.00
May 2017	111.70	87.05
June 2017	97.90	84.35
July 2017	117.90	90.00
August 2017	127.50	102.00
September 2017	140.80	116.00
October 2017	151.80	120.70
November 2017	188.70	130.10
December 2017	361.50	162.00
January 2018	417.50	273.65
February 2018	404.45	266.10
March 2018	323.00	253.00

d. Share price performance in comparison to BSE Sensex:

e. Registrar and Share Transfer Agent:

All work related to Share Registry, both in physical form and electronic form, is handled by the Company's Registrar and Share Transfer Agent and the communication address of the Registrar and Share Transfer Agent is given hereunder:

M/s. Cameo Corporate Services Limited
Subramanyam Building,
No. 1, Club House Road, Chennai - 600 002
Phone: 044-28460390 / 391/ 392 / 393 / 394
Fax: 044-28460129
Email: investor@cameoindia.com

f. Share Transfer System

The Company has a Stakeholders' Relationship Committee to examine and redress Investors' complaints and to handle the process of share transfer/ transmission etc. The Stakeholders' Relationship Committee had designated the Company Secretary to be the Compliance Officer for the purpose of attending to the Share Transfer/ Transmission related formalities. The Company Secretary attends to share transfer/ transmission work regularly and reports to the Stakeholders Committee on quarterly basis regarding the share transfer/ transmission.

The share transfer system with respect to physical shares is being carried out by Cameo Corporate Services Limited Confirmations in respect of the requests for dematerialization of shares is being sent to the respective depositories i.e. NSDL & CDSL expeditiously.

g. Reconciliation of share capital and Dematerialization of shares and liquidity

Quarterly audit was conducted by M/s. BP & Associates, Practising Company Secretaries, Chennai reconciling the issued and listed capital of the company with the aggregate number of shares held by the shareholders in physical and demat form. The share capital of the company in physical form were about 21,62,722 shares constituting 5.2% of the paid up share capital of the Company as at 31st March, 2018. Trading in the equity shares of the company is compulsory in dematerialized form for all investors.

h. Distribution of shareholding

Category	No. of Share Holders*	% to Shareholders	Total Shares	% to paid-up Capital
1-100	29,003	67.20	19,25,266	4.65
101-500	10,308	23.88	26,71,685	6.45
501-1000	2,035	4.72	16,28,281	3.93
1001 - 2000	912	2.11	13,85,257	3.34
2001 - 3000	331	0.77	8,53,578	2.06
3001 - 4000	152	0.35	5,55,285	1.34
4001 - 5000	132	0.31	6,25,181	1.51
5001 - 10000	178	0.41	13,39,248	3.23
10001 and above	108	0.25	3,04,42,998	73.49
TOTAL	43,159	100.00	4,14,26,779	100.00

The number of shareholders after merging of first holder PAN is 42461

i. There are no outstanding GDRs/ ADRs/ Warrants and convertible instruments.**j. Plant Location:**

- (i) Ananthapuram Village, Nellore,
Andhra Pradesh - 524344
- (ii) Bogole Village & Mandal SPSR, Nellore,
Andhra Pradesh - 524142
- (iii) Ramachandrapuram Village,
Vidavalur, Varini,
Nellore - 524344

k. Contact Information:

Correspondence Address
Corporate Office
Thapar House, No. 37 Montieth Road, Chennai - 600 008.
Phone: + 91 44 3012 7000
Fax: + 91 44 3012 7001
Email: info@waterbaseindia.com

For queries related to shares / dividend / compliance/Investor Grievance
Mr. R. Achuthan
Company Secretary & Compliance Officer
Phone: + 91 44 3012 7000
Fax: + 91 44 3012 7001
Email: investor@waterbaseindia.com

l. Discretionary Requirements as per Part E of schedule II under Listing Regulations.**a. Modified opinion(s) in audit report**

There was no qualification by the auditors on the financial statements of the Company.

b. Separate posts of Chairperson and Chief Executive Officer

The office of Chairman and Chief Executive officer of the Company are held by different individuals.

c. Reporting of Internal Auditor

As per the requirements, the internal auditor may report directly to the Audit Committee. The same is reported by briefing the Audit Committee through discussion and presentation of the observations, review, comments and recommendations, among others in the Internal Audit presentation by the Company's Internal Auditor.

m. Disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (B) to (I) of Sub-Regulation (2) of Regulation 46 of Listing Regulations

S.No	Particulars	Regulation	Compliance Status (Yes/No/NA)	Details of Compliance along with applicable Regulations
1	Board of Directors	17	Yes	<ul style="list-style-type: none"> Composition (17(1)) Frequency of Meetings (17(2)) Review of Compliance Report (17(3)) Plans for orderly succession for appointments (17(4)) Code of Conduct (17(5)) Fees / compensation to Non-Executive Directors(17(6)) Minimum information to be placed before the Board (17(7)) Compliance Certificate (17(8)) Risk assessment and management (17(9)) Performance evaluation of Independent Directors (17(10))
2	Audit Committee	18	Yes	<ul style="list-style-type: none"> Composition (18(1)) Meetings (18(2)(a) and (b)) Powers of the Committee (18(2)(c)) Role of the Committee and review of information by the Committee (18(3))
3	Nomination and Remuneration Committee	19	Yes	<ul style="list-style-type: none"> Composition (19(1)) Chairperson (19(2) and (3)) Role of the Committee (19(4))
4	Stakeholder Relationship Committee	20	Yes	<ul style="list-style-type: none"> Composition (20(1)) Chairperson (20(2)) Other Members (20(3)) Role of the Committee (20(4))

S.No	Particulars	Regulation	Compliance Status (Yes/No/NA)	Details of Compliance along with applicable Regulations
5	Risk Management Committee	21	NA	<ul style="list-style-type: none"> The Company had adopted the Enterprise Risk Management framework and had constituted an Executive Committee on Risk Management
6	Vigil Mechanism	22	Yes	<ul style="list-style-type: none"> Formulation of Vigil Mechanism for Directors and employees [22(1)] Direct access to Chairperson of Audit Committee [22(2)]
7	Related Party Transactions	23	Yes	<ul style="list-style-type: none"> Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions [23(1)] Approval including omnibus approval of Audit Committee [23(2) and (3)] Review of Related Party Transactions [23(3)(d)]
8	Subsidiaries of the Entity	24	NA	NA
9	Obligations with respect to Independent Directors	25	Yes	<ul style="list-style-type: none"> Memberships / Chairmanships in Committees [26(1) and (2)] Affirmation on compliance of Code of Conduct by Directors and Senior Management [26(3)] Disclosure of shareholding by Non-Executive Directors [26(4)] Disclosures by Senior Management about potential conflicts of interest [26(5)]
10	Other Corporate Governance Requirements	27	Yes	<ul style="list-style-type: none"> Compliance with discretionary requirements [27(1)] Filing of quarterly compliance report on Corporate Governance [27(2)]
11	Website	46	Yes	<ul style="list-style-type: none"> Maintaining Functional Website [46(1)] Details disseminated on website [46(2)] Contents on website and updating the website [46(3)]

List of Policies of the Company

S.No	Policy
1	Nomination and Remuneration Policy
2	Risk Management Policy
3	Compliance Policy
4	Code of Conduct and Business Ethics
5	Corporate Social Responsibility Policy
6	Code of Conduct for Prevention of Insider Trading and Code of Fair Disclosure Practices
7	Independent Directors Familiarisation Programme
8	Policy for Determination of Materiality of Events
9	Related Party Transaction Policy
10	Whistle Blower Policy
11	Policy on Preservation and Archival of Documents

For and on behalf of the Board of Directors

Vikramaditya Mohan Thapar
Director
DIN: 00030967

Anil Kumar Bhandari
Director
DIN: 00031194

New Delhi, 03rd August 2018

Declaration of Adherence to Code of Conduct and Business Ethics

To

The Board of Directors
The Waterbase Limited

This is to confirm that the Board has laid down a Code of Conduct and Business Ethics for all Board members and Senior Management personnel of the company. The Code of Conduct and Business Ethics has also been posted on the website of the Company. It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct and Business Ethics of the Company for the year ended 31st March, 2018, as envisaged as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

New Delhi, 03rd August 2018

Ramakanth V Akula
Chief Executive Officer

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

To

The Board of Directors
The Waterbase Limited

We, Ramakanth V. Akula, Chief Executive Officer and R Sureshkumar, Chief Financial Officer, do hereby affirm the following, pursuant to provisions the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in relation to Financial Reporting during the year ended 31st March, 2018;

1. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material fact or contains statements that might be misleading;
 - b. These statements together, present a true and fair value of the Company's Affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of conduct.
3. We accept the responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to such financial reporting and we have disclosed to the Auditors' and the Audit Committee, deficiencies in the design or operation of the internal controls, if any, of which we are aware and we have taken steps to rectify these deficiencies.
4. Wherever applicable, we have indicated to the Auditors' and the Audit Committee of the Company about the following:
 - a. Significant changes, if any, in the internal control over the financial reporting during the year;
 - b. Significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statement;
 - c. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

New Delhi, 25th May 2018

Ramakanth V. Akula
Chief Executive Officer

R. Sureshkumar
Chief Financial Officer

Form No. MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED: 31.03.2018

To,

The Members,

The Waterbase Limited

Ananthapuram Village,

T.P. Gudur Mandal

Nellore 524 344, Andhra Pradesh

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The Waterbase Limited (CIN: L05005AP1987PLC018436) (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2018 (the audit period) generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company during the audit period according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
 - a. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable to the Company during the Audit Period);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client (Not Applicable to the Company during the Audit Period);
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period); and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit Period);

Other laws specifically applicable to the Company:

1. Indian Fisheries Act, 1897
2. Marine Products Export Development Authority Act, 1972 and rules made thereunder.
3. Coastal Aquaculture Authority Act, 2005 and rules made thereunder
4. The Prevention and Control of Infectious and Contagious Diseases in Animals Act, 2009 and rules made thereunder.

5. Guidelines for Sustainable Development and Management of Brackish Water Aquaculture, 1995
6. Marine Products (Quality Marking) Scheme, 2010
7. The Factories Act, 1948
8. The Payment of Wages Act, 1936
9. The Minimum Wages Act, 1948
10. The Payment of Bonus Act, 1965
11. Payment of Gratuity Act, 1972
12. Interstate Migrant Workmen Regulation of Employment and conditions of Service Act 1979 and Rules thereunder.
13. Employees Compensation Act 1923 and rules thereunder
14. Water (Prevention & Control of Pollution) Act 1974 and rules thereunder
15. Air (Prevention & Control of Pollution) Act 1981 and rules thereunder
16. Environment Protection Act 1986 and rules made thereunder
17. Other Central and State Acts, rules, guidelines and regulations to the extent applicable to the Company.

We have also examined compliance with the applicable clauses of the following:-

1. The Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India under the provisions of the Companies Act, 2013
2. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with BSE Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

Based on the information received and records maintained, we further report that:-

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (and at a Shorter Notice for which necessary approvals obtained), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- As per the minutes of the Board Meetings and Committee Meetings, the decisions of the Board and Committee as the case may be were carried out with requisite majority.

We further report that based on the compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary of the Company and taken on record by the Board of Directors at their meetings, we are of the opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period no specific major events have happened which are deemed to have major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except as follows :-

- The Scheme of Amalgamation between Pinnae Feeds Limited ("PFL") and the Company was approved by the NCLT, Hyderabad vide their order dated November 14, 2017 (the "Scheme") with August 1, 2015 as the appointed date and the certified copy of the Order was filed with Registrar of Companies, Hyderabad, on 27th November, 2017 from which date the Scheme has become effective.
- In terms of the Scheme, the entire business and the whole of the undertaking of PFL, as a going concern stands transferred to and vested in the Company with effect from August 1, 2015, being the Appointed Date.
- Pursuant to the Scheme, the Company issued and allotted 28,23,529 equity shares of Rs.10/- each aggregating to Rs. 2,82,35,290/- in the ratio of 4 fully paid up Equity shares of the face value of Rs. 10/- each of the Company for every 17 fully paid up equity shares of ` 10/- each held in PFL to the equity shareholders of PFL.
- The Company has obtained the approval of members under Section 180(1) (c) of the Companies Act, 2013 by way of special resolution for borrowings up to Rs.200 Crores over and above the aggregate paid-up share capital and free reserves of the Company.

- The Company has obtained the approval of members under Section 180(1)(a) of the Companies Act, 2013 by way of special resolution to mortgage, charge and hypothecate as may be necessary on such of the undertakings of the Company, both present and future in favour of Lenders to secure loans, debentures, bonds and other instruments of an outstanding aggregate value not exceeding Rs.200 Crores together with interest and other costs and expenses.

For ARUB & ASSOCIATES

Company Secretaries
Firm Registration No. P2015TN044500

Usha Balasubramanian

Partner
FCS: 9267, CP: 7444

DATE: 1st August, 2018

PLACE: Chennai

The Members,

THE WATERBASE LIMITED

CIN: L05005AP1987PLC018436

Ananthapuram Village,

T.P. Gudur Mandal

Nellore 524 344, Andhra Pradesh

Dear Members,

Sub: Our Report of even date for the financial year 2017-18 is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For ARUB & ASSOCIATES

Company Secretaries
Firm Registration No. P2015TN044500

Usha Balasubramanian

Partner
FCS: 9267, CP: 7444

DATE: 1st August, 2018

PLACE: Chennai

Secretarial Auditors Certificate on Compliance with Corporate Governance provisions

To

The Members of The Waterbase Limited

1. We M/s. ARUB & Associates, Practising Company Secretaries (Firm's Registration No.: P2015TN044500), as Secretarial Auditors of The Waterbase Limited ("the Company"), having its Registered Office at Ananthapuram Village, T.P. Gudur, Mandal, Nellore - 524 344, Andhra Pradesh have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2018 as stipulated in the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended from time to time.
2. We have been requested by the Management of the Company to provide a certificate on compliance of conditions of Corporate Governance under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
3. The Management is responsible for the compliance of conditions of Corporate Governance. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. In our opinion and to the best of our information and according to the explanations given to us by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as laid down in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For ARUB & ASSOCIATES

Company Secretaries
Firm Registration No. P2015TN044500

Usha Balasubramanian

Partner
FCS: 9267, CP: 7444

DATE: 1st August, 2018

PLACE: Chennai

Management Discussion & Analysis

Global Overview

The global seafood market was valued at \$120,848 million in 2016, and is expected to reach \$155,316 million by 2023, registering a CAGR of 3.6% from 2017 to 2023. A recent FAO report on status of World fisheries and Aquaculture estimates that the total production of fishery (which include finfish, molluscs, and crustaceans) is expected to increase to 201 Million tons by 2030 from 171 million tons in 2016 (valued at nearly USD 362 billion at first sale). In this, around 80 million tons food fish were from aquaculture, made up of 54.1 Million tons of finfish, 17.1 Million tons of molluscs, 7.9 Million tons of crustaceans and 0.9 Million tons of other aquatic animals. Further, aquaculture is projected to supply over 60 percent of seafood destined for direct human consumption by 2030, while global production from capture fisheries is expected to remain stable at around 93 million tons during this period.

Global seafood consumption had a CAGR of 2.2%, growing to an estimated 176.7 million MT in 2017. The industry also has been steadily moving from capture fishing to aquaculture, due to improved fisheries management and growth in cold chain infrastructure, leading to increased efficiency and sustainability which also aided the industry's growth. As per FAO estimates, the global per capita seafood consumption will increase to 21.8 kg by the year 2025. The Report further identifies that the seafood consumption in China, Middle East, East and South East Asia is increasing at a steady pace because of income growth and expansion of middle class.

The major export market has been the US followed by Europe, Japan and South East Asia during 2017-18 for shrimp exports like in the previous year. Global prices for Vannamei shrimp have sustained at attractive levels in recent years which has helped the industry/opportunity to remain lucrative.

India Overview

India is the second largest fish producing country in the world with production of 11.41 million metric tons in 2016-17 and production is expected to exceed 12.50 million metric tons in 2017-18. The Indian seafood exports crossed USD 7 billion for the first time in the FY 2017-18, registering a growth of 21.35% over the previous fiscal. Frozen shrimp remained the cornerstone of seafood export contributing about 68% of the dollar earnings, with a growth of 30 %. In a press release, the MPEDA has also pegged the export target at USD 10 bn by the year 2022.

According to an ICAR report, only around 1.2 lakhs ha., out of the estimated brackish water area suitable for undertaking shrimp cultivation in India around 11.91 lakhs ha., has been utilized. This is spread over 10 states and union territories, including West Bengal, Orissa, Andhra Pradesh, Tamil Nadu, Pondicherry, Kerala, Karnataka, Goa, Maharashtra and Gujarat. While Andhra Pradesh is a pioneer in this having developed around 57% of the area available, the potential in Maharashtra and Gujarat is high with a utilization of only around 1 % having happened. The growth potential for the country is also very high with only around 14 % of the available area being under shrimp farming.

Total exports of seafood from India was 13.77 Lakh MT in 2017-18 as compared to 11.35 Lakh MT in 2016-17, reporting an increase of 21.32% in volume terms. In value terms, the exports were Rs. 45,107 Crore in 2017-18 as against Rs. 37,871 Crore in 2016-17, an increase of 19% in value terms. Shrimp continues to remain on the top of the heap accounting for 41% in volume terms of total seafood exports from the country as against 38% in the previous year.

Domestic Market Trends

Feed Raw Material prices remained soft for large part of FY18 leading to higher margins. The prices corrected since Jan 2018 and the margins for FY19 would be similar to FY17.

- Heightened competitive intensity – discounts and extensive credits offered by new players who are leveraging the fall in Raw Material prices
- Farm gate prices have nosedived since Jan 2018 impacting Farmer's profitability, these prices may start appreciating from Q2, FY 19
- Farmers are resorting to partial and early harvest to derisk the business and the smaller sizes are readily accepted in South East Asian markets

Outlook

FY18 has been a landmark year for the Company. The Company delivered its highest ever annual profit fuelled by a strong volume growth and supported by benign raw material prices.

The international shrimp prices softened during the beginning of this year due to reduced off take in the US, resulting in lower farmgate prices. Farmers reduced their area under culture fearing lower prices. However the farmgate prices have started firming up from August 2018, hence farming activity is expected to regain its momentum.

Raw material costs have significantly risen after touching record lows last year and have impacted margins of Q1 FY 19. The current year margins would be comparable with FY 17 margins as FY 18 was an abnormal year from margin perspective due to lower Raw material cost.

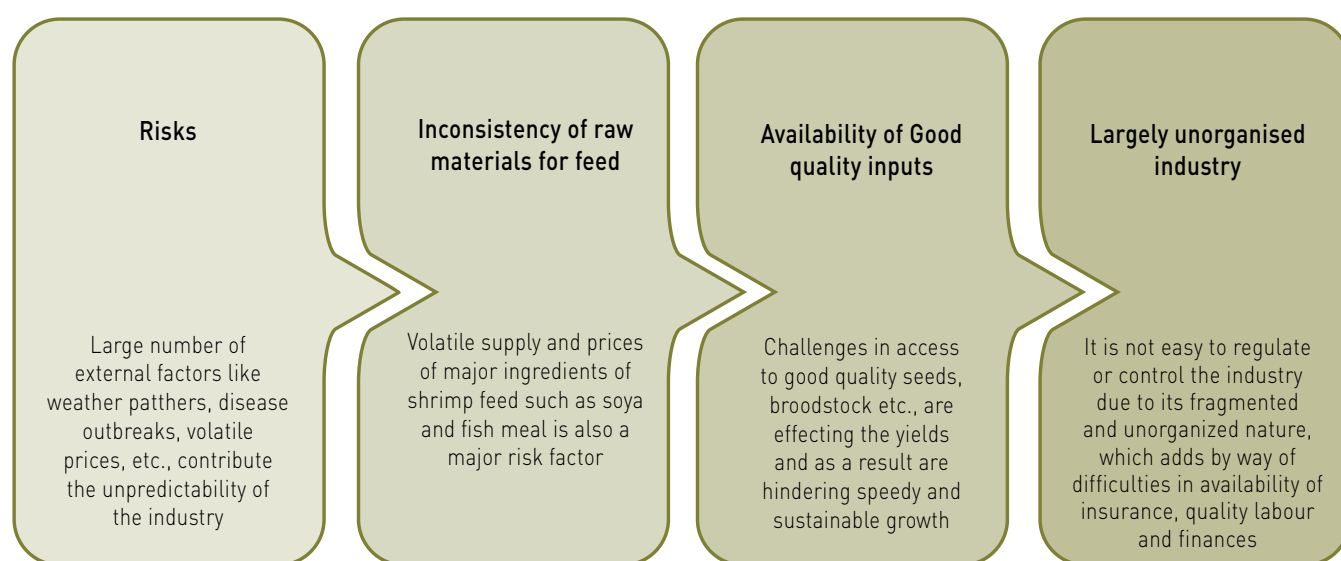
India is now the leading exporter of Shrimps to the world and with available resources that are at its disposal, it would continue to be a dominant player even in the future. With an enhanced base for shrimp feed, wider distribution network and improved offerings comprising hatchery and farmcare products, the Company has built a strong platform to capitalise the existing and new opportunities in the growing aquaculture industry.

Discussion on financial performance with respect to operational performance

The financial statements have been prepared in compliance with the requirement of the Companies Act, 2013 and Indian Accounting Standards (Ind AS) in India. In the year under consideration, your company reported revenues of Rs 344.29 Crores in comparison to Rs. 323.50 Crores last year, registering a growth of 6%. Your Company was awarded the coveted 'Asia's Most Valuable Business Brand Award 2018' in the Shrimp Feed category. This was conferred at the Asian Brand & Leadership Conclave held on 9th March 2018.

Discussion on Risk Management

The Company has implemented the Enterprise Risk Management framework for managing its strategic and operational risks. More details about the Risk Management framework is presented under the section "Risk management".



Internal Financial Controls

The Company's Internal Financial Controls encompass policies and procedures adopted by the Board for ensuring the orderly and efficient conduct of business, including adherence to its policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of accounting records and the timely preparation of reliable financial information. Appropriate review and control mechanisms are built in place to ensure that such control systems are adequate and are operating effectively.

The systems/frameworks include proper delegation of authority, operating philosophies, policies and procedures, effective IT systems aligned to business requirements, an Internal Audit framework, a comprehensive Code of Conduct & Business Ethics framework, a Risk Management framework and adequate segregation of duties to ensure an acceptable level of risk. Documented Standard Operating Procedures are in place for all business processes. Key controls are tested to assure that these are operating effectively. Besides, the Company has also implemented SAP ERP for all its processes to strengthen the internal control and segregation of duties/access.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
The Waterbase Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of The Waterbase Limited ("the Company"), which comprise the Balance Sheet as at 31 st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 33(a) to the Ind AS Financial Statement;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

New Delhi, May 25, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)
Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")
We have audited the internal financial controls over financial reporting of The Waterbase Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

New Delhi, May 25, 2018

Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- b) The Company has a program of verification of property, plant and equipment to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from lenders.
- ii As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

- v According to the information and explanations given to us, the Company has not accepted any deposit during the year or did not had any unclaimed deposits at the beginning of the year and accordingly reporting under clause (v) of CARO 2016 is not applicable.
- vi The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- vii According to the information and explanations given to us, in respect of statutory dues:

- a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

- b) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (Rs. in Lakhs)
Customs Act, 1962	Custom Duty	Chennai High Court	1995-96	535.36
Finance Act, 1994 (Chapter V)	Service Tax (including penalty etc.)	CESTAT-Hyderabad	2006-07	61.87#
Central Excise Act	CENVAT Credit	Andhra Pradesh High Court	2007-09	22.86@
Central Sales Tax Act, 1956	Central Sales Tax	Appellate Tribunal, Vizag	2009-10	70.86*
Central Sales Tax Act, 1956	Central Sales Tax	Asst. Commissioner (C.T.) (LTU) Nellore	2012-13	2.38
Finance Act, 1994 (Chapter V)	Service Tax (including penalty etc.)	Asst. Commissioner (C.T.)	2012-13 to 2014-15	2.99
Income Tax Act	Income Tax	Deputy CIT, Kolkata	2010-11 to 2013-14	0.20^

Net of Rs. 2.00 Lakhs paid under protest.

@ Net of Rs. 34.72 Lakhs paid under protest and Rs. 14.88 Lakhs appropriated by the Department

* Net of Rs. 35.43 Lakhs paid under protest.

^ Net of Rs. 14.68 Lakhs appropriated/ adjusted by the Department.

- viii In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and government or has not issued any debentures.
- ix The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.
- x To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- xiii In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- xiv During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- xv In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Abhijit Bandyopadhyay

Partner

(Membership No. 054785)

The Waterbase Limited

Balance Sheet as at March 31, 2018

(₹ in Lakhs)

Particulars	Note	As at March 31, 2018	As at March 31, 2017
I. ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	3	5,983.85	6,053.10
(b) Capital work in progress	3	854.08	303.65
(c) Intangible assets	4	158.62	156.79
(d) Other financial assets	5	51.28	20.69
(e) Non-current tax asset (net)	6	158.25	745.92
(f) Other non-current assets	7	287.64	335.00
Total non-current assets		7,493.72	7,615.15
2 Current assets			
(a) Inventories	8	8,285.05	7,058.82
(b) Financial Assets			
(i) Investments	9	-	4.28
(ii) Trade receivables	10	9,025.67	8,198.56
(iii) Cash and cash equivalent	11	81.31	88.65
(iv) Other balances with bank	12	634.01	1,034.17
(v) Other financial assets	5	29.68	52.36
(c) Other current assets	7	223.18	455.21
Total current assets		18,278.90	16,892.05
TOTAL ASSETS		25,772.62	24,507.20
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	13	4,142.68	3,860.33
(b) Other equity	14	10,819.76	8,593.83
Total Equity		14,962.44	12,454.16
2 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	1,335.22	1,357.50
(b) Provisions	16	235.18	230.77
(c) Deferred tax liabilities (Net)	17	195.59	257.26
Total non-current liabilities		1,765.99	1,845.53
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	824.89	4,800.29
(ii) Trade payables	19	5,200.92	3,512.91
(iii) Other financial liabilities	20	2,821.86	1,753.27
(b) Provisions	16	8.14	4.02
(c) Other current liabilities	21	188.38	137.03
Total current liabilities		9,044.19	10,207.51
TOTAL EQUITY AND LIABILITIES		25,772.62	24,507.20

See accompanying notes 1-43 forming an integral part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells LLP
Chartered AccountantsVikramaditya Mohan Thapar
Chairman, DIN : 00030967Anil Kumar Bhandari
Director, DIN : 00031194Abhijit Bandyopadhyay
PartnerRamakanth V Akula
Chief Executive OfficerR. Sureshkumar
Chief Financial Officer

New Delhi, May 25, 2018

R. Achuthan
Company Secretary

The Waterbase Limited

Statement of Profit and Loss for the year ended March 31, 2018

(₹ in Lakhs)

Particulars	Note	For the Year ended March 31, 2018	For the Year ended March 31, 2017
I Revenue from operations	22	34,274.03	32,190.85
II Other income	23	154.59	158.66
III Total Income (I+II)		34,428.62	32,349.51
IV Expenses			
a) Cost of materials consumed	24	21,321.96	23,944.83
b) Purchase of stock-in-trade	25	115.34	1,037.41
c) Changes in inventories of finished goods, work in progress and stock-in-trade	26	334.24	(1,141.55)
d) Employee benefits expense	27	1,864.25	1,634.99
e) Finance costs	28	438.82	860.23
f) Depreciation and amortization expense	29	615.70	548.64
g) Other expenses	30	4,877.35	3,673.45
Total Expenses (IV)		29,567.66	30,558.00
V Profit before tax (III-IV)		4,860.96	1,791.51
VI Tax expenses	31		
(a) Current tax			
In respect of current year		1,773.87	483.81
In respect of earlier years		167.66	-
(b) Deferred tax		(70.60)	150.32
		1,870.93	634.13
VII Profit for the year (V-VI)		2,990.03	1,157.38
VIII Other comprehensive income			
(a) Items that will not be reclassified to profit/(loss)			
(i) Re-measurements of defined benefit plans		25.79	(34.21)
(ii) Income tax relating to above	31	(8.93)	11.84
Total other comprehensive income		16.86	(22.37)
IX Total comprehensive income for the year (VII+VIII)		3,006.89	1,135.01
X Earnings per equity share (Nominal value of Rs.10/- per share)	32		
(a) Basic		7.58	3.00
(b) Diluted		7.58	2.79

See accompanying notes 1-43 forming an integral part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells LLP
Chartered Accountants

Vikramaditya Mohan Thapar
Chairman, DIN : 00030967

Anil Kumar Bhandari
Director, DIN : 00031194

Abhijit Bandyopadhyay
Partner

Ramakanth V Akula
Chief Executive Officer

R. Sureshkumar
Chief Financial Officer

New Delhi, May 25, 2018

R. Achuthan
Company Secretary

The Waterbase Limited

Statement of Cash flow for the year ended March 31, 2018

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	4,860.96	1,791.51
Adjustments for:		
Depreciation and amortisation expense	615.70	548.64
(Profit) / loss on sale of property, plant and equipment	(1.29)	7.58
Loss on sale of investments	1.18	(0.58)
Net Loss / (profit) on fair valuation of investment through Statement of Profit and Loss	0.19	-
Deferred corporate guarantee charges	(6.55)	(6.56)
Finance costs	438.82	860.23
Interest income	(140.30)	(129.49)
Bad Debts written off	561.00	-
Provisions for bad and doubtful debts and advances	322.06	33.21
Inventory written off	155.00	30.72
Other Comprehensive Income	25.79	(34.21)
Dividend Income	(0.20)	(0.20)
	1,971.40	1,309.34
Operating profit before working capital changes	6,832.36	3,100.85
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(1,381.24)	(3,462.87)
Trade receivables	(1,528.40)	(1,312.38)
Other financial and non-financial assets	134.25	(199.88)
Adjustments for increase in operating liabilities:		
Trade payables	1,688.01	1,274.17
Other financial and non-financial liabilities	1,055.38	(276.07)
Provisions	8.54	(38.53)
	(23.46)	(4,015.56)
Cash generated from used in operations	6,808.90	(914.71)
Net income taxes paid	(1,353.85)	(395.71)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES (A)	5,455.05	(1,310.42)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment and intangible assets, including capital advances	(1,165.13)	(781.96)
Proceeds from sale of property, plant and equipment	13.22	6.92
Net Movement in fixed deposits	426.87	(31.22)
Sale of Mutual Fund Investment	2.91	-
Interest received on deposits	171.53	111.09
Dividend received	0.20	0.20
NET CASH USED IN INVESTING ACTIVITIES (B)	(550.40)	(694.97)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from non-current borrowings from Banks	685.00	-
Repayment of non-current borrowings from Banks	(684.17)	(686.07)
Finance costs	(438.82)	(860.23)
Dividend paid (including dividend distribution tax)	(498.60)	-
NET CASH USED IN FINANCING ACTIVITIES (C)	(936.59)	(1,546.30)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	3,968.06	(3,551.69)
Cash and cash equivalents as at April 1	(4,711.64)	(1,159.95)
Cash and cash equivalents as at March 31 - Refer Note 11A	(743.58)	(4,711.64)
Net Increase/(Decrease) in cash and cash equivalents	3,968.06	(3,551.69)

See accompanying notes 1-43 forming an integral part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells LLP
Chartered Accountants

Vikramaditya Mohan Thapar
Chairman, DIN : 00030967

Anil Kumar Bhandari
Director, DIN : 00031194

Abhijit Bandyopadhyay
Partner

Ramakanth V Akula
Chief Executive Officer

R. Sureshkumar
Chief Financial Officer

New Delhi, May 25, 2018

R. Achuthan
Company Secretary

The Waterbase Limited

Statement of Changes in Equity for the year ended March 31, 2018

(₹ in Lakhs)

Particulars	Equity share capital	Other Equity					Total
		Share application money pending allotment	Securities premium	Capital reserve	General reserve	Retained earnings	
Balance as at April 01, 2016	3,860.33	282.35	1,473.49	1,026.10	1,315.07	3,361.81	11,319.14
Profit for the year	-	-	-	-	-	1,157.38	1,157.38
Re-measurement gain/(loss) on defined benefit plan (net of tax)	-	-	-	-	-	(22.37)	(22.37)
Total comprehensive income for the year	-	-	-	-	-	1,135.01	1,135.01
Balance as at March 31, 2017	3,860.33	282.35	1,473.49	1,026.10	1,315.07	4,496.82	12,454.16
Profit for the year	-	-	-	-	-	2,990.03	2,990.03
Re-measurement gain/(loss) on defined benefit plan (net of tax)	-	-	-	-	-	16.86	16.86
Total comprehensive income for the year	-	-	-	-	-	3,006.89	3,006.89
Payment of final dividend	-	-	-	-	-	(414.27)	(414.27)
Payment of dividend distribution tax on above	-	-	-	-	-	(84.34)	(84.34)
Shares allotted during the year	282.35	(282.35)	-	-	-	-	-
Balance as at March 31, 2018	4,142.68	-	1,473.49	1,026.10	1,315.07	7,005.10	14,962.44

See accompanying notes 1-43 forming an integral part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Vikramaditya Mohan Thapar
Chairman, DIN : 00030967

Anil Kumar Bhandari
Director, DIN : 00031194

Abhijit Bandyopadhyay
Partner

Ramakanth V Akula
Chief Executive Officer

R. Sureshkumar
Chief Financial Officer

New Delhi, May 25, 2018

R. Achuthan
Company Secretary

Notes to the Financial Statements for the year ended March 31, 2018 (all amounts are in ₹ lakhs)

Corporate Information

The Waterbase Limited ("the Company") is a listed entity incorporated in the year 1987 in India. It is in the business of manufacturing and sale of Shrimp Feeds and Shrimp Aquaculture for 30 years.

1. Basis of accounting and Preparation of Financial Statement

Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, upto date of issuance of the Company's financial statements are disclosed below.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

The Company will adopt these amendments from their applicability date.

Basis of preparation and measurement

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy,

Notes to the Financial Statements for the year ended March 31, 2018 (all amounts are in ₹ lakhs)

described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2. Significant Accounting Policies

2.1 Property plant and equipment

On adoption of Ind AS, the Company retained the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and used that as its deemed cost as permitted by Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

Property, plant and equipment are initially recognised at cost. The initial cost of property, plant and equipment comprises its purchase price, including non-refundable duties and taxes net of any trade discounts and rebates. The cost of property, plant and equipment includes interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets subsequent to initial recognition. Property, plant and equipment are stated at cost less accumulated depreciation (other than freehold land, which are stated at cost) and impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and useful lives.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and capital work in progress) less their residual values over the useful lives, using the straight- line method ("SLM") as defined in Schedule II to the Companies Act, 2013. Management believes based on a technical evaluation (which is based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.) that the revised useful lives of the assets reflect the periods over which these assets are expected to be used, which are as follows:

Asset	Useful life
Buildings including factory buildings – other than RCC frame structure	30 years
Buildings other than factory buildings – RCC frame structure	60 years
Fences, wells and tube wells	5 Years
Temporary structure	3 years
Non-carpeted road	3 years
Plant and Machinery (including general laboratory equipment)	10-15 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Vehicles	8-10 years
Computer - Server and networks	6 years
Computer – Desktops, Laptops	3 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the

Notes to the Financial Statements for the year ended March 31, 2018 (all amounts are in ₹ lakhs)

difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in financial statements.

2.2 Intangible assets

Intangible assets are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortisation and accumulated impairment losses, if any. All intangible assets are tested for impairment. Amortization expenses and impairment losses and reversal of impairment losses are taken to the Statement of Profit and Loss.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on derecognition are determined by comparing proceeds with carrying amount. These are included in profit or loss.

The Company amortises intangible assets with a finite useful life using the straight-line method over the following range of useful lives:

Asset	Useful life
Computer software	3-10 years

The estimated useful life is reviewed annually by the management.

2.3 Capital work-in-progress and intangible assets under development

Capital work-in-progress / intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

2.4 Non-derivative financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in Other Comprehensive Income.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are measured at the proceeds received net off direct issue cost.

Notes to the Financial Statements for the year ended March 31, 2018 (all amounts are in ₹ lakhs)

Offsetting of financial instruments

Financial assets and financial liabilities are off set and the net amount is reported in financial statements if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.5 Impairment

Financial assets (other than at fair value)

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Property Plant and Equipment's and intangibles assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Profit and Loss.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

2.6 Inventories

Inventories are valued at lower of cost (on weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, including all taxes and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.7 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is reported net of discounts including excise duty but exclude sales tax, value added tax and goods and service tax.

Rendering of services

Revenue from services are recognised on a prorated basis over the period or as per the terms of the contract.

Interest Income

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

Notes to the Financial Statements for the year ended March 31, 2018 (all amounts are in ₹ lakhs)

Dividend

Dividend income from investments is recognised when the unconditional right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

2.8 Research and Development expenses

Research expenditure is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. Tangible assets used in research and development are capitalised.

2.9 Leases

Leases are classified as finance leases whenever the terms of lease transfer substantially all the risks and rewards of ownership to the lessee. Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

(i) Operating Lease:

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in which economic benefits from leased assets are consumed. The aggregate benefit of incentives (excluding inflationary increases where rentals are structured solely to increase in line with the expected general inflation to compensate for the lessor's inflationary cost increases, such increases are recognised in the year in which the benefits accrue) provided by the lessor is recognized as a reduction of rental expense over the lease term on a straight-line basis.

(ii) Finance Lease:

Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

2.10 Employee benefit expenses

Employee benefits consist of contribution to provident fund, superannuation fund, gratuity fund and compensated absences.

Post-employment benefit plans

Defined Contribution plans

Payments to defined contribution retirement benefit scheme for eligible employees in the form of superannuation fund are charged as an expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made.

The Company also makes contribution towards provident fund, in substance a defined contribution retirement benefit plan for qualifying employees. The provident fund is deposited with the Provident Fund Commissioner which is recognized by the Income Tax authorities.

Defined benefit plans

The liability or asset recognised in the balance sheet in respect of its defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds that have tenure approximating the tenures of the related liability.

The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest income / (expense) on the net defined benefit liability or asset is recognised in the Statement of Profit and loss.

Notes to the Financial Statements for the year ended March 31, 2018 (all amounts are in ₹ lakhs)

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Gratuity - The Company has an obligation towards gratuity, a defined benefit plan covering eligible employees. The plan provides for lump sum payment to vested employees on retirement, death while in employment or on separation. Vesting occurs upon completion of five years of service. The liability, which is determined by means of an independent actuarial valuation, is partly funded with LIC by the Company.

Short term employee benefit and other long-term employee benefits

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availing of encashment of such accrued benefit or where the availing or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

2.11 Foreign currency translation

The functional and presentation currency of the Company is Indian rupee

On initial recognition, all foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. As at the reporting date, foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the exchange gains or losses are recognised in the Statement of Profit and Loss.

2.12 Borrowing cost

Borrowing costs are interest and ancillary costs incurred in connection with the arrangement of borrowings. General and specific borrowing costs attributable to acquisition and construction of any qualifying asset (one that takes a substantial period of time to get ready for its designated use or sale) are capitalised until such time as the assets are substantially ready for their intended use or sale, and included as part of the cost of that asset. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed beyond reasonable time due to other than temporary interruption. All the other borrowing costs are recognised in the Statement of Profit and Loss within Finance costs of the period in which they are incurred.

2.13 Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker (CODM), in deciding how to allocate resources and assessing performance. The Company's CODM is the CEO.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

2.14 Income tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year.

Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Notes to the Financial Statements for the year ended March 31, 2018 (all amounts are in ₹ lakhs)

Deferred tax

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

2.15 Accounting of provisions, contingent liabilities and contingent assets

Provisions are recognized, when there is a present legal or constructive obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where the effect is material, the provision is discounted to net present value using an appropriate current market-based pre-tax discount rate and the unwinding of the discount is included in finance costs.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognised in the financial statements unless an inflow of economic benefits is probable.

2.16 Dividend to equity shareholders

Dividends paid (including income tax thereon) is recognized in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders in the general meeting.

2.17 Earnings per share (EPS)

Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Company by the weighted average number of Ordinary equity shares outstanding during the year.

Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.

2.18 Use of estimates and judgement

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimates, which have the most significant effect on the amounts recognised in the financial statements:

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry- forwards can be utilized. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Notes to the Financial Statements for the year ended March 31, 2018 (all amounts are in ₹ lakhs)

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of non- financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Inventories

Management estimates the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Defined Benefit Obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as attrition rate, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (as analyzed in Note 39).

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain assets.

Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non- financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Notes to the Financial Statements for the year ended March 31, 2018 (all amounts are in ₹ lakhs)**3 Property, plant and equipment and Capital work in progress**

Carrying Amount	As at March 31, 2018	As at March 31, 2017
Property, plant and equipment ("PPE")		
Freehold land	520.35	505.17
Building	1,868.88	1,985.91
Plant and equipment	3,340.75	3,347.22
Furniture and fixtures	24.26	68.32
Vehicles	165.95	79.21
Office equipment	39.24	34.12
Computers	24.42	33.15
	5,983.85	6,053.10
Capital work in progress	854.08	303.65

Particulars	Freehold land	Building	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Total PPE	Capital work in progress
Cost or Deemed Cost									
As at April 01, 2016	505.17	2,128.56	3,452.84	60.00	106.52	34.84	55.89	6,343.82	155.85
Additions	-	67.97	483.40	24.64	21.09	10.83	11.28	619.21	439.90
Disposals	-	-	(4.23)	-	(15.68)	-	-	(19.91)	-
Transfer	-	-	-	-	-	-	-	-	(292.10)
As at March 31, 2017	505.17	2,196.53	3,932.01	84.64	111.93	45.67	67.17	6,943.12	303.65
Additions	15.18	0.51	376.51	4.97	117.99	15.53	9.47	540.16	604.51
Disposals	-	-	-	-	(28.50)	-	-	(28.50)	-
Transfer	-	-	-	-	-	-	-	-	(54.08)
As at March 31, 2018	520.35	2,197.04	4,308.52	89.61	201.42	61.20	76.64	7,454.78	854.08
Depreciation and Impairment									
As at April 01, 2016	-	94.06	226.74	7.17	17.09	4.00	14.45	363.51	-
Depreciation charge for the year	-	116.56	358.87	9.15	20.22	7.55	19.57	531.92	-
Disposals	-	-	(0.82)	-	(4.59)	-	-	(5.41)	-
As at March 31, 2017	-	210.62	584.79	16.32	32.72	11.55	34.02	890.02	-
Depreciation charge for the year	-	117.54	382.98	49.03	19.32	10.41	18.20	597.48	-
Disposals	-	-	-	-	(16.57)	-	-	(16.57)	-
As at March 31, 2018	-	328.16	967.77	65.35	35.47	21.96	52.22	1,470.94	-
Carrying Amount									
As at March 31, 2017	505.17	1,985.91	3,347.22	68.32	79.21	34.12	33.15	6,053.10	303.65
As at March 31, 2018	520.35	1,868.88	3,340.75	24.26	165.95	39.24	24.42	5,983.85	854.08

Notes: (i) The amount of revenue expenditures recognised in the carrying amount of capital work in progress is Rs. 31.69 Lakhs (For the year ended March 31, 2017: Rs. 36.61 Lakhs).

Notes to the Financial Statements for the year ended March 31, 2018 (all amounts are in ₹ lakhs)**4 Intangible Assets**

Carrying Amount	As at March 31, 2018	As at March 31, 2017
Intangible asset		
Computer Software	158.62	156.79
Intangible asset under development	-	-

Particulars	Computer Software	Intangible assets under development
Cost or Deemed Cost		
As at April 01, 2016	2.24	171.46
Additions	171.62	-
Transfer	-	(171.46)
As at March 31, 2017	173.86	-
Additions	20.05	-
As at March 31, 2018	193.91	-
Amortisation and Impairment		
As at April 01, 2016	0.35	-
Amortisation charge for the year	16.72	-
As at March 31, 2017	17.07	-
Amortisation charge for the year	18.22	-
As at March 31, 2018	35.29	-
Carrying Amount		
As at March 31, 2017	156.79	-
As at March 31, 2018	158.62	-

5 Other financial assets

Particulars	As at March 31, 2018	As at March 31, 2017
A. Non Current		
Earmarked balances:		
Deposits with original maturity of more than twelve months	51.28	20.69
Total	51.28	20.69
B. Current		
Interest accrued on deposits	20.71	51.94
Other claims	8.97	0.42
Total	29.68	52.36

Fixed Deposit of Rs. 51.28 Lakhs (As at March 31, 2017 : Rs.20.69 Lakhs) are pledged against guarantees/loans of the Company. Refer note 15 and 18 for details.

6 Non-current tax asset (net)

Particulars	As at March 31, 2018	As at March 31, 2017
Advance income tax (including tax deducted at source)	158.25	745.92
[Net of Provision Rs. 3,947.99 Lakhs, (as at March 31, 2017: Rs. 2,015.70 Lakhs)]		
Total	158.25	745.92

Notes to the Financial Statements for the year ended March 31, 2018 (all amounts are in ₹ lakhs)**7 Other Assets**

Particulars	As at March 31, 2018	As at March 31, 2017
A. Non Current (Unsecured)		
Capital Advances	84.00	64.21
Security Deposits with government authorities	126.86	129.93
Less: Provision for doubtful deposits	(54.33)	-
	72.53	129.93
Security Deposits with others	134.03	140.80
Less: Provision for doubtful deposits	(2.96)	-
	131.07	140.80
Deferred rent receivable	0.04	0.06
Total	287.64	335.00
B. Current (Unsecured)		
Advance to suppliers	184.29	230.93
Less: Provision for doubtful advances	(124.47)	-
	59.82	230.93
Balance lying with Government Authorities	69.72	116.34
Prepaid expenses	63.59	70.01
Employee advances	25.81	26.82
Deferred rent receivable	4.24	0.03
Others	-	11.08
Total	223.18	455.21

8 Inventories

Particulars	As at March 31, 2018	As at March 31, 2017
(Lower of Cost or Net Realisable Value)		
Raw materials	6,297.14	4,506.35
Work-in-progress	51.13	47.17
Finished goods	1,613.91	1,952.65
Stores and spares	321.70	552.02
Stock-in-trade (Traded goods)	1.17	0.63
Total	8,285.05	7,058.82
Stock-in-transit:included in		
Raw Material	41.91	-
Finished goods	-	535.54

Notes:

- (i) Entire inventory has been hypothecated as security against bank borrowings of the Company as at March 31, 2018 and March 31, 2017 respectively (refer note 15 and 18). Refer 2.6 of the significant accounting policies for method of valuation.
- (ii) The cost of inventories recognised as an expense during the year was Rs. 24,623.18 Lakhs (for the year ended March 31, 2017: Rs. 26,489.24 Lakhs).
- (iii) The cost of inventories recognised as an expense includes Rs. 155.00 Lakhs (for the year ended March 31, 2017: Rs. 30.72 Lakhs) in respect of write-down of inventory on account of obsolescence / adjustments.

9 Investments

Particulars	As at March 31, 2018	As at March 31, 2017
Investments at fair value through Statement of Profit & Loss (fully paid)		
Investments in Mutual Funds:		
Union KBC tax Saver Fund	-	4.28
NIL (March 31, 2017: 20,000 units) of Rs. 10/- each	-	4.28
Aggregate carrying value and market value of unquoted investments	-	4.28

Note: Refer Note 40 for information about fair value measurement, credit risk and market risk of investments

Notes to the Financial Statements for the year ended March 31, 2018 (all amounts are in ₹ lakhs)**10 Trade Receivables**

Particulars	As at March 31, 2018	As at March 31, 2017
Trade receivables (Unsecured)		
Considered good	9,025.67	8,198.56
Considered doubtful	430.44	290.14
	9,456.11	8,488.70
Less: Allowance for credit loss	(430.44)	(290.14)
Total	9,025.67	8,198.56

- (i) No trade receivable are due from directors or other officers of the company either severally or jointly with any other person. While the trade receivable due from firms or private companies respectively in which any director is a partner, a director or a member is Rs. Nil (As at March 31, 2017 - Rs. Nil).
- (ii) There are 3 major customers having significant balances, i.e. exceeding 5% of the total trade receivables as at March 31, 2018 amounting to Rs. 1,871.34 Lakhs, 4 major customers having significant balances amounting to Rs. 2,097.21 Lakhs as at March 31, 2017.
- (iii) Refer Note 40 for information about credit risk and market risk of trade receivables.
- (iv) Trade receivables are generally on terms of 30 to 120 days based upon the credit worthiness of the customers.
- (v) Trade receivables are further analysed as follows:

Particulars	As at March 31, 2018		
	Gross credit risk	Expected credit loss allowance	Net credit risk
Amounts not yet due	5,121.92	12.80	5,109.11
Between one to six months overdue	3,211.10	8.02	3,203.09
Between six to twelve months overdue	640.56	161.74	478.82
Between one to two years overdue	280.99	145.82	135.16
Greater than two years overdue	201.58	102.05	99.53
	9,456.15	430.44	9,025.71

Particulars	As at March 31, 2017		
	Gross credit risk	Expected credit loss allowance	Net credit risk
Amounts not yet due	4,433.58	11.08	4,422.49
Between one to six months overdue	1,832.00	4.58	1,827.42
Between six to twelve months overdue	311.85	0.78	311.07
Between one to two years overdue	1,905.96	268.39	1,637.57
Greater than two years overdue	5.31	5.31	-
	8,488.71	290.14	8,198.56

- (vi) Expected credit loss model
In determining the allowances for credit losses of trade receivables, the Company has used the way of determining the profile of each customer after considering the credit worthiness of them. Dual way of provision has been adopted i.e. expected credit loss on the basis of past trend and expected credit loss on the basis of individual customers on case to case basis.
- (vii) Movement in the Allowances for Doubtful trade receivables (expected credit loss allowance):

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Balance at beginning of the year	290.14	256.93
Movement in expected credit loss allowance on trade receivables		
Less: Bad debts written off from opening provision	230.00	-
Add: Provision for the current year	370.30	33.21
Balance at end of the year	430.44	290.14

Notes to the Financial Statements for the year ended March 31, 2018 (all amounts are in ₹ lakhs)**11 Cash and cash equivalents**

Particulars	As at March 31, 2018	As at March 31, 2017
Cash in hand	2.35	1.85
Balances with banks:		
In current accounts	12.86	24.43
Deposits with original maturity of less than three months	66.10	62.37
Total	81.31	88.65

Note:

Fixed Deposit of Rs. 66.10 Lakhs (As at March 31, 2017 : Rs.62.37 Lakhs) are pledged against guarantees/loans of the Company. Refer note 15 and note 18 for details.

11A For Statement of Cash flow, cash and cash equivalents comprise of the following:

Particulars	As at March 31, 2018	As at March 31, 2017
Cash on hand	2.35	1.85
Balances with banks:		
In current accounts	12.86	24.43
Deposits with original maturity of less than three months	66.10	62.37
Less: Bank Overdraft and Cash Credit Facilities [Refer note 18]	824.89	4,800.29
Total	(743.58)	(4,711.64)

12 Other balances with bank

Particulars	As at March 31, 2018	As at March 31, 2017
Earmarked balances:		
Unclaimed dividend account	82.56	25.26
Balances with banks:		
Deposits with original maturity of more than 3 months but less than 12 months	282.89	620.92
Deposits with maturity more than 12 months but maturing within 12 months from the Balance Sheet date	268.56	387.99
Total	634.01	1,034.17

Fixed Deposit of Rs. 551.46 Lakhs (As at March 31, 2017 : Rs.1,008.91 Lakhs) are pledged against guarantees/loans of the Company. Refer note 15 and 18 for details.

13 Equity Share Capital**a. Authorised Share Capital**

Particulars	Nos.	Amount
As at April 01, 2016	6,00,00,000	6,000.00
As at March 31, 2017	6,00,00,000	6,000.00
As at March 31, 2018	6,00,00,000	6,000.00

Terms and rights attached to equity shares:

The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholder.

Notes to the Financial Statements for the year ended March 31, 2018 (all amounts are in ₹ lakhs)**b. Issued, Subscribed and Paid Up Equity Share Capital**

Particulars	As at March 31, 2018		As at March 31, 2017	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	3,86,03,250	3,860.33	3,86,03,250	3,860.33
Movement during the year [Refer note 41]	28,23,529	282.35	-	-
At the end of the year	4,14,26,779	4,142.68	3,86,03,250	3,860.33

c. Shares held by holding company

Particulars	As at March 31, 2018		As at March 31, 2017	
	Nos.	Amount	Nos.	Amount
Nav Srijit Sakthi Telangana Private Limited	2,19,34,545	2,193.45	2,19,34,545	2,193.45

d. Details of shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2018		As at March 31, 2017	
	Nos.	% of holding	Nos.	% of holding
Nav Srijit Sakthi Telangana Private Limited	2,19,34,545	52.95%	2,19,34,545	56.82%
Karam Chand Thapar & Bros. (Coal Sales) Limited	28,46,895	6.87%	-	0.00%

260,000 shares of the Company has been purchased by Karam Chand Thapar & Bros. (Coal Sales) Limited on March 28, 2018. The transfer of shares in the name of Karam Chand Thapar & Bros. (Coal Sales) Limited was under progress as at March 31, 2018.

e. Aggregate Number of Shares allotted as fully paid-up pursuant to a Scheme of Amalgamation without payment being received in cash during the five years immediately preceding the Balance Sheet date.

Particulars	As at March 31, 2018	As at March 31, 2017
Issued, Subscribed and Fully Paid-Up Equity Shares of Rs. 10 each		
Number of Shares	28,23,529	

14. Other Equity

Particulars	As at March 31, 2018	As at March 31, 2017
Share application money pending allotment	-	282.35
Securities premium	1,473.49	1,473.49
Capital reserve	1,026.10	1,026.10
General reserve	1,315.07	1,315.07
Retained earnings	7,005.10	4,496.82
Total	10,819.76	8,593.83

a. Share application money pending allotment

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Opening Balance	282.35	282.35
Issue of shares during the year	(282.35)	-
Closing Balance	-	282.35

b. Securities premium

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Opening Balance	1473.49	1473.49
Movement during the year	-	-
Closing Balance	1473.49	1473.49

c. Capital Reserve

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Opening Balance	1026.10	1026.10
Movement during the year	-	-
Closing Balance	1026.10	1026.10

Notes to the Financial Statements for the year ended March 31, 2018 (all amounts are in ₹ lakhs)**d. General reserve**

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Opening Balance	1315.07	1315.07
Movement during the year	-	-
Closing Balance	1315.07	1315.07

e. Retained earnings

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Opening Balance	4,496.82	3,361.81
Profit for the year	2,990.03	1,157.38
Other Comprehensive Income for the year (net of tax)	16.86	[22.37]
Payment of final dividend [Re. 1 per share, for the year ended March 31, 2017: Rs. Nil]	[414.27]	-
Payment of dividend distribution tax on above	[84.34]	-
Closing Balance	7,005.10	4,496.82

The Board of Directors has recommended a final dividend of Rs. 1.50 per equity share for the financial year ended March 31, 2018. Proposed dividend on equity shares is subject to the approval of the shareholders of the Company at the Annual General Meeting and not recognised as liability as at the Balance Sheet date.

Notes:**(i) Securities premium account:**

Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Indian Companies Act, 2013 (the "Companies Act").

(ii) Capital reserve

Capital reserve represents a resource created by accumulated capital surplus and remain invested in the business for set off against any capital expenditure. This will not be distributed as dividends. The Company recognizes profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.

(iii) General reserve

Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn.

(iv) Retained earnings

This represents amounts appropriated out of profit or loss for unforeseen contingencies. Such appropriations are free in nature.

15 Borrowings

Particulars	As at March 31, 2018		As at March 31, 2017	
	Non-current	Current maturities of long term debt	Non-current	Current maturities of long term debt
Term loans- at amortised cost				
From banks (Secured)				
ICICI Bank Ltd.	600.00	600.00	1,200.00	600.00
Yes Bank Ltd.	678.21	70.00	157.50	70.00
From banks (Secured)				
Car loans	57.01	19.50	-	5.68
Total	1,335.22	689.50	1,357.50	675.68

Notes: (i) Details of terms of repayment for the non-current borrowings and security provided in respect of the secured non-current borrowings:

Notes to the Financial Statements for the year ended March 31, 2018 (all amounts are in ₹ lakhs)

Particulars	Terms of repayment and security	As at March 31, 2018	As at March 31, 2017
Term loans from banks:			
(i) ICICI Bank Limited	Secured by : First charge over entire property, plant and equipment (both movable and immovable) of the borrower both present and future of erstwhile Pinnae Feeds Limited located at Bogole Village; Second charge over entire current assets of the borrower both present and future Interest rate as on March 31, 2018 : 9.65%, March 31, 2017 : 10.05% Terms of repayment: 20 equal quarterly instalments starting from the end of 12 months from the COD i.e. May 21, 2015	1,200.00	1,800.00
(ii) Yes Bank Limited	Secured by : Subservient charge on all moveable property, plant and equipment of the borrower both present and future Interest rate as on March 31, 2018 : 10.25%, March 31, 2017 : 10.25% Terms of repayment: 20 equal quarterly instalments commencing from September 30, 2015.	44.99	65.00
(iii) Yes Bank Limited	Secured by : Subservient charge on all moveable property, plant and equipment of the borrower both present and future Interest rate as on March 31, 2018 : 10.75%, March 31, 2017 : 10.75% Terms of repayment: 20 equal quarterly instalments commencing from September 30, 2015.	112.50	162.50
(iv) Yes Bank Limited	Secured by : Exclusive charge on all moveable and immovable property, plant and equipment of the Hatchery Project both present and future Interest rate as on March 31, 2018 : 9.25%, March 31, 2017 : Nil Terms of repayment: 16 equal quarterly instalments after a moratorium period of 12 months from date of first disbursement	590.71	-
(v) Car Loans	Terms of repayment: Various; Each repayable in 48 equated instalments.	76.51	5.68
Total		2,024.72	2,033.18

(ii) For the current maturities of long-term borrowings, refer Note 20 Other financial liabilities

(iii) The Company has an authorised preference share capital of 5,00,000 shares of Rs. 100 each amounting to Rs. 500 Lakhs (As at March 31, 2017 - 5,00,000 shares of Rs. 100 each amounting to Rs. 500 Lakhs)

Notes to the Financial Statements for the year ended March 31, 2018 (all amounts are in ₹ lakhs)**16 Provisions**

Particulars	As at March 31, 2018	As at March 31, 2017
A. Non-current		
Provision for employee benefits:	-	-
Gratuity [Refer note 39]	147.86	183.10
Compensated absences [Refer note 39]	87.32	47.67
Total	235.18	230.77
B. Current		
Provision for employee benefits:		
Gratuity [Refer note 39]	-	2.95
Compensated absences [Refer note 39]	8.14	1.07
Total	8.14	4.02

17 Deferred tax liabilities (net)

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred tax assets	292.54	187.69
Deferred tax liabilities	(488.13)	(444.95)
Total	(195.59)	(257.26)

Particulars	As at April 01, 2017	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2018
A. Deferred tax assets				
Allowances for doubtful debts	79.60	70.81	-	150.41
Allowances for doubtful advances	-	63.51	-	63.51
Provision for gratuity and compensated absences	81.26	12.69	(8.93)	85.02
Expenditures falling under section 43B of Income Tax Act, 1961	6.00	8.78	-	14.78
Others	20.83	(42.01)	-	(21.18)
	187.69	113.78	(8.93)	292.54
B. Deferred tax liabilities				
Difference between book balance and tax balance of property, plant and equipment	444.95	43.18	-	488.13
	444.95	43.18	-	488.13
Net deferred tax liabilities (A-B)	(257.26)	70.60	(8.93)	(195.59)

Particulars	As at April 01, 2016	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	As at March 31, 2017
A. Deferred tax assets				
Allowances for doubtful debts	79.60	-	-	79.60
Provision for gratuity and compensated absences	74.71	6.55	-	81.26
Expenditures falling under section 43B of Income Tax Act, 1961	18.01	(23.85)	11.84	6.00
Carry forward of losses	51.27	(51.27)	-	-
Others	23.87	(3.04)	-	20.83
	247.46	(71.61)	11.84	187.69
B. Deferred tax liabilities				
Difference between book balance and tax balance of property, plant and equipment	366.24	78.71	-	444.95
	366.24	78.71	-	444.95
Net deferred tax liabilities (A-B)	(118.78)	(150.32)	11.84	(257.26)

Notes to the Financial Statements for the year ended March 31, 2018 (all amounts are in ₹ lakhs)**18 Borrowings**

Particulars	As at March 31, 2018	As at March 31, 2017
Loans repayable on demand		
From banks - Bank Overdraft and Cash Credit Facilities	824.89	4,800.29
Total	824.89	4,800.29

Nature of security provided:

Borrowings are secured by hypothecation of present and future stock of raw materials, work in progress, finished goods, stores and spares. Equitable mortgage over the factory land and building of the Company at Nellore and charge over property, plant and equipment of the Company, excluding vehicles.

19 Trade payables

Particulars	As at March 31, 2018	As at March 31, 2017
Trade payables to micro and small enterprises	200.79	2.25
Trade payables to related parties	569.60	313.75
Trade payables other than micro and small enterprises	4,430.53	3,196.91
Total	5,200.92	3,512.91

Notes:

- (i) Refer Note 40 for information on Liquidity risk and market risk of Trade Payables.
(ii) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Principal amount remaining unpaid as at the end of the year	200.79	2.25
(b) Interest due thereon remaining unpaid as at the end of the year	1.69	-
(c) The amount of interest due and payable for the year	4.78	-
(d) The amount of interest accrued and remaining unpaid at the end of the year	4.78	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

20 Other financial liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Current		
Liabilities for expenses	1,884.80	1,029.65
Current maturities of long term debt	689.50	675.68
Payable to employees	45.00	22.68
Unclaimed dividend	82.56	25.26
Security deposits	120.00	-
Total	2,821.86	1,753.27

There are no amounts due for transfer to the Investor Education and Protection fund under Section 125 of The Companies Act, 2013 as at the year end.

21 Other liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Current		
Advances received from employees	4.08	5.54
Statutory remittances	96.72	28.33
Advances from customers	75.20	78.10
Deferred charges payable	12.38	25.06
Total	188.38	137.03

Notes to the Financial Statements for the year ended March 31, 2018 (all amounts are in ₹ lakhs)**22 Revenue from operations**

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Revenue from operations		
(a) Manufactured	33,815.12	30,711.12
(b) Traded	121.28	1,240.19
Revenue from services		
(a) Rental income	219.88	-
Other operating revenues		
(a) Export incentives	87.01	201.09
(b) Scrap sales	24.58	38.45
(c) Others	6.16	-
Total	34,274.03	32,190.85

23 Other Income

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Interest Income		
(a) On deposits carried at amortised cost	62.50	95.62
(b) On Income tax refund	56.96	-
(c) Others	20.84	33.87
Dividend income - from current investment	0.20	0.20
Deferred corporate guarantee charges	6.55	6.56
Net profit on sale of property plant and equipment	1.29	-
Net profit on foreign currency transactions	-	9.26
Profit on fair valuation of investment	-	0.58
Others	6.25	12.57
Total	154.59	158.66

24 Cost of materials consumed

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Opening stock	4,506.35	2,326.91
Add: Purchases	23,112.75	26,124.26
	27,619.10	28,451.17
Less: Closing stock	6,297.14	4,506.35
Total consumption of raw materials	21,321.96	23,944.83

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Details of materials consumed		
Soya	6,611.52	4,729.33
Fish meal	4,146.89	6,749.22
Raw and processed shrimps	240.33	3,082.84
Other materials	10,323.22	9,353.73
Total	21,321.96	23,915.12

Notes to the Financial Statements for the year ended March 31, 2018 (all amounts are in ₹ lakhs)**25 Purchase of stock-in-trade - Traded Goods**

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Shrimp feeds, processed crabs and others	115.34	1,037.41
Total	115.34	1,037.41

26 Changes in inventories

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Inventories at the end of the year :		
(a) Finished goods / Stock-in-trade	1,615.08	1,953.28
(b) Work-in-progress	51.13	47.17
	1,666.21	2,000.45
Inventories at the beginning of the year :		
(a) Finished goods / Stock-in-trade	1,953.28	626.99
(b) Work-in-progress	47.17	231.91
	2,000.45	858.90
Decrease / (Increase) in Stock	334.24	(1,141.55)

27 Employee benefits expense

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Salaries, wages and bonus	1,644.34	1,455.01
Contribution to provident, gratuity and other funds [Refer note 39]	119.56	83.22
Staff welfare expenses	100.35	96.76
Total	1,864.25	1,634.99

28 Finance costs

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Interest on borrowings:		
(i) Term Loans	169.03	241.70
(i) Car Loans	3.20	1.68
(ii) Others	167.24	495.51
Interest on others	10.16	0.73
Other borrowing costs	89.19	120.61
Total	438.82	860.23

Note: Rs. 2.58 Lakhs interest expenses (For the year ended March 31, 2017 Rs. Nil) pertaining to loan taken by the Company for Hatchery project has been capitalised.

29 Depreciation and Amortization expense

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Depreciation on Tangible assets [Refer note 3]	597.48	531.92
Amortization on Intangible assets [Refer note 4]	18.22	16.72
Total	615.70	548.64

Notes to the Financial Statements for the year ended March 31, 2018 (all amounts are in ₹ lakhs)**30 Other expenses**

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Consumption of stores and spares	612.85	464.19
Power and fuel	598.75	665.93
Rent (Refer note 35)	73.72	57.67
Processing charges	44.10	80.06
Repairs and maintenance:		
Plant and machinery	35.42	70.75
Buildings	0.84	11.77
Others	92.52	76.44
Vehicle maintenance	10.07	15.82
Contract labour	177.62	352.64
Security charges	68.06	74.86
Insurance	39.32	38.68
Rates and taxes	37.58	75.06
Freight outward	173.42	202.81
Selling expenses	444.93	225.75
Schemes, rebates and claims	386.91	223.63
Legal and professional charges	317.31	307.02
Secretarial expenses	86.69	57.43
Travelling expenses	239.00	270.37
Business communication expenses	39.79	32.93
Auditors' remuneration (excluding indirect tax):		
(i) As auditors - audit fees	11.00	3.39
(ii) For other services		
(a) Tax audit fees	1.50	0.59
(b) Review and others #	8.68	0.53
(iii) For reimbursement of expenses	-	0.40
Corporate social responsibility expenses [Refer note 36]	35.59	35.30
Directors' commission	52.49	23.00
Directors' sitting fees	10.85	9.10
Net loss on foreign currency transactions	4.04	-
Loss on fair valuation of investment	1.18	-
Loss on sale of investment	0.19	-
Net loss on sale of property plant and equipment	-	7.58
Bad Debts written off (includes Rs. 230 Lakhs opening provision written off (For the year ended March 31, 2017 Rs. Nil) . Refer note 10(vii)	561.00	-
Allowances for doubtful debts and advances	322.06	33.21
Inventory written off	155.00	30.72
Miscellaneous expenses	234.87	225.82
Total	4,877.35	3,673.45

Includes payment made to erstwhile statutory auditors in the current year

Notes to the Financial Statements for the year ended March 31, 2018 (all amounts are in ₹ lakhs)**31 Tax expenses**

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
31.a. Income tax recognised in Statement of Profit and Loss		
Current tax		
In respect of current year	1773.87	483.81
In respect of earlier years	167.66	-
	1941.53	483.81
31.b. Deferred tax recognised in Statement of Profit and Loss		
Deferred tax		
In respect of current year	(70.60)	150.32
	(70.60)	150.32
Total	1870.93	634.13

Note: Reconciliation of the accounting profit to the income tax expense for the year is summarised below:

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Profit before tax	4860.96	1,791.51
Income tax expense calculated at 34.608% (for the year ended March 31, 2017: 34.608%)	1682.28	620.01
Effect of income exempt from taxation	(0.07)	(0.07)
Effect of expenses that are not deductible in determining taxable profit	7.30	13.16
Effect of previously unrecognised and unused deductible temporary differences now recognised as deferred tax assets	-	1.03
Effect of rate difference in opening and closing deferred tax	13.76	-
Others		
Income Tax for earlier years	167.66	-
Total	1870.93	634.13

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
31.c. Income tax recognised in other comprehensive income		
Deferred tax		
Arising on remeasurement loss on defined benefit plans	(8.93)	11.84
Total	(8.93)	11.84

32 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Profit after tax	2990.03	1,157.38
Weighted Average Number of Equity Shares for Basis EPS *	3,94,46,441	3,86,03,250
Weighted Average Number of Equity Shares for Diluted EPS *	3,94,46,441	4,14,26,779
Face Value of Share (Rs.)	10	10
Earnings Per Share - Basic (Rs.)	7.58	3.00
Earnings Per Share - Diluted (Rs.)	7.58	2.79

* The weighted average number of shares takes into account the weighted average effect of shares issued pursuant to merger. There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

Notes to the Financial Statements for the year ended March 31, 2018 (all amounts are in ₹ lakhs)**33 Contingent Liabilities**

The Company is involved in a number of judicial, appellate and arbitration proceedings (including those described below) concerning matters arising in the course of conduct of the Company's businesses. A summary of claims asserted on the Company in respect of these cases have been summarised below.

a. Tax contingencies

Amounts in respect of claims asserted by various revenue authorities on the Company, in respect of taxes, which are in dispute, have been tabulated below:

Particulars	As at March 31, 2018	As at March 31, 2017
Custom duty	535.36	535.36
Excise duty	57.58	57.58
Service tax	66.86	63.86
Sales tax	108.66	106.29
Income tax	14.88	11.15

The management believes that the claims made are untenable and is contesting them. As of the reporting date, the management is unable to determine the ultimate outcome of above matters. However, in the event the revenue authorities succeed with enforcement of their assessments, the Company may be required to pay some or all of the asserted claims and the consequential interest and penalties, which would reduce net income and could have a material adverse effect on net income in the respective reported period.

b. Amount in respect of other Claims

Nature of Claim	As at March 31, 2018	As at March 31, 2017
Claims related to contractual disputes	75.37	75.37

Management is generally unable to reasonably estimate a range of possible loss for proceedings or disputes other than those included in the estimate above, including where:

- plaintiffs/parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;
- the proceedings are in early stages;
- there is uncertainty as to the outcome of pending appeals or motions or negotiations; and/or
- there are significant factual issues to be resolved.

However, in respect of the above matters, management does not believe, based on currently available information, that the outcomes of the litigation, will have a material adverse effect on the Company's financial condition, though the outcomes could be material to the Company's operating results for any particular period, depending, in part, upon the operating results for such period.

c. Financial Guarantee

Particulars	As at March 31, 2018	As at March 31, 2017
Bank Guarantee		
To Commissioner of Customs (India), US Customs & Border Protection	202.89	332.42
To Director General of Fire Service, Hyderabad	-	2.29

- In respect of the Contingent Liabilities mentioned in Note 33.a and 33.b above, pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any. In respect of matters mentioned in Note 33.c above, the cash outflows, if any, could generally occur during the validity period of the respective guarantees in the event of default, if any, by the concerned beneficiaries. The Company does not expect any reimbursements in respect of the above contingent liabilities.

34 Commitments

Particulars	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts remaining to be executed on Capital Account and not provided for [Net of advances Rs. 84.00 Lakhs; as at March 31, 2017 Rs. 64.21 Lakhs]	237.79	464.51
Export obligation under EPCG Scheme to be fulfilled. The Company is confident of meeting its obligation under the Schemes within the stipulated period	139.16	149.02

Notes to the Financial Statements for the year ended March 31, 2018 (all amounts are in ₹ lakhs)**35 Operating Leases**

Particulars	As at March 31, 2018		As at March 31, 2017	
	Within 1 Year	1-5 Years	Within 1 Year	1-5 Years
Non-Cancellable operating lease payable	20.16	23.52	20.16	43.68
Non-Cancellable operating lease receivable	0.58	0.78	0.58	1.36

The Company is obligated under cancellable and non-cancellable leases for office premises, warehouses, etc. Total rental expense under operating lease for the year ended March 31, 2018 amounted to Rs. 73.72 Lakhs (For the year ended March 31, 2017 Rs. 57.67 Lakhs)

36 Details of CSR expenditure

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Gross amount required to be spent by the Company during the year	35.59	35.30
Amount spent during the year		
On purposes other than Construction/acquisition of any asset	34.58	36.44

37 Segment information

The Company principally engaged in a single business segment viz., Shrimp Feed Manufacturing and Trading. The financial performance relating to this single business segment is evaluated regularly by the Chief Executive Officer (Chief Operating Decision Maker). Sale outside India is below the reportable threshold limit, thus geographical segment information is not given.

38 Related Party Transaction

S.No.	Name of the Related Party	Relationship
1	Nav Srijit Sakthi Telangana Private Limited	Holding Company (from March 24, 2017)
2	Karam Chand Thapar & Bros. (Coal Sales) Limited	Entity under significant influence
3	KCT Management Services Private Limited	Entity under significant influence
4	Avitech Nutrition Private Limited	Entity under significant influence
5	Handy Waterbase India Private Limited	Entity under significant influence
6	Mr. Vikramaditya Mohan Thapar	Non-Executive Director and Chairman
7	Mrs. Jyoti Thapar	Non-Executive Director
8	Mr. Rahul Kapur	Non-Executive Director
9	Mr. Varun Aditya Thapar	Non-Executive Director
10	Mr. Nakul Kamani	Independent Director
11	Mr. Ranjit Mehta	Independent Director
12	Mr. Anil Kumar Bhandari	Independent Director
13	Lt. Gen Deepak Summanwar	Independent Director
14	Mr. Ramakanth V Akula	Chief Executive Officer
15	Mr. R. Suresh Kumar	Chief Financial Officer (from December 1, 2016)
16	Mr. S. Giridhari	Chief Financial Officer (upto November 30, 2016)
17	Mr. G. Venkatram	Company Secretary (upto February 14, 2018)
18	Ms. Nitasha Thapar	Relative of Non-Executive Director
19	Ms. Ayesha Thapar	Relative of Non-Executive Director

Notes to the Financial Statements for the year ended March 31, 2018 (all amounts are in ₹ lakhs)**Transactions during the year**

Particulars	Name of the Related Party	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Purchase of Goods	Avitech Nutrition Private Limited	816.43	552.70
	Handy Waterbase India Private Limited	17.14	2.82
Reimbursement of Expenses	Karam Chand Thapar & Bros. (Coal Sales) Limited	8.08	11.42
Service Provided	Karam Chand Thapar & Bros. (Coal Sales) Limited	6.16	-
Dividend Paid	Karam Chand Thapar & Bros. (Coal Sales) Limited	28.24	-
	KCT Management Services Private Limited	12.00	-
	Nav Srijit Shakti Telangana Private Limited	219.35	-
Receipt of Service	Karam Chand Thapar & Bros. (Coal Sales) Limited	65.97	21.15
	Handy Waterbase India Private Limited	-	9.81
Remuneration	Mr. Ramakanth V Akula	188.31	149.35
	Mr. R. Suresh Kumar	55.83	17.58
	Mr. S. Giridhari	-	53.12
	Mr. G. Venkatram	17.41	16.48
Directors' Commission	Mr.Vikramaditya Mohan Thapar	6.56	2.45
	Mr.Anil Kumar Bhandari	6.56	2.45
	Mrs.Jyoti Thapar	6.56	2.45
	Mr.Rahul Kapur	6.56	2.45
	Lt.Gen Deepak Summanwar	6.56	2.45
	Mr.Varun Aditya Thapar	6.56	2.45
	Mr.Nakul Kamani	6.56	2.45
	Mr.Ranjit Mehta	6.56	2.45
Directors' Sitting Fees	Mr.Vikramaditya Mohan Thapar	1.20	1.05
	Mr.Anil Kumar Bhandari	1.85	1.30
	Mrs.Jyoti Thapar	0.25	0.50
	Mr.Rahul Kapur	0.75	0.25
	Lt.Gen Deepak Summanwar	2.25	1.70
	Mr.Varun Aditya Thapar	1.25	0.90
	Mr.Nakul Kamani	1.45	1.70
	Mr.Ranjit Mehta	1.85	1.70
Dividend Paid	Mr.Varun Aditya Thapar	1.70	-
	Mrs.Jyoti Thapar	0.74	-
	Mr.Vikramaditya Mohan Thapar	0.54	-
	Ms.Nitasha Thapar	0.52	-
	Ms.Ayesha Thapar	0.52	-

Balances as at the end of the year

Particulars	Name of the Related Party	As at March 31, 2018	As at March 31, 2017
Trade Payables	Karam Chand Thapar & Bros. (Coal Sales) Limited	19.54	-
	KCT Management Services Pvt Ltd	283.73	308.73
	Handy Waterbase India Private Limited	1.38	2.45
	Avitech Nutrition Private Limited	264.16	-
Payables	Mr.Vikramaditya Mohan Thapar	6.56	3.25
	Mr.Anil Kumar Bhandari	6.56	2.45
	Mrs.Jyoti Thapar	6.56	2.89
	Mr.Rahul Kapur	6.56	2.80
	Lt.Gen Deepak Summanwar	6.56	2.45
	Mr.Varun Aditya Thapar	6.56	3.28

Notes to the Financial Statements for the year ended March 31, 2018 (all amounts are in ₹ lakhs)

Particulars	Name of the Related Party	As at March 31, 2018	As at March 31, 2017
	Mr.Nakul Kamani	7.35	2.45
	Mr.Ranjit Mehta	6.56	2.58

Terms and conditions of transactions with related parties

The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided for any related party payables.

The remuneration of directors and other members of key management personnel during the year was as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Short-term benefits	272.02	215.41
Post-employment benefits #	-	16.86
Other long-term benefits	0.73	4.26

As the liabilities for gratuity and compensated absences are provided on actuarial basis for the Company as a whole, the amounts pertaining to KMP are not included.

39 Employee benefit plansDefined contribution plans

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the year by them at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior month's contributions that were not due to be paid until after the end of the reporting period.

The Company contributes to employee state insurance funds for eligible employees covered under Employee State Insurance Act, 1948 and has recognised, in the Statement of Profit and Loss for the year ended March 31, 2018, an amount of Rs. 9.69 Lakhs (2016-2017: Rs. 1.70 Lakhs) as expenses under the said defined contribution plans.

Provident Fund

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary).

Provident Fund contributions in respect of employees other than those covered under Government administered Provident Fund are made to Trust administered by the Company and such Trust invests funds following a pattern of investments prescribed by the Government. Both the employer and employee contribute to this Fund and such contributions together with interest accumulated thereon are payable to employees at the time of their separation from the Company or retirement, whichever is earlier. The benefit vests immediately on rendering of services by the employee. The interest rate payable to the members of the Trust is not lower than the rate of interest declared annually by the Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, on account of interest is to be made good by the Company. During the year, the company has recognised Rs. 61.32 Lakhs (2016-2017: Rs. 60.15 Lakhs) as contribution in the Statement of Profit and Loss.

The Company offers the following employee benefit schemes to its employees:

Defined benefit plans

(i). Gratuity

Other long term employee benefits

(i). Compensated absences

The following table sets out the funded/unfunded status of the defined benefit plans and other long term benefits and the amount recognised in the financial statements:

Notes to the Financial Statements for the year ended March 31, 2018 (all amounts are in ₹ lakhs)

Particulars	For the Year ended March 31, 2018		For the Year ended March 31, 2017	
	Gratuity	Compensated absences	Gratuity	Compensated absences
	Funded	Unfunded	Unfunded	Unfunded
Components of employer expense				
Current service cost	19.11	-	23.62	(6.80)
Past service cost	18.31	-	-	-
Interest cost	12.80	2.65	10.93	3.51
Expected return on plan assets	(1.90)	-	-	-
Actuarial losses / (gains)				
Return on Plan Assets (excluding interest income)	0.84	-	-	-
Actuarial losses / (gains) arising from changes in demographic assumptions	-	(0.06)	-	-
Actuarial losses / (gains) arising from changes in financial assumptions	(16.27)	(2.86)	28.25	10.67
Actuarial losses / (gains) arising from changes in experience adjustments	(10.36)	68.76	(4.77)	0.07
Total expense recognised in the Total Comprehensive Income	22.53	68.49	58.03	7.45
Actual contribution and benefit payments for year				
Actual benefit payments	6.42	21.77	35.53	11.04
Actual contributions	60.72	21.77	35.53	11.04
Net asset / (liability) recognised in the Balance Sheet				
Present value of defined benefit obligation	203.22	95.46	186.05	48.74
Fair value of plan assets	55.36	-	-	-
Status [Surplus / (Deficit)]	(147.86)	(95.46)	(186.05)	(48.74)
Unrecognised past service costs				
Net liability recognised in the Balance Sheet	(147.86)	(95.46)	(186.05)	(48.74)

Particulars	For the Year ended March 31, 2018		For the Year ended March 31, 2017	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Change in defined benefit obligations (DBO) during the year				
Present value of DBO at beginning of the year	186.05	48.74	163.54	52.33
Current service cost	19.11	-	23.62	(6.80)
Past service cost	18.31	-	-	-
Interest cost	12.80	2.65	10.93	3.51
Actuarial losses / (gains)	(26.63)	65.84	23.49	10.74
Actuarial losses / (gains) arising from changes in demographic assumptions	-	(0.06)	-	-
Actuarial losses / (gains) arising from changes in financial assumptions	(16.27)	(2.86)	28.25	10.67
Actuarial losses / (gains) arising from changes in experience adjustments	(10.36)	68.76	(4.77)	0.07
Benefits paid	(6.42)	(21.77)	(35.53)	(11.04)
Present value of DBO at the end of the year	203.22	95.46	186.05	48.74
Change in fair value of assets during the year				
Plan assets at beginning of the year	-	-	-	-
Expected return on plan assets	1.90	-	-	-
Actual Company contributions	60.72	21.77	35.53	11.04
Actuarial gains	(0.84)	-	-	-
Benefits paid	(6.42)	(21.77)	(35.53)	(11.04)
Plan assets at the end of the year	55.36	-	-	-

Notes to the Financial Statements for the year ended March 31, 2018 (all amounts are in ₹ lakhs)

Particulars	For the Year ended March 31, 2018		For the Year ended March 31, 2017	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Composition of the plan assets is as follows:				
Assets under scheme of insurance *	100%	NA	NA	NA
* in the absence of detailed information regarding plan assets which is funded with insurance companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.				
Actuarial assumptions				
Discount rate	7.71%	7.71%	7.00%	7.00%
Expected return on plan assets	0.00%	0.00%	0.00%	0.00%
Salary escalation	8.00%	8.00%	8.00%	8.00%
Mortality tables	LIC(2006-08) Ultimate	India Assured Lives Mortality (2006-08) Ultimate	LIC(2006-08) Ultimate	India Assured Lives Mortality (2006-08) Ultimate
Expected total benefit payments				
Year 1	9.99	8.45	24.11	-
Year 2	6.19	7.19	-	-
Year 3	3.73	7.03	-	-
Year 4	7.71	7.64	-	-
Year 5	6.15	7.87	-	-
More than 5 years	99.52	46.33	155.70	-

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

These plans typically expose the Company to actuarial risks are as follows:

Credit risk	If the scheme is insured and fully funded on projected unit credit basis there is a credit risk to the extent the insurer(s) is/ are unable to discharge their obligations including failure to discharge in timely manner.
Pay-as-you-go risk	For unfunded schemes financial planning could be difficult as the benefits payable will directly affect the revenue and this could be widely fluctuating from year to year. Moreover there may be an opportunity cost of better investment returns affecting adversely the cost of the scheme.
Discount rate risk	The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase in the ultimate cost of providing the above benefit thereby increasing the value of the liability.
Liquidity risk	This risk arises from the short term asset and liability cash-flow mismatch thereby causing the Company being unable to pay the benefits as they fall due in the short term. Such a situation could be the result of holding large illiquid assets disregarding the results of cash-flow projections and cash outflow inflow mismatch. (or it could be due to insufficient assets/cash.)
Demographic risk	In the valuation of the liability certain demographic (mortality and attrition rates) assumptions are inherent. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to that assumed thereby causing an increase in the scheme cost.
Regulatory risk	New Act/Regulations may come up in future which could increase the liability significantly.
Future salary increase risk*	The scheme cost is very sensitive to the assumed future salary escalation rates for all final salary defined benefit schemes. If actual future salary escalations are higher than that assumed in the valuation actual scheme cost and hence the value of the liability will be higher than that estimated.

* Not applicable for Pension fund

Notes to the Financial Statements for the year ended March 31, 2018 (all amounts are in ₹ lakhs)Sensitivity analysis

The increase / (decrease) of the defined benefit obligation to changes in the weighted principal assumptions are:

Sensitivity	Gratuity		Compensated absences	
	2017-18	2016-17	2017-18	2016-17
DBO at March 31 with discount rate -1.0 %	226.66	207.30	104.37	-
DBO at March 31 with discount rate +1.0 %	183.04	165.55	87.80	-
DBO at March 31 with -1% salary escalation	184.88	168.52	87.75	-
DBO at March 31 with +1% salary escalation	223.87	203.35	104.25	-
DBO at March 31 with -1% mortality escalation	203.19	186.15	95.47	-
DBO at March 31 with +1% mortality escalation	203.23	183.57	95.46	-
DBO at March 31 with -1% attrition escalation	203.33	187.27	95.49	-
DBO at March 31 with +1% attrition escalation	203.10	182.54	95.44	-

40 Financial Instruments**40.1 Capital Management**

The company's capital management objective is to maintain an optimal debt-equity structure so as to reduce the cost of capital, thereby enhancing returns to shareholders. The Company also has a policy of making judicious use of various available debt instruments within its overall working capital drawing limit. This interest arbitrage helps the Company to contain / reduce the cost of capital.

40.1.1 Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Debt (A)	2,849.61	6,833.47
Cash and Cash Equivalents (B)	81.31	88.65
Net debt (A-B)	2,768.30	6,744.82
Total Equity	14,962.44	12,454.16
Net debt to equity ratio [%]	18.50%	54.16%

40.2 Categories of financial instruments

The following table presents carrying amount and fair value of each category of financial assets and liabilities as at March 31, 2018.

As at March 31, 2018	Amortised cost	Fair value through Statement of Profit and Loss	Total Carrying Value	Total Fair Value
Financial assets				
Investment in Mutual Funds	-	-	-	-
Trade receivables	9,025.67	-	9,025.67	9,025.67
Other financial assets	80.96	-	80.96	80.96
Cash and bank balances	715.33	-	715.33	715.33
Total financial assets	9,821.95	-	9,821.95	9,821.95
Financial liabilities				
Borrowings	2,160.11	-	2,160.11	2,160.11
Trade payables	5,200.92	-	5,200.92	5,200.92
Other financial liabilities	2,821.86	-	2,821.86	2,821.86
Total financial liabilities	10,182.89	-	10,182.89	10,182.89
Total	(360.93)	-	(360.93)	(360.93)

Notes to the Financial Statements for the year ended March 31, 2018 (all amounts are in ₹ lakhs)

As at March 31, 2017	Amortised cost	Fair value through Statement of Profit and Loss	Total Carrying Value	Total Fair Value
Financial assets				
Investment in Mutual Funds	-	4.28	-	4.28
Trade receivables	8,198.56	-	8,198.56	8,198.56
Other financial assets	73.06	-	73.06	73.06
Cash and bank balances	1,122.82	-	1,122.82	1,122.82
Total financial assets	9,394.44	4.28	9,394.44	9,398.72
Financial liabilities				
Borrowings	6,157.79	-	6,157.79	6,157.79
Trade payables	3,512.91	-	3,512.91	3,512.91
Other financial liabilities	1,753.27	-	1,753.27	1,753.27
Total financial liabilities	11,423.97	-	11,423.97	11,423.97
Total	(2,029.53)	4.28	(2,029.53)	(2,025.25)

Note : (i). The short-term financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.

40.3 Financial risk management objectives

The Company's principal financial liabilities comprises of loans and borrowings, trade and other payables, and other current liabilities. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has loans and receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The Company's senior management advises on financial risks and the appropriate financial risk governance framework.

40.4 Market risk

Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity risk. Financial instruments affected by market risk include loans and borrowings, deposits.

40.5 Foreign currency risk management

The company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise.

The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of reporting period are as follows:

Particulars	Liabilities		Assets	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
USD	319.88	82.30	102.54	307.97

40.5.1 Foreign currency sensitivity analysis

The company is mainly exposed to the currency US Dollar. This sensitivity analysis mentioned in the below table has been based on the composition of the Company's financial assets and liabilities exposed to foreign currency as at year end. A positive number below indicates an increase in profit where the INR strengthens 10% against the relevant currency. For a 10% weakening of the INR against the relevant currency, there would be a comparable impact on the profit and the balances below would be negative.

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
US Dollar		
Impact on profit or loss for the year	21.73	(22.57)

40.6 Interest rate risk management

The Company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the company by maintaining an appropriate mix between fixed and floating rate borrowings contracts.

The company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Notes to the Financial Statements for the year ended March 31, 2018 (all amounts are in ₹ lakhs)

40.6.1 Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments (Borrowings) at the end of the reporting period. For floating rate liabilities, the analysis is prepared considering average amount outstanding at the end of each month. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Company's:

- profit before tax for the year ended March 31, 2018 would decrease/increase by Rs.40.16 Lakhs (for the year ended March 31, 2017: decrease/increase by Rs.64.15 Lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

40.7 Credit risk management

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example trade receivables, placing deposits, investment in mutual funds etc.

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. The Company's policy is to transact only with counterparties who are highly creditworthy which are assessed based on internal due diligence parameters.

In respect of trade receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various geographical areas. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents, fixed deposits and mutual funds are considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Other financial assets mainly comprise of tender deposits and security deposits which are given to customers or other governmental agencies in relation to contracts executed and are assessed by the Company for credit risk on a continuous basis.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company's exposure of its counterparties are continuously monitored.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.

Concentration of credit risk to any counterparty did not exceed 5% of gross monetary assets at any time during the year.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on. As at March 31, 2018, bank guarantees amounts to Rs. 286.05 Lakhs (as at March 31, 2017: Rs. 415.58 Lakhs) has been considered in the balance sheet as contingent liabilities [refer note 34].

40.7.1 Collateral held as security and other credit enhancements

The Company does not collect any collateral or other credit enhancements to cover its credit risks associated with its financial assets

40.8 Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

40.8.1 Liquidity risk tables

The following is an analysis of the Company's contractual undiscounted cash flows payable under financial liabilities as at March 31, 2018 and March 31, 2017

As at March 31, 2018	Current	Non-Current		Total
	Within 12 Months	1-5 Years	Later than 5 years	
Borrowings	1,514.39	1,335.22	-	2,849.61
Trade and other payables	5,200.92	-	-	5,200.92
Other financial liabilities	2,821.86	-	-	2,821.86
Total	9,537.16	1,335.22	-	10,872.38

Notes to the Financial Statements for the year ended March 31, 2018 (all amounts are in ₹ lakhs)

As at March 31, 2017	Current	Non-Current		Total
	Within 12 Months	1-5 Years	Later than 5 years	
Borrowings	5,475.97	1,357.50	-	6,833.47
Trade and other payables	3,512.91	-	-	3,512.91
Other financial liabilities	1,753.27	-	-	1,753.27
Total	10,742.15	1,357.50	-	12,099.65

40.9 Financing facilities

Particulars	As at March 31, 2018	As at March 31, 2017
Secured Term Loan Facility		
- amount used	3950.00	3350.00
- amount unused	850.00	400.00
Secured bank overdraft/cash credit facility/ bill discounting facility		
- amount used	824.89	4800.29
- amount unused	7,711.11	2635.71
Secured letter of credit/bank guarantee/forward contracts		
- amount used	286.05	417.87
- amount unused	3946.95	3615.13

40.10 Fair value measurements

This note provides information about how the company determines fair values of various financial assets and financial liabilities

40.10.1 Fair value of the company's financial assets and liabilities that are measured at fair value on a recurring basis

Some of the company's financial assets and liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and liabilities are determined:

Financial assets and financial liabilities

Particulars	Fair value as at		Fair value hierarchy (Levels)	Valuation techniques and key inputs
	As at March 31, 2018	As at March 31, 2017		
(1) Investments in Mutual Funds	-	4.28	Level 2	Net Asset Value

Note There are no transfers from Level 1 and Level 2 during the year end March 31, 2018

40.10.2 Fair value of the financial assets and liabilities that are not measured at fair value

The management consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

41 Note on Scheme of Amalgamation:

The scheme of amalgamation Section 391 to 394 and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013 between Pinnae Feeds Limited ("PFL") engaged in manufacturing of Shrimp Feeds and their respective shareholders and creditors with the Company for which August 1, 2015 as the appointed date has been approved by the Honorable High Courts of Hyderabad vide their order dated November 14, 2017. Upon necessary filing with the Registrar of Companies ("ROC") on November 27, 2017, the scheme has become effective and the effect thereof has been given in these accounts. Consequently, in respect of the merger of Pinnae Feeds Limited with the Company -

- In terms of the Scheme, the entire business and the whole of the undertaking of PFL, as a going concern stands transferred to and vested in the Company with effect from August 1, 2015, being the Merger Appointed Date.
- In consideration of the amalgamation of PFL with the Company, the Company has issued 28,23,529 equity shares of Rs.10/- each aggregating to Rs. 2,82,35,290/- in the ratio of 4 fully paid up Equity shares of the face value of Rs. 10/- each of the Company for every 17 fully paid up equity shares of Rs. 10/- each held in PFL.
- Accounting for Amalgamation:

The amalgamation of PFL with the Company is accounted for on the basis of the Pooling of Interest Method as envisaged in the Accounting Standard (AS) - 14 on Accounting for Amalgamation specified in the Companies (Accounting Standards) Amendment Rules, 2006 as amended and in terms of the scheme, as below.

Since the approval from ROC was received on November 27, 2017, the effect could not be given on that appointed date and the ongoing

transactions as taken place between post appointed date and March 31, 2017 have been booked in the books of accounts of the transferor company only and such transactions are incorporated in the books of transferee company as on March 31, 2017 as if the said transactions are taken into account by the Transferor Company on behalf of the transferee company during that intervening period.

As regards the position on transfer and vesting of all the assets and liabilities of the Transferor Company to Transferee Company as on the appointed date as on August 1, 2015, the exercise is carried out as on March 31, 2017 taking the base as of beginning as on August 1, 2015 from the audited accounts of both Transferor and Transferee Company as July 31, 2015.

The effective date of amalgamation for accounting purpose is March 31, 2017 as against the appointed date on August 1, 2015 as per the approved scheme of amalgamation.

All asset and liabilities of the PFL were recorded at their respective book values under the respective accounting heads of the Company.

Rs. 917.65 Lakhs being the difference between the value of net assets of the PFL transferred to the Company (determined as stated above) has been adjusted to Capital Reserve of the Company during the year ended March 31, 2017.

Pursuant to amalgamation, the bank accounts, agreements, licences and certain immovable properties of the transferor companies are in the process of being transferred in the name of the Company.

42 Previous year figures

The financial statements of the Company for the year ended March 31 2017, were audited by M/s. Mitra Kundu Basu, Chartered Accountants, the predecessor auditor. Previous year's figures have been restated, rearranged and regrouped, wherever necessary, to enable comparability of the current year's position of accounts with that of the relative previous year's position.

43 Approval of Financial Statements

The financial statements were approved for issue by the Board of Directors on May 25, 2018.

For and on behalf of the Board of Directors

Vikramaditya Mohan Thapar
Chairman, DIN : 00030967

Anil Kumar Bhandari
Director, DIN : 00031194

Ramakanth V Akula
Chief Executive Officer

R. Sureshkumar
Chief Financial Officer

R. Achuthan
Company Secretary

New Delhi, May 25, 2018

The Waterbase Limited

CIN: L05005AP1987PLC018436

Registered Office: Ananthapuram Village, T P Gudur Mandal, Nellore - 524 344, Andhra Pradesh, Phone: 9100018037

Corporate Office: Thapar House, No. 37, Montieth Road, Egmore, Chennai - 600008, Tamil Nadu, Phone: 044 3012 7000

Email: info@waterbaseindia.com, Website: www.waterbaseindia.com

NOTICE IS HEREBY GIVEN THAT THE THIRTY FIRST ANNUAL GENERAL MEETING OF THE WATERBASE LIMITED WILL BE HELD AT 12:00 NOON AT HOTEL MINERVA GRAND, GRAND TRUNK ROAD, SARASWATHI NAGAR, DARGAMITTA, NELLORE, ANDHRA PRADESH 524003 ON THURSDAY, 27TH SEPTEMBER, 2018 TO TRANSACT THE FOLLOWING BUSINESS:

Ordinary Business:

1. Consideration of Financial Statements together with the reports of the Directors and Auditors thereon:

To receive, consider and adopt the Audited Financial Statements i.e. Balance Sheet of the Company as at 31st March, 2018 and the Statement of Profit & Loss and Cash Flow Statement for the year ended as on that date, together with the Reports of the Directors and Auditors thereon.

2. Declaration of Dividend:

To declare the final dividend of Rs. 1.50/- per equity share on the fully paid equity shares of Rs. 10/- each to those members whose names appear in the Register of Members of the Company as on the Record Date.

3. Re-Appointment of Mr. Rahul Kapur (DIN: 00020624) who retires by rotation:

To appoint a Director in place of Mr. Rahul Kapur (DIN: 00020624), who retires by rotation in accordance with section 152 of the Companies Act 2013 and being eligible, offers himself for re-appointment.

4. Ratification of Appointment of Auditors:

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT in terms of the provisions of Sections 139-142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and any other provisions as may be applicable and pursuant to the resolution of the Members at the Ensuing Annual General Meeting, the appointment of M/s Deloitte Haskins & Sells LLP (Firm Registration No. 117366W/W-100018), as statutory auditors of the Company, to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of the Thirty Fifth Annual General Meeting (AGM) of the Company, be ratified by the Members on a remuneration inclusive of service tax and such other tax(es) [as may be applicable] and reimbursement of all out-of pocket expenses in connection with the audit of the accounts of the Company (including terms of payment) to be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee."

Special Business:

5. To consider and approve Employee Stock Option Plan

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the (i) Section 62(1)(b) and other applicable provisions of the Companies Act, 2013, read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for time being in force) [the "Act"]; (ii) provisions contained in the Memorandum of Association and the Articles of Association of the Company; (iii) such other rules, regulations, notifications, guidelines and laws applicable in this regard, from time to time, and subject to such approval(s) / consent(s) / permission(s) / sanction(s), as may be required, from the appropriate regulatory authorities / institutions / bodies including but not limited to the Stock Exchanges, Securities and Exchange Board of India, and the Reserve Bank of India, and further subject to such terms and conditions as may be prescribed while granting such approval(s) / consent(s) / permission(s) / sanction(s), and which may be agreed to and accepted by the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any Committee thereof, including the Nomination and Remuneration Committee ("NRC") constituted by the Board, for the time being exercising the powers conferred on the Board by this Resolution), consent of the Members of the Company be and is hereby accorded to introduce and implement one or more employee stock option plans (ESOP Plan) and to create, grant, offer, issue and allot, at any time, to the present and / or future permanent employees of the Company working in India or abroad and / or directors (including whole-time directors but excluding non-executive independent directors) of the Company as allowed under applicable rules, regulations, guidelines and laws (hereinafter referred to as "employees" or "said employees") under one or more employee stock option plans, shares not exceeding 5% of the paid up share capital of the company, as at any point in time, as stock options convertible into an equal number of equity shares of the Company (or such adjusted numbers for corporate actions including bonus, stock, splits or consolidation or other re-organisation of the capital structure of the Company), having face value of INR 10/- (Rupees Ten only) per equity share, at such price, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the Act and provisions of ESOP Plan;

RESOLVED FURTHER THAT without prejudice to the generality of the above but subject to the terms mentioned in the Explanatory Statement, annexed to the Notice convening this Meeting, which are hereby approved by the Members, the Board/ESOP Committee be and is hereby authorised to formulate, evolve, decide upon, administer, superintend and implement ESOP Plan, as the Board in its absolute discretion deems fit, and as per draft submitted to this Meeting which draft is hereby specifically approved by the Members;

RESOLVED FURTHER THAT the Board/ESOP Committee be and is hereby authorised to issue and allot equity shares upon exercise of stock options, from time to time, granted under ESOP Plan and such equity shares allotted shall in all respects rank *pari passu* inter-se and with the then existing equity shares of the Company;

RESOLVED FURTHER THAT as is required, the Company shall conform to the accounting policies as applicable to the Company, from time to time;

RESOLVED FURTHER THAT the Board/ESOP Committee be and is hereby authorised to re-price the options as it deems fit, which are not exercised, whether or not they have been vested, if the exercise price of the options is rendered unattractive due to fall in price of the share in the market and such re-pricing is not detrimental to the interest of the employees who have been granted stock options under ESOP Plan;

RESOLVED FURTHER THAT the Board/ESOP Committee be and is hereby authorised to make any modifications, changes, variations, alterations or revisions in ESOP Plan, as it may deem fit, from time to time or to suspend, withdraw or revive ESOP Plan, from time to time, in conformity with the provisions of the Act and other applicable rules, regulations, guidelines and laws, unless such variation, amendment, modification or alteration is detrimental to the interest of the employees who have been granted stock options under ESOP Plan;

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution(s), the Board/ESOP Committee be and is hereby authorised, without being required to seek any further consent or approval of the Members of the Company or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution, to (i) do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper; (ii) execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary in relation to ESOP Plan; and (iii) to settle all questions, difficulties or doubts that may arise in relation to formulation and implementation of ESOP Plan and the issuance of the shares (including to amend or modify any of the terms thereof) and taking all the necessary steps for listing of the equity shares allotted on the Stock Exchanges as per the terms and conditions of the listing agreement with the concerned Stock Exchanges, as and when required;

RESOLVED FURTHER THAT the Board/ESOP Committee be and is hereby authorised to settle all questions, difficulties or doubts and to do all such acts, deeds, matters and things as may be required, to give full effect to the aforesaid Resolution(s)."

6. To consider and approve Grant of option, equal to or exceeding one per cent of the issued capital under the Employee Stock Option Plan to identified employees, during any one year.

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the (i) Section 62(1)(b) and other applicable provisions of the Companies Act, 2013, read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for time being in force) (the "Act"); (ii) provisions contained in the Memorandum of Association and the Articles of Association of the Company; (iii) such other rules, regulations, notifications, guidelines and laws applicable in this regard, from time to time, and subject to such approval(s) / consent(s) / permission(s) / sanction(s), as may be required, from the appropriate regulatory authorities / institutions / bodies including but not limited to the Stock Exchanges, Securities and Exchange Board of India, and the Reserve Bank of India, and further subject to such terms and conditions as may be prescribed while granting such approval(s) / consent(s) / permission(s) / sanction(s), and which may be agreed to and accepted by the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any Committee thereof, including the Nomination and Remuneration Committee ("NRC") constituted by the Board, for the time being exercising the powers conferred on the Board by this Resolution), consent of the Members of the Company be and is hereby accorded to, grant, offer, issue and allot, at any time, options **equal to or exceeding one per cent of the issued capital under the Employee Stock Option Plan to identified employees** of the Company working in India or abroad and / or directors (including whole-time directors but excluding non-executive independent directors) of the Company, **during any one year** to the present and / or future permanent employees as allowed under applicable rules, regulations, guidelines and laws (hereinafter referred to as "employees" or "said employees") under one or more employee stock option plans (ESOP PLAN), shares equal to or exceeding one per cent of the issued capital of the paid up share capital of the company, as at any point in time, as stock options convertible into an equal number of equity shares of the Company (or such adjusted numbers for corporate actions including bonus, stock, splits or consolidation or other re-organisation of the capital structure of the Company), having face value of INR 10/- (Rupees Ten only) per equity share, at such price, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the Act and provisions of ESOP PLAN;

RESOLVED FURTHER THAT the Board/ESOP Committee be and is hereby authorised to issue and allot equity shares upon exercise of stock options, from time to time, granted under ESOP PLAN and such equity shares allotted shall in all respects rank *pari passu* inter-se and with the then existing equity shares of the Company;

RESOLVED FURTHER THAT as is required, the Company shall conform to the accounting policies as applicable to the Company, from time to time;

RESOLVED FURTHER THAT the Board/ESOP Committee be and is hereby authorised to settle all questions, difficulties or doubts and to do all such acts, deeds, matters and things as may be required, to give full effect to the aforesaid Resolution(s)."

By Orders of the Board of Directors

Vikramaditya Mohan Thapar
Director
DIN : 00030967

Anil Kumar Bhandari
Director
DIN : 00031194

NOTES

1. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ('the Act'), concerning the Special Business in the Notice is annexed hereto and forms part of this Notice. The profile of the Directors seeking appointment/ reappointment, as required in terms of the Secretarial Standard on General Meetings, SEBI (Listing Obligations and Disclosure Requirements), 2015 is annexed hereto.
2. Only registered Members of the Company as on the Cut-Off/Record Date i.e. 20th September 2018 may attend and vote (either in person or by proxy or by Authorized Representative under Sections 112 and 113 of the Companies Act, 2013) at the meeting. The Authorised Representative of a body corporate which is a registered Member of the Company may attend and vote at the Annual General Meeting provided a certified true copy of the resolution of the Board of Directors under Section 113 of the Companies Act, 2013 or other governing body of the body corporate authorizing such representative to attend and vote at the meeting is deposited at the Registered Office of the Company not later than 48 hours before the meeting.
3. Foreign Institutional Investors (FIIs) who are registered Member(s) of the Company would be required to deposit certified copies of Custodial resolutions/ Power of Attorney, as the case may be, authorizing the individuals named therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the Registered Office of the Company not later than 48 hours before the meeting.
4. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES, ETC. MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE. A PROXY FORM FOR THE ANNUAL GENERAL MEETING IS ENCLOSED HERewith ALONG WITH NOTICE.**

PURSUANT TO THE PROVISIONS OF SECTION 105 OF THE COMPANIES ACT, 2013 A PERSON CAN ACT AS PROXY FOR ONLY FIFTY MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. MEMBER HOLDING MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER.

5. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant rules, Companies can serve Annual Reports and other communications through electric mode to those members who have registered their e-mail address either with the Company or with the depository. Members who have not registered their e-mail address with the Company are requested to submit their request with the valid e-mail addressed to M/s. Cameo Corporate Services Ltd. Members holding shares in dematerialized (demat) form are requested to register / update their e-mail address.
6. Electronic copy of the Notice for the Annual General Meeting and the Annual Report for 2017-18 are being sent to all the Members whose E-mail IDs are registered with the Company / Depository Participant(s). Physical copy of the Notice together with the Annual Report are being sent in permitted mode, to Members for whom the E-mail IDs are not available and who have requested for physical copies. The Notice and the Annual Report are also available on the Company's Website - www.waterbaseindia.com for download.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Members / Proxies / Authorized Representatives should bring the enclosed Attendance Slip, duly filled in, for attending the Meeting.
9. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to our Registrar and Share Transfer Agents.
11. Members are requested to send all communications relating to shares and unclaimed dividends, change of address etc. to the Registrar and Share Transfer Agents at the following address:

M/s. Cameo Corporate services Ltd
 Subramanian Building,
 No. 1, Club House Road,
 Chennai 600 002
 Phone: 044-28460390/391/392/393/394
 Fax: 044-284601

12. Voting Options:

A. Electronic Voting

Pursuant to Section 108 and the corresponding Rules of Companies Act, 2013, the Company is providing E-Voting facility to the Members using the Central Depository Services Ltd. (CDSL) platform. All business to be transacted at the Annual General Meeting can be transacted through the Electronic Voting System or at the venue of the meeting through ballot.

The voting period begins on 24th September 2018 at 09.00 A.M. and ends on 26th September 2018 at 05.00 P.M. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-Off/ Record Date of 20th September 2018 may cast their vote electronically. The E-Voting module shall be disabled by CDSL for voting thereafter.

Members who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

The instructions for E-Voting are as under:

- (i) The Members should log on to the e-voting website www.evotingindia.com.
- (ii) Click on 'Shareholders'.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<ul style="list-style-type: none"> Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the Sequence Number (Sequence Number has been provided as serial number in the address label and/or in the email sent to Members) in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Rajesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<ul style="list-style-type: none"> Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant The Waterbase Limited on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Members can also cast their vote using CDSL's mobile app m- Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xviii) **Note on Non-Individual Members and Custodians**
 - Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

B. Voting at AGM:

The facility for voting through ballot paper shall be made available at the AGM and the Members attending the meetings who have not cast their vote by remote E-Voting shall be able to exercise their right at the meeting through ballot paper.

13. A member can opt for only one mode of voting i.e. either in person or through proxy at the meeting or through e-voting. A member who has voted through e-voting shall not be entitled to vote again physically at the venue of the AGM.
14. Any person who have acquired shares and become members of the company after the dispatch of the notice and holding shares as on Cut-Off/ Record Date of 20th September 2018, and who have updated their PAN with the Company/DP, should follow the instructions abovementioned to vote through e-voting and those who have not updated their PAN with the Company/DP, can send a mail to investor@cameoindia.com to obtain sequence number.
15. The Company has appointed BP & Associates, Company Secretaries, to act as the Scrutinizer. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
16. The Results shall be declared at or after the AGM. The results declared along with the Scrutinizer's Report shall be placed on the company's website www.waterbaseindia.com and on the website of CDSL www.evotingindia.com within two (2) days of passing of the resolution at the Annual General Meeting and the same shall also be communicated to BSE Limited where the shares of the Company are listed.

ANNEXURE I TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

ITEM NO. 5 & 6

Your Company believes in rewarding its employees including Directors of the Company for their continuous hard work, dedication and support, which has led the Company on the growth path. It is recognized that not only good employment opportunities, but also additional motivating mechanisms are needed to incentivize employees and aligning their interest with the interest of the Company. Hence the Company intends to implement the ESOP Plan, with a view to attract and retain key talents working with the Company by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

Pursuant to provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, ("SEBI (SBEB) Regulations"), the Company seeks members' approval in respect of an ESOP Plan and grant of options to the eligible employees/ Directors of the Company as decided by the Nomination and Remuneration Committee from time to time in due compliance of the SEBI (SBEB) Regulations and a separate special resolution to grant options equal to or exceeding one percent of the of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant of option.

The main features of the ESOP Plan are as under:

Total number of stock options to be granted	Stock options not exceeding 5% of the Paid up capital of the Company as at any point of time, subject to adjustments as may be required due to any corporate action. Each stock option is exercisable into 1 (one) equity share of the Company.
Identification of classes of employees entitled to participate in the ESOP Plan	To be decided by the Nomination & Remuneration Committee/ESOP Committee (Committee) from time to time, in accordance with the SEBI (SBEB) Regulations.
Appraisal process for determining the eligibility of employees to the ESOP Plan	As may be deemed fit by the Nomination & Remuneration Committee/ESOP Committee from time to time in accordance with the SEBI (SBEB) Regulations.
Requirements of vesting and vesting period	As determined by the Nomination & Remuneration Committee/ESOP Committee in accordance with the SEBI (SBEB) Regulations. Provided that there shall be a minimum period of one year between the grant of options and vesting of options.
Maximum period within which the options shall be vested	As determined by the Nomination & Remuneration Committee/ESOP Committee in accordance with the SEBI (SBEB) Regulations.
Exercise price or the formula for arriving at the exercise price	As determined by the Nomination & Remuneration Committee/ESOP Committee in accordance with the SEBI (SBEB) Regulations, which shall be a price not less than the face value of the shares.
Exercise period and Exercise Process	Shall be a period not exceeding ten years from the date of grant and the exercise process shall be as determined per the SEBI (SBEB) Regulations.

Lock-in period	As determined by the Nomination & Remuneration Committee/ESOP Committee in accordance with the SEBI (SBEB) Regulations.
Maximum number of options to be granted per employee and in aggregate	Such number as may be decided by the Board or the Nomination & Remuneration Committee/ESOP Committee thereof in accordance with the SEBI (SBEB) Regulations.
Method which the company shall use to value its options	As per the SEBI (SBEB) Regulations.
Conditions under which options vested in employee(s) may lapse	As may be determined by the Committee as per the SEBI (SBEB) Regulations
Specified Time Period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee	As per the SEBI (SBEB) Regulations.
Implementation and administration of ESOP Plan	The Company shall directly implement and administer the SEBI (SBEB) Regulations through the Board / the Nomination & Remuneration Committee/the ESOP Committee.
Issue of new shares or secondary acquisition	Company shall issue new shares on exercise of stock options under one or more stock option plans implemented by the Company.

Members are requested to note that the Company shall conform to the Accounting Policies as applicable to the Company, from time to time.

Members are requested to note that in case the Company calculates the employees compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Annual Report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Annual Report.

The Board recommends the Resolution(s) set out at Item No. 5 and Item No. 6 of this notice to the Members for their consideration and approval, by way of Special Resolution(s).

The Directors and Key Managerial Personnel of the Company may be deemed to be concerned or interested in these Resolutions only to the extent of any Stock Options that may be granted to them and the resultant equity shares issued, as applicable.

ANNEXURE II TO THE NOTICE

Mr. Rahul Kapur (55 years) is a Management post graduate from U.K., and owns businesses that are into production of feed premixes and additives for the animal feed sector. Starting his career in 1984, Mr. Rahul Kapur has gained experience in diverse sectors as Animal Genetics and Vaccines before becoming an entrepreneur in the year 1997. With over two decades of experience in the animal production industry, Mr. Rahul Kapur is a leading and well recognised member of the animal production industry.

Details of Mr. Rahul Kapur, as per the requirement of Secretarial Standard – 2 and SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 is given below:

S.No	Particulars	Details
1	Date of birth	6th April, 1963
2	Nationality	Indian
3	Relationship with Directors	NIL
4	Date of appointment on the board	29th October, 2015
5	Expertise in specific functional area	Poultry breeding, health and nutrition. Building and managing organizations in the animal feed production sector. Animal Genetics and Vaccines.
6	Number of shares held in the company	NIL
7	List of the directorships held in other companies	
	a) Avitech Nutrition Private Limited	Managing Director
	b) Keggfarms Private Limited	Director
	c) Avitech Trading Private Limited	Director
	d) JMK Mercantile Limited	Director
	e) Indovax Private Limited	Director
	f) Immunetic Lifesciences Private Limited	Director
	g) PML Mercantile Limited	Director
8	Chairman/ member in the committees of the boards of companies in which he is Director	NIL

THE WATERBASE LIMITED

MGT 11 - PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies Management and Administration] Rules, 2014]

CIN:L05005AP1987PLC018436

Regd. Office: Ananthapuram Village, Nellore, Andhra Pradesh - 524344

Phone: 9100018037 Fax:044-30127001

31st Annual General Meeting – 27th Day of September 2018

Name of the member(s):
Registered address:
E-mail ID:
Folio No/DP ID-Client ID:

I/We, being the member(s) of shares of the above named company, hereby appoint

Name: Address:

E-mail Id: Signature: or failing him

Name: Address:

E-mail Id: Signature: or failing him

Name: Address:

E-mail Id: Signature: or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual General Meeting of the Company, to be held on Thursday, 27th September, 2018 at 12 Noon at Hotel Minerva Grand, Grand Trunk Road, Saraswathi Nagar, Dargamitta, Nellore, Andhra Pradesh 524003 and at any adjournment thereof in respect of such resolutions as are indicated below

Sl. No	Resolutions	Optional*	
		For	Against
Ordinary Business			
1.	Consideration of Financial Statements and Reports		
2.	Declaration of dividend		
3.	Re-appointment of Mr. Rahul Kapur who retires by rotation		
4.	Ratification of Appointment of Auditors		
Special Business			
5.	Approval of Employee Stock Option Scheme		
6.	Approval for Grant of option, equal to or exceeding one per cent. of the issued capital under the Employee Stock Option Plan		

Signed this day of 2018.

Signature of shareholder:

Signature of Proxy holder(s):

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting. For the Resolutions, Explanatory Statement and Notes, please refer to Notice of the 31st Annual General Meeting. Please complete all details including details of member(s) in above box before submission.

* It is optional to put a 'X' in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

THE WATERBASE LIMITED

ATTENDANCE SLIP

CIN: L05005AP1987PLC018436,
Regd. Office: Ananthapuram Village, Nellore, Andhra Pradesh - 524 344
Phone: 0861-2165009/2165021, Email: info@waterbaseindia.com
Website: www.waterbaseindia.com
31st Annual General Meeting

Name:	
Folio No/DPID/Client ID:	
Number of shares:	

I/We hereby record my/our presence at the Thirty First Annual General Meeting of the Company to be held on Thursday, 27th September, 2018 at 12 Noon at Hotel Minerva Grand, Grand Trunk Road, Saraswathi Nagar, Dargamitta, Nellore, Andhra Pradesh 524003

.....
Name of the member/proxy
(in BLOCK letters)

.....
Signature of member/proxy

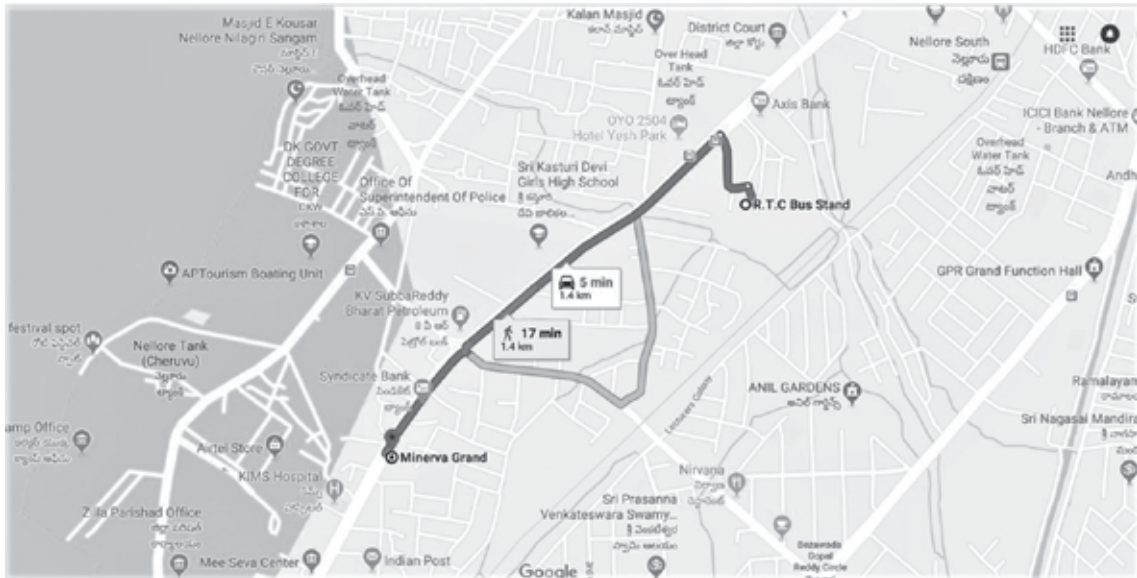
Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Shareholders are informed that no duplicate attendance slips will be issued at the venue of meeting. Members are requested to bring their copies of the Annual Report to the meeting.

Route Map of AGM Venue

From Nellore Railway Station to AGM Venue



From Nellore Bus Stand to AGM Venue





Celebrating 25 years of delighting farmers, diners and investors

We are not just celebrating a milestone. We are celebrating India's rise as a powerhouse in shrimp production as we watch the Vannamei shrimp, that we fought to introduce, change the industry. We are celebrating countless seafood platters that our farmers brought to dinner tables all over the world. We are celebrating the success saga of our farmers, dealers, employees and partners. Join us, as we set our eyes on scaling newer heights.

Thapar House, 37 Montieth Road, Egmore
Chennai - 600 008. Tamil Nadu, India
T : +91 44 3012 7000 www.waterbaseindia.com



» Shrimp Feed » Farm Care » Processing » Exports » Hatchery

**Registered Office**

Ananthapuram Village, Nellore District
Andhra Pradesh, 524 344, India
Phone: 91000 18037
Email: info@waterbaseindia.com

Corporate Office

Thapar House, No. 37, Montieth Road,
Egmore, Chennai - 600 008, India
Phone: 91 44 3012 7000
Fax: +91 44 3012 7001
Email: info@waterbaseindia.com
www.waterbaseindia.com