



The  
Waterbase  
Limited



# INTEGRATION FOR SUSTAINABLE GROWTH

32<sup>nd</sup> ANNUAL REPORT 2018-19

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## NOTICE

<b>101</b>	Notice
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### 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.

## INTEGRATION FOR SUSTAINABLE GROWTH

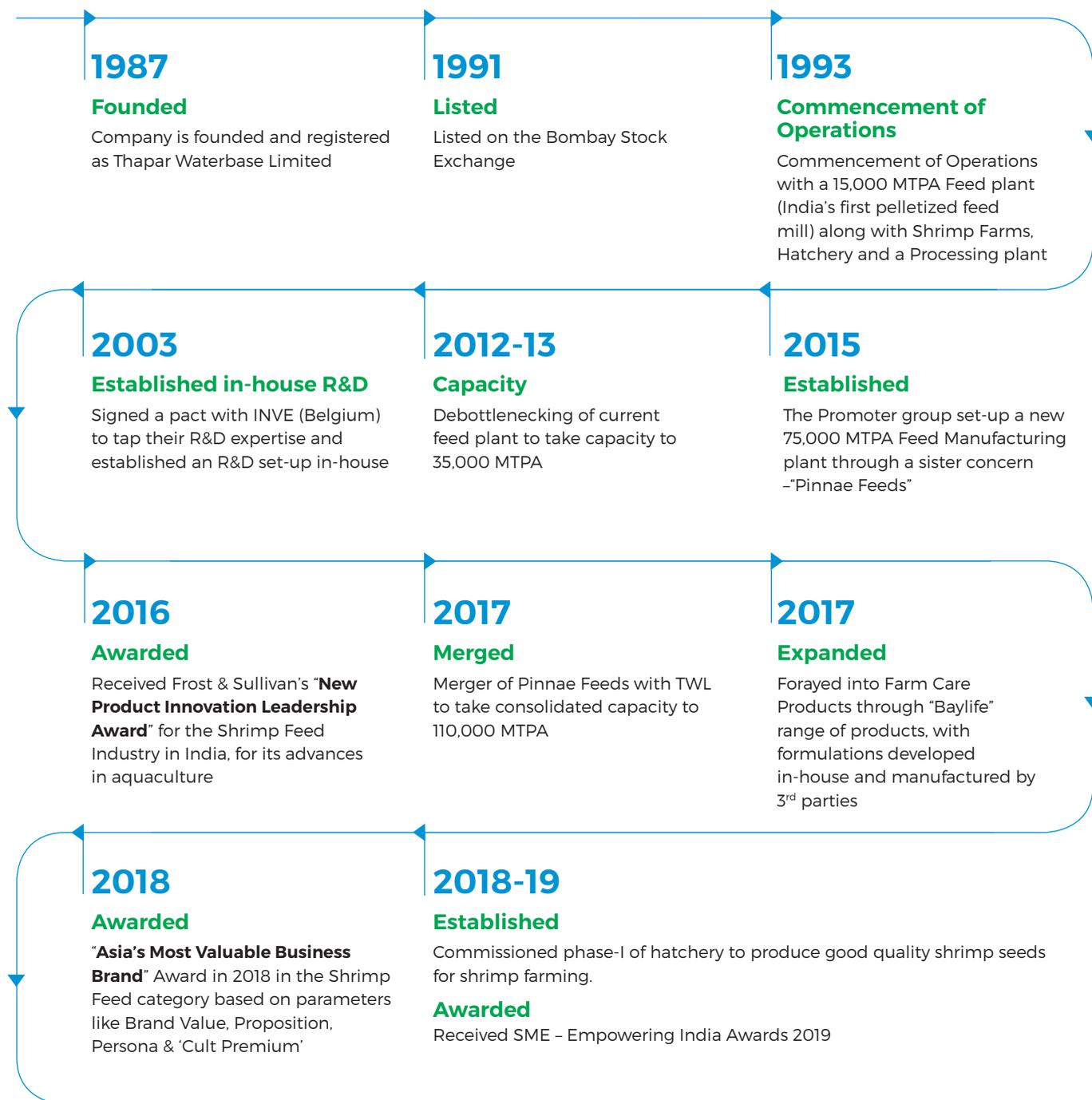
We strive towards being a differentiated player in the Aquaculture Industry in India and seek to create a sustainable value chain encompassing all stages of the aquaculture business from hatchery to farm care.

As part of this endeavour, we have expanded our capabilities across the value chain with the launch of our first Vannamei hatchery during FY19. Expanding our capabilities has enabled us to strengthen our offerings to customers, reduce the company's systemic risks related to product segments as well as open up new sustainable revenue opportunities.

At The Waterbase Ltd., we aim to grow sustainably by living our vision to deliver highest quality of products and services to our customers. In recent years we have increased our customer base by expanding our product portfolio through vertical and horizontal integration as well as by entering new regions within the country.

By expanding our operational capabilities and geographical network, we also increased our market reach for ensuring sustainable growth. Over the years we have been improving our performance on all key performance indicators. Since FY15 our revenue has grown at a CAGR of 10%. Since 2014 our EBITDA margin increased from 10.1% to 15.3% and PAT margin from 5.9% to 8.3%.

# MILESTONES



## HIGHLIGHTS OF THE YEAR

Revenue  
**₹ 371.7**  
Crore  
+ 8% year on year

Commissioned Phase I of  
Vannamei Hatchery to produce  
good quality seeds for  
shrimp farming

PAT  
**₹ 30.8**  
Crore  
+ 3% year on year

Received SME – Empowering  
India Awards 2019. Won the  
award under the ‘Food, Agro &  
Horticulture Products  
(Mid – Corporate)’ category

# OUR BUSINESS MODEL

The Waterbase Limited's value creation process starts with our vision, mission and values and are the foundations of our business model. Our leadership, operational support services and our people at all levels ensure that our value-based approach flows seamlessly and accurately through our entire value chain.

## 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.

## 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 Indian economy.

## What We Do

### Hatcheries



The company has Commissioned Phase I of Vannamei Hatchery to produce good quality seeds for shrimp farming, under the brand name "BayMax".

### Feed & Farm Care



Markets its products under the brand name BayWhite  
In 2017 the company Launched farm care products under the brand name 'Baylife'

### Processed Shrimp



The company has a 4,000 MT per annum state of the art shrimp processing facility. The unit operates with all local and global compliance and quality standards like USFDA, HACCP, FSSAI and BAP global.

## Core Values



### Integrity

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

Always does the right thing.

Communicate what is on their mind, even if it is uncomfortable, for the greater good of the group.

Everyone at TWL has an equal opportunity to speak up, and we make decisions that have a just and equitable result.



### Ownership

We take personal accountability to meet business goals, improve our systems and help others. We act like owners; treating the company as our own, always keeping the company's long term success in mind.

Takes initiative towards the achievement of business results and organizational health even when not asked to do so.

Reliably delivers above and beyond what is expected, consistently and repeatedly.

Once responsibility is taken for a result whether as leader or participant, will see it through to completion and ensure the highest standards of performance.



### Collaboration

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

Shares required information willingly and quickly in support of own, other teams' and TWL's success.

Leverages other's expertise when needed, doesn't reinvent the wheel.

Prioritizes group goals above personal goals, and works as a team towards the organization's common purpose.



### Respect

We acknowledge and respect differences in each other, and provide a safe and supportive environment in which all individuals are equally valued.

Treats others as one would like to be treated.

Seeks out, listens to, and respects the ideas and opinions of others.

Values different cultures and beliefs, and shows this in day-to-day words and actions.

Displays respect for and awareness of individual differences.



### Innovation

We aspire to be thought leaders in our chosen sectors, constantly striving towards forward thinking solutions for our products, processes and offerings.

Maintains and strengthens understanding of the market relevant to role by continually learning about future trends, competitors and research related to that area.

Represent TWL in industry groups and forums helping disseminate our thought leadership, as well as bring back learning from that exposure into TWL.

Uses market understanding and know-how to help build products and streamline processes that lead to TWL becoming a market and thought leader in that area.



### Excellence

We passionately work towards developing our people, and set the highest standards of quality both in what we do and the way we do it.

Expects and delivers the highest standards of performance from self, and inspires the team to achieve ever higher standards as well.

Is not happy with maintaining status quo, wants to and does deliver a higher quality result each time.

Takes up newer and bigger challenges and does utmost to deliver results.



### Responsibility

We commit to developing and maintaining sustainable business practices in order to have a positive impact on the business, natural and social environment in which we operate.

Follows company guidelines/ processes with respect to corporate social responsibility diligently.

Brings new ideas and actively participates in initiatives related to sustainable business practices.

# FROM THE CHAIRMAN'S DESK

## Dear Shareholders

I am pleased to share with you the performance of your Company for the year 2018-2019. The year has been a challenging one during which our employees exhibited their commitment and team spirit to enable the company to progress towards its vision. In FY19 we strengthened our capabilities and offerings, delivered operational excellence and increased our brand equity.

The extended winter resulted in excess stockpiling in the US markets by end of 2017. Coupled with that, surplus production in all shrimp farming countries resulted in drastic fall in global shrimp prices in 2018. Disease outbreaks due to abnormal climatic conditions also

Your Company achieved growth of 8% year-on-year in revenues which stood at ₹ 371.7 Cr for the year as against ₹ 344.3 Cr in the previous year. Our Net profit for the year stands at ₹ 30.8 Cr, as against ₹ 29.9 Cr in the last year with a 3% year-on-year growth despite rebound in raw material prices.

added to the woes of Indian farmers. For the first time post Vannamei introduction, shrimp production in the country declined and many Indian farmers suffered losses.

Feed manufacturers were challenged with faltering demand for feed and the anticipated rebound in the raw material prices which had fallen to abnormally low levels in 2017. This impacted the performance of many players in the sector as the combination of slowing growth and reversion of margins to long term levels led to a compression in profitability

both absolute and relative. I am delighted to inform you that your Company was able to successfully counter the challenges at the macro and sectoral level to emerge with industry leading (beating) growth in revenues and profitability.

During the year, your company overcame the prevailing challenges by expanding our business in new and existing markets, strategic sourcing of key raw materials and maintaining tighter controls on costs. Your Company achieved growth of 8% year-on-year in revenues which stood at ₹ 371.7 Cr for the year as against ₹ 344.3 Cr in the previous year. Our Net profit for the year stands at ₹ 30.8 Cr as against ₹ 29.9 Cr in the last year with a 3% year-on-year growth despite rebound in raw material prices.

The Board has recommended a final dividend of ₹ 1.50 per share (@ 15% on Equity share of ₹ 10/- each) for FY19, subject to shareholders' approval at the forthcoming AGM.

I am happy to share that we further strengthened our product value chain by commissioning the first phase of our Vannamei hatchery. This would help the farmers to get good quality seed (Post Larvae) which is very critical for the success of shrimp farming. In addition to bringing more offerings, under the Waterbase fold, this initiative, we believe, will enhance the sustainability



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and the success rates for our customers.

Overall long term prospects for Indian shrimp production continue to be positive as the Sea food industry shifts further towards aquaculture and reduces reliance on capture fishing. Seafood consumption continues to increase across the world and with Indian shrimp farming moving ahead in terms of adopting best farming practices and global benchmarks, India's leadership position in shrimp exports is set to endure in the years to come. India's long coastline, R&D strength among manufacturers and research institutes, availability of manpower at competitive wages and policy support from government are the key drivers of growth in our sector. Feed manufacturers like Waterbase are poised to benefit in the long term.

We expect shrimp production to be marginally lower in

FY20 due to delayed farming season and reduced stocking by farmers during the summer crop due to subdued farmgate prices. We are keenly watching the situation and will try to overcome impediments in our way through our operational agility, product innovations and market expansions.

I would like to take this opportunity to thank each and every employee for their commitment and contribution towards achieving our goals with the highest ethical standards. I would also like to extend my gratitude to all our customers, vendors, Bankers and Government agencies for their continued support. I would also like to convey my sincerest appreciation to the Board of Directors for their valuable guidance . And lastly, I also express my heartiest gratitude to all our shareholders for their continued faith, encouragement and support.

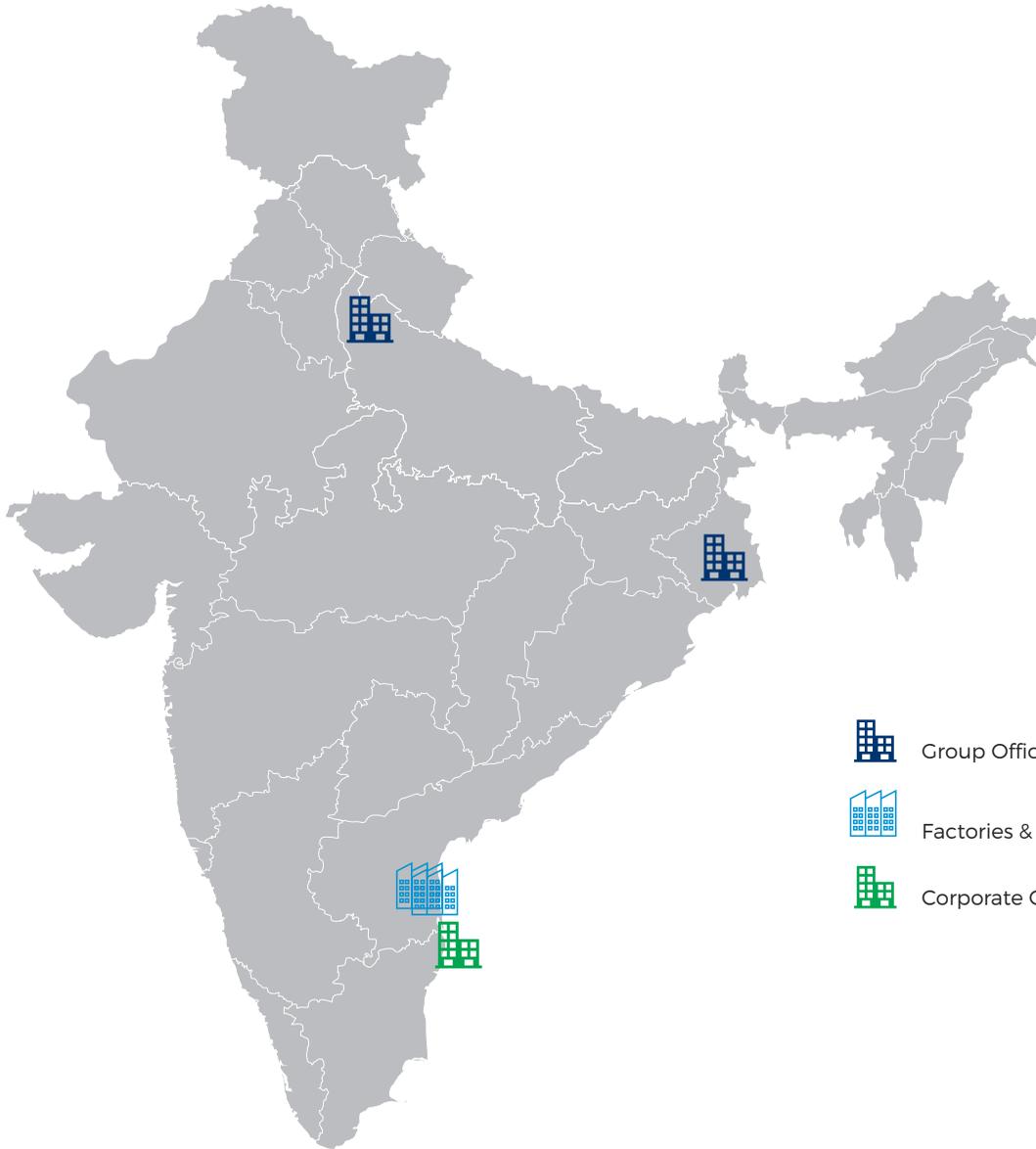
With best wishes,

**Vikramaditya Mohan Thapar**  
Chairman

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# OUR LOCATIONS



## Registered Office & Factory Unit I & II

Ananthapuram Village,  
SPSR Nellore - 524344,  
Andhra Pradesh,  
India

Bogole Village & Mandal  
SPSR Nellore- 524142,  
Andhra Pradesh,  
India

## Corporate Office

Thapar House,  
37 Montieth Road,  
Chennai - 600 008,  
Tamilnadu,  
India

## Hatchery

Ramatheertham,  
Varini Village, Vidavalur Mandal,  
SPSR Nellore - 524318,  
Andhra Pradesh,  
India

## FROM THE CEO

The year witnessed our company showing operational resilience as demand for feed slowed down. Fluctuating input cost has been a key risk during the year in our feed business. After unusually low prices in FY18, input prices have normalized in FY19 and we expect current raw material prices to be sustainable. In FY19 our EBIDTA margins was slightly impacted due to these volatilities. Despite these unfavourable scenarios during the year, our top line grew 8% for the year as our feed and farm care business performed well. Keeping such external risks in mind we have been working towards improving overall business efficiencies and reducing other costs in order to enhance our margins.

We stand as a pioneer in the aqua feed industry by focusing on offering integrated solution right from hatchery to farm care services. We manage our risk by way of exhibiting operational agility and being innovative across functions. Our R&D initiatives have helped us to strengthen our product pipeline and expand revenue streams. Our feed brands continue to have high brand equity in the market.

Our core business continues to be shrimp feed. We plan to expand our feed business by adding more dealers. With increasing penetration into newer markets and territories, we are steadily reducing geographical concentration risk in our feed business. During FY18 & FY19 we expanded our feed business in newer markets such as Odisha & West Bengal. We have continued to deliver on the prime objectives of disease management and yield enhancement with our farm-care range, which has had a positive impact on the customers. The response to our farm care products continues to be excellent and in FY19 we expanded our product line as well as our distribution network. Farm care products are strongly

complementing the feed business and enabling us to differentiate our offerings in the market.

In October 2018, we commissioned phase 1 of our Vannamei hatchery which has a capacity of 250 Million Post Larvae (PL) with an aim to provide good quality, disease free PL to farmers. Initial batches were supplied to customers and we are planning to scale up the supplies in FY'20. We expect our foray into hatchery will take us forward in our endeavour to serve customers' needs in all facets of the aquaculture business and also strengthen the revenue momentum.

We have continued to adopt the best practices in the industry with the advice of renowned international experts in furthering improvements to our feed through relentless research and development efforts. This has helped us further improve the quality and nutritional parameters of our feed, optimise Feed Conversion Ratio (FCR) and also give an impetus to our R & D efforts. We are committed to sustainability and continuously strive to find alternatives to conserve scarce resources

With best wishes,

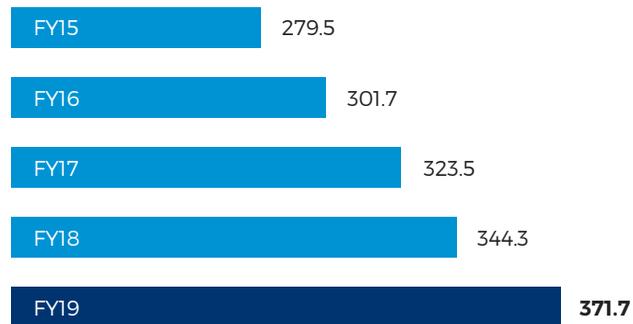
**Ramakanth V. Akula**

Chief Executive Officer

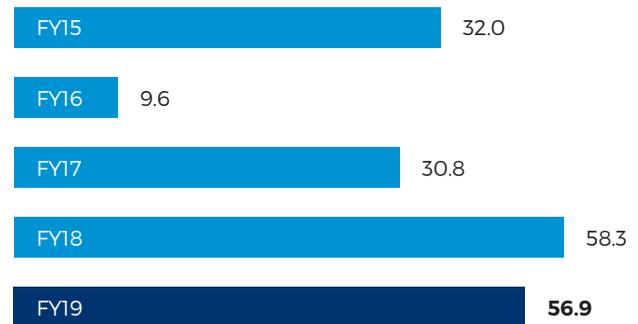


# 5 YEARS FINANCIAL HIGHLIGHTS

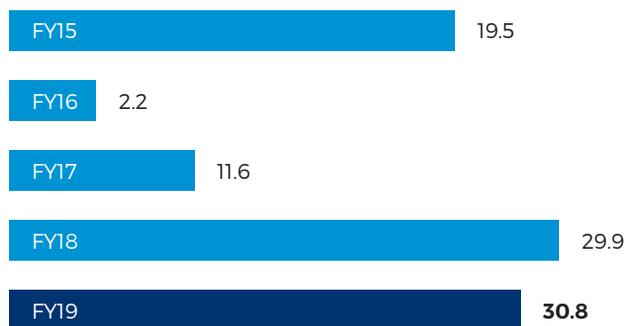
## Revenue (₹ in Crores)



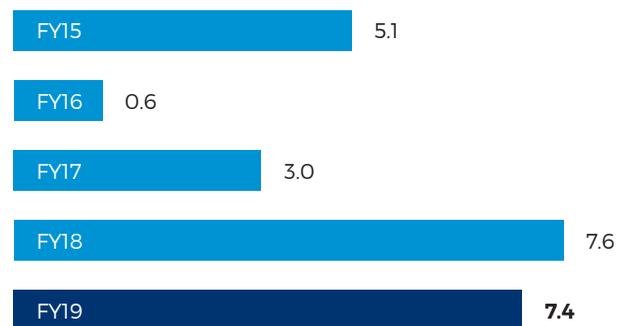
## EBITDA (₹ in Crores)



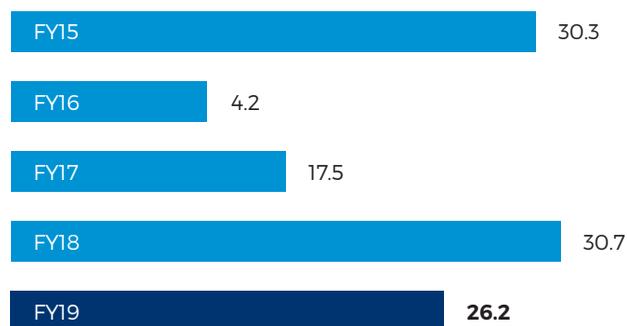
## PAT (₹ in Crores)



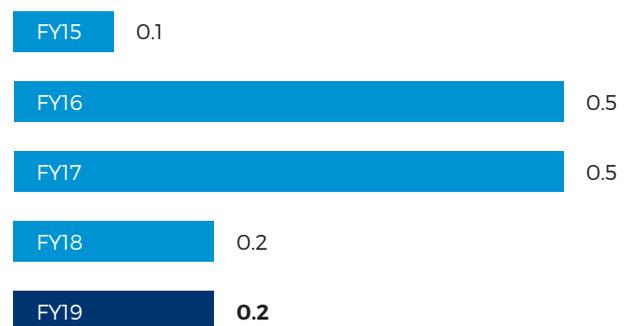
## Earnings Per Share - Basic (In ₹)



## Return on Capital Employed (%)



## Debt Equity Ratio (in times)



# CORPORATE SOCIAL RESPONSIBILITY

**Our CSR Vision: To actively contribute towards inclusive sustainable social economic development of the community and to create societal capital while creating long term value for other stakeholders**

## Community Development

The CSR initiatives of the Company and other KCT group companies are primarily carried out through KCT Group Trust – a registered Trust established by the KCT Group.

Girl education in most parts of India is dismal and while enrolment in primary and upper primary may seem significant, the figures drop as we reach the secondary level. The reasons for this are many – poverty, early marriage or simply, a mind-set that girl education is futile.

Kashvi Learning Centre (KLC), a CSR initiative of KCT Group Trust was set up to ensure that school dropout girls between the ages of 16-24 years receive an education irrespective of gender, age, income level or geographic location. KLC gives them an opportunity to complete their secondary school education through NIOS (National Institute of Open School) while simultaneously developing necessary life skills.

The first Center started in August 2018 in North Kolkata where nearly 30 girls have enrolled and the second KLC in Chembur, Mumbai, is expected to be operational from July 2019.

KCT Group Trust 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.

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

## CSR initiatives in FY 19

During the year the company implemented various social and environment development initiatives through KCT Trust.



## Our CSR philosophy

At TWL CSR is beyond corporate compliance. Contributing to the society is engraved in our values. At TWL we endeavour to follow the systems of triple bottom line accountability to measure the company's social performance.

## Triple bottom line accountability of TWL



# CORPORATE INFORMATION

CIN: L05005AP1987PLC018436

Registered Office: Ananthapuram Village, SPSR Nellore, Andhra Pradesh – 524344, India.

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

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

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## 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 – Independent Director

Mr. Ranjit Mehta – Independent Director

Mr. Anil Kumar Bhandari – Independent Director

Lt. Gen. (Retd.) Deepak Summanwar – Independent Director  
(Upto 31<sup>st</sup> March 2019)

Mr. Nakul Kamani – Independent Director (Upto 31<sup>st</sup> March 2019)

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## Chief Executive Officer

Mr. Ramakanth V. Akula

## Chief Financial Officer

Mr. R. Sureshkumar

## Company Secretary

Mr. R. Achuthan

## Stock Exchange

BSE Limited

Phiroze Jheejebhoy Towers Dalal Street,  
Mumbai- 400001

## Auditors:

1. Statutory Auditor: M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, 13<sup>th</sup> & 14<sup>th</sup> Floor, Building-Omega, Bengaluru Intelligent Park, Block - EP & GP, Sector- V, Salt Lake Electronics Complex, Kolkata 700091
  2. Internal Auditors: M/s. PricewaterhouseCoopers LLP, Bangalore
  3. Secretarial Auditor: M/s. ARUB & Associates, Practicing Company Secretaries, Chennai
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## 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: 044-40020728

Email: investor@cameoindia.com

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# MANAGEMENT DISCUSSION & ANALYSIS

## WORLD ECONOMY

Since 2018 the global economy which was on an upbeat trajectory, buoyed by a pickup in global manufacturing and trade through 2017, has lost speed and growth is estimated to decelerate further. According to World Bank estimates of early January 2019, Global economic growth is projected to soften from a downwardly revised 3% in 2018 to 2.9% in 2019 amid rising downside risks to the outlook.

As per the IMF study released during April 2019, there has been a decline in China's growth due to a combination of much needed regulatory tightening to rein in shadow banking and well as the well publicised trade tensions with the United States. The euro area economy lost more momentum than expected as consumer and business confidence weakened and economic growth in Germany was impacted by regulatory changes to the vehicle industry while investment dropped in Italy as sovereign spreads widened and external demand, especially from emerging Asia, softened.

Conditions have improved in 2019 as the US Federal Reserve signalled a more accommodative monetary policy stance and markets became more optimistic about a US-China trade deal, but they remain slightly more restrictive than earlier.

## INDIAN ECONOMY

According to official estimates, the Indian economy grew 7% in Financial Year 2019, the slowest in the last five years.

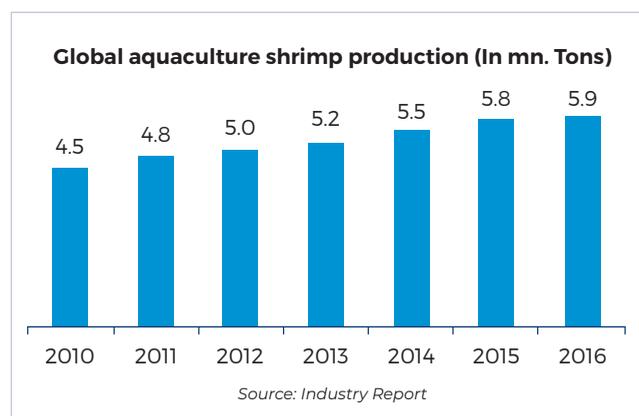
The International Monetary Fund (IMF) expects growth to recover in the current fiscal and the next. IMF has pared India's growth forecast for the just-concluded fiscal and the next two years, citing softer recent growth and weaker global outlook, but expects the country to retain its place as the fastest growing major economy. According to IMF estimates, India's economy grew 7.1% in FY19 and is expected to accelerate to 7.3% growth this fiscal and to 7.5% in FY21. All the estimates are 0.2 percentage points less than its previous assessment in January 2019.

## WORLD AQUACULTURE

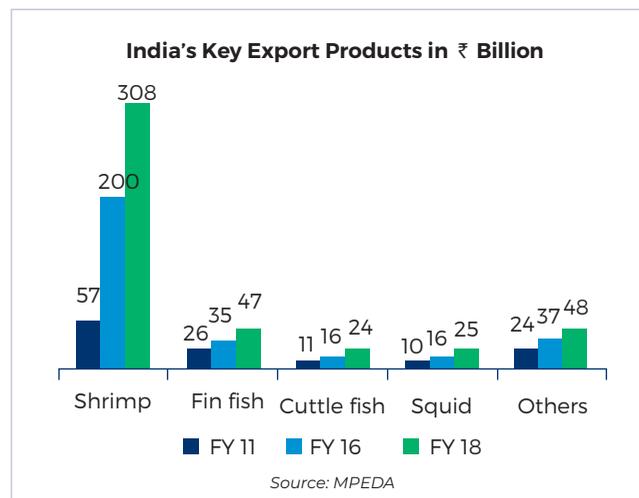
Fish and seafood are an important part of a healthy diet. Fish is a mind food, a heart food, a superfood, high in nutritional value, packed with vitamins, minerals, protein and omega-3 fatty acids. Fish has higher nutrient and protein value than any other type of protein available. Given its innate benefits, demand for fish / aqua products is expected to remain steady over the coming years. As per Global Outlook for Aquaculture Leadership (GOAL) - Aquaculture industry is expected to maintain its steady growth rate with Aqua culture production estimated to grow at a CAGR of 3% over 2006-2030 to 93.3 Mn MT. To meet the growing demand for fish / aqua products, aquaculture needs to deliver an additional 46.4 Mn MT to meet the world's sea food needs.

Shrimp production continues to constitute lion's share of fish and fisheries production. Global Shrimp

aquaculture production is estimated to have grown at a CAGR of 4.8% over 2016-19. Farmed Shrimp is estimated at 3.5 Mn MT in 2018. The global sea food consumption is increasing and is expected to remain steady as Sea food is rich in nutrition and is a healthy food compared to other forms of meat.



## INDIAN AQUACULTURE

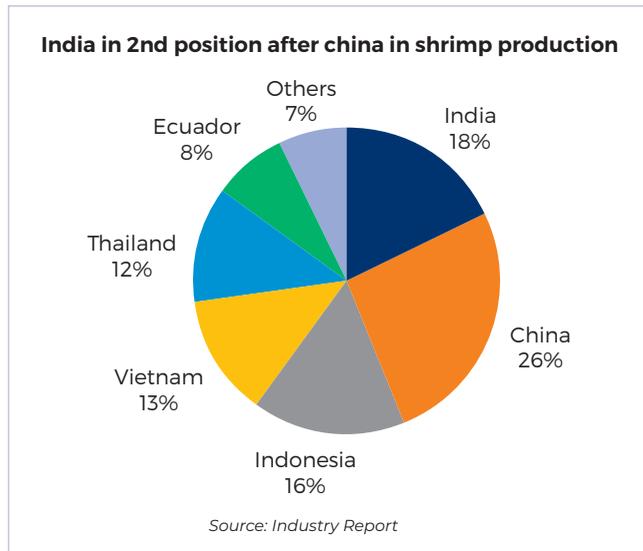


India's seafood industry has become one of the leading suppliers of quality seafood to all the major markets of the world. India has world class seafood processing plants that follow quality control regimes compliant to stringent international regulatory requirements.

The country has a long coastline of 8,129 km in addition to vast inland water resources and hence offers the scope for large exploitation of marine wealth. India's potential for shrimp production is enormous given around 12 lakh hectares available for brackish water but only 1.4 lakh hectares has been brought under shrimp cultivation.

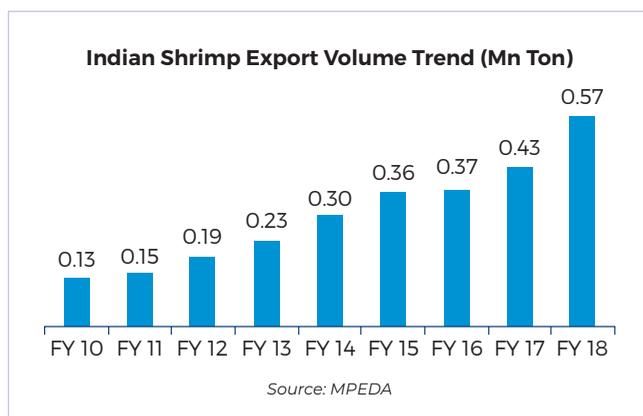
India ranks 2<sup>nd</sup> in global aquaculture production with a size of approx. USD 10.6 bn contributing nearly 0.4% to India's GDP. The industry is among major contributors to foreign exchange with an exported value of USD 7.08 bn in FY18.

Indian fisheries have grown at 13% CAGR during FY12-FY17 has reached a size of ₹ 1,248 billion in FY17. Shrimps, constitute major chunk of aquaculture market in India out of which approximately 80% is exported. India's marine products exports mainly comprises of frozen shrimps, cuttlefish, frozen squids and dried fish with shrimps dominating the exports basket. 2019 was a relatively challenging year for the industry, which has become accustomed towards delivering consistent growth - successively grown over five years period from 2012-13 to 2017-18.



Shrimp production during the year is estimated to be approx. 5,75,000 MTs after having produced 6,20,000 MTs during 2018, a de-growth of approx. 10% to 15%. Primary reasons for moderation in production were extended winter in US and growth in shrimp production globally, which in turn led to softness in realisations.

Over the last four fiscals, USA has accounted for the majority of India's shrimp exports. In terms of volumes, 38% of the total Indian shrimp exported during 10M Current Year 2018 was to the USA, up from 31% during CY2014. The Steady increase in USA's demand for Indian shrimp was due to the lower production in Thailand where the industry was impacted by white spot syndrome virus (WSSV).



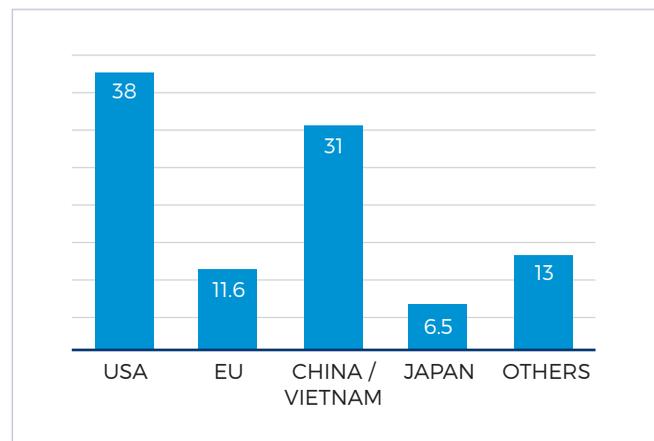
This was followed by strong growth in Indian shrimp exports to China, which overtook the EU in CY2016 to become the second largest destination for Indian shrimp exports at 31%

of total Indian shrimp exports. This upsurge in demand for shrimp from China is due to declining domestic production. A large proportion of exports to Vietnam are believed to have been subject to value-added processing and subsequently re-exported to China. Hence both markets have been clubbed and they represent 31% of Shrimp exports from India.

Other major destinations for Indian shrimp exports include EU and Japan, which contributed to 11.6% and 6.5% of total exports (during 10M FY2018) respectively.

The US, the top buyer of Indian shrimp was reportedly less aggressive in purchases due to build-up of inventories. However, given the robust economic growth in the United States, it was expected that the upcoming festive season will spur consumption and there was a revival in purchases from September 2018.

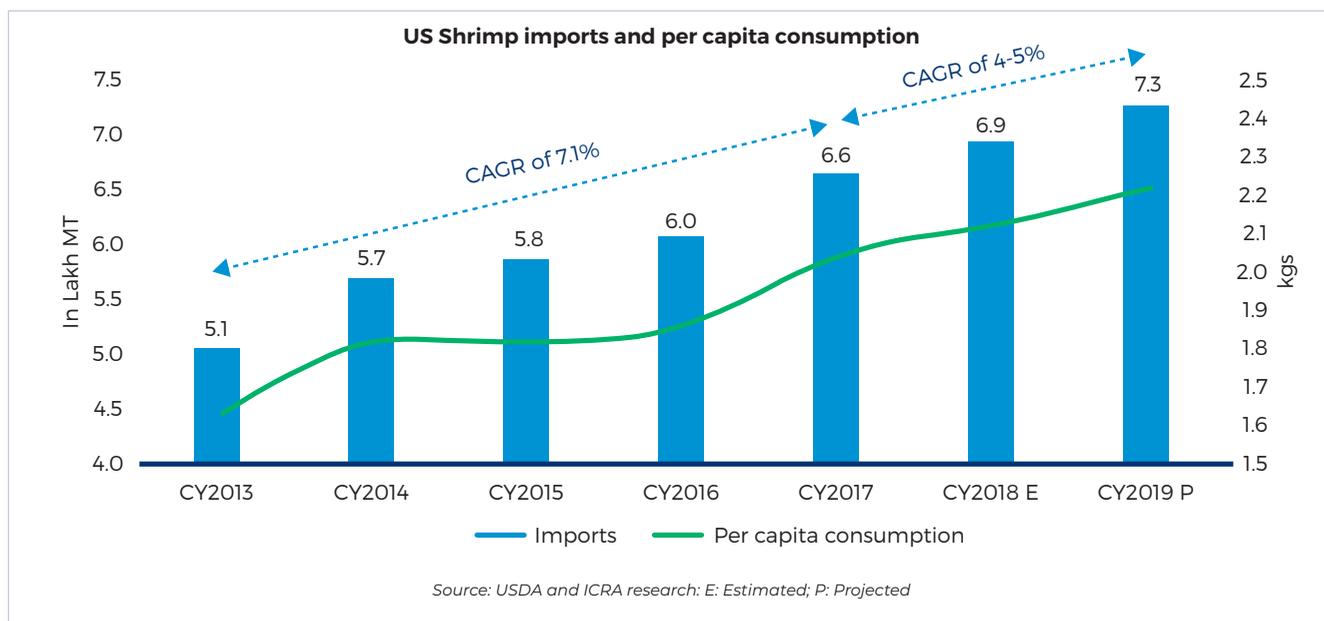
GEOGRAPHIC DISTRIBUTION OF INDIAN SHRIMP EXPORTS (REF: ICRA)



USA shrimp imports witnessed a compounded annual growth rate (CAGR) of 7.1% during the period CY2013 to CY2017. However, the strong growth of 10.2% during CY2017, was followed by a muted 4.8% growth (year-on-year) in US shrimp imports in 10M CY2018 owing to high stock level held towards the end of 2017, and delayed winter impacting demand in Q2 CY2018.

Over the last four fiscals, growth in USA's shrimp imports from India has consistently outpaced the growth in USA's overall imports from Indonesia, Thailand and Ecuador. The same is visible in the increase in India's contribution in USA's shrimp imports from 19% in CY2014 to 36% in 10M CY2018, substituting Thailand, whose contribution declined from 11% in CY2014 to 7% in 10M CY2018, and Vietnam 13% in CY 2014 to 8% in 10M CY 2018.

Despite the robust growth in shrimp imports from India, India faces stiff competition from Indonesia and Ecuador whose export contribution during 10M FY2018 has increased, supported by the increasing shrimp production in these respective countries. Going forward, India is expected to benefit from the sanction imposed by USA on China coupled with increasing import of value-added shrimp by USA leading to a growth of approx. 7 to 10% pa. in CY2019. The effect of implementation of SIMP for shrimp exports to USA from January 1, 2019 will be a key monitorable aspect.



### INDIAN SHRIMP EXPORTS TO CHINA

China continues to be a net importer of shrimp owing to high demand for shrimp in the country. China's vannamei shrimp production nosedived by 45% in CY2012 because of a widespread EMS epidemic which wiped out shrimp production in many parts of Asia. Since then, Chinese shrimp production has remained stagnant and the shortfall has been catered to by shrimp imports from India and Ecuador, partly via Vietnam. However, with the cracking down of illegal imports via Vietnam, direct export of shrimp to China from India and Ecuador increased sharply during 10M CY2018. Further, the enforcement of tighter environmental norms by the Chinese government resulted in closing of 40,000 ponds in the Jiangsu province (east China) during October 2018 to prevent pollution of the Yangtze river delta. This coupled with the emergence of a new disease, Shrimp Hemocyte Iridescent Virus (SHIV), is expected to cap the production levels in China at approx. 4.75 lakh MT during CY2018. Production is expected to dip by approx. 5 to 6% during CY2019 on the expectation of further tightening of environmental norms. Going forward, this decrease in local production is expected to drive the increase in Chinese shrimp imports from India, Ecuador and Vietnam.

Ecuador is currently the largest exporter of shrimp to China and Vietnam, exporting 2.4 lakh MT as against India's exports of 1.5 lakh MT during 10M FY2018. Going forward, Indian shrimp exports are likely to benefit from the potential trade deal between India and China which could result in Nil duty for import of shrimp from India. Currently, frozen shrimp imports from India faces a 6% customs duty at Chinese ports, while shrimp from countries like Malaysia, Indonesia and Vietnam enjoy tariff-free access.

### INDIAN SHRIMP EXPORT - CHALLENGES IN ASIAN & LATIN AMERICAN SCENARIO

The uptick in shrimp production from the top shrimp exporting nations since CY2017 has intensified competition in the global

shrimp industry. Since CY2016, Indian and Ecuadorean shrimp exports have consistently recorded double-digit growth, supported by healthy domestic shrimp production.

The marginal growth in shrimp production was driven by steady addition to the area under aquaculture and adoption of efficient farming practices which minimized the impact of diseases. Vietnam has slowly recovered from the early setback of EMS epidemic (CY2012) which wiped out more than half of the shrimp production in Asia.

Vietnam's shrimp exports grew by 27% during CY2017; however, the growth was also because of the re-exports of shrimp imported from India and Ecuador. Further, the Indonesian shrimp production recovered during CY2018 which translated into growth in exports by 19% year-on-year 9M CY2018. Increasing shrimp production amongst the top shrimp producing nations could cause a temporary demand supply mismatch resulting in subdued realizations.

### GLOBAL AQUA FEED SECTOR

The aquafeed market was estimated at USD 69 billion in 2018. This market is expected to register an estimated CAGR of 7.5%. Due to the limited availability of marine feed resources and the growing demand for fish, the fish farming trend is expected to increase, thus opening up an opportunity for the compound feed market to grow.

By 2024, more than 50% of the global fish/Shrimp supply is expected to be sourced from aqua farms. Seafood is the preferred meat-type, especially in countries of Asia-Pacific, such as India, China, Indonesia and the Philippines.

There has been an increasing pressure on the livestock industry to meet the growing demand for high-value animal protein, and Seafood is easily accepted as the best source of Omega 3 Fatty Acids, EPA and DHA. Population growth, rising incomes in developing nations and urbanization has led to a huge demand for global Seafood production. The

level of income and consumption of animal protein are positively related to the increasing consumption of seafood at the expense of staple foods. Due to the decline in prices of Seafood products, developing countries are embarking on higher Seafood consumption at much lower levels of GDP than the industrialized countries did a couple of decades ago. Urbanization has led to an increased demand for Seafood, wherein cities have varied diets rich in animal proteins and fats when compared to diets in the rural areas. In addition, fish and Shrimp production is the livelihood of many rural farmers across several developing countries.

Asia-Pacific is the largest aquafeed market in 2018, accounting for over 53% of the global market's revenue and constituting more than 58% of the overall aquafeed consumption. The highest growth for Seafood consumption is expected from the Asia-Pacific and Latin American regions, because of changing diet patterns, urbanization, population and economic growth.

For example, Chinese demand for Seafood continues to surpass the domestic supply, as stated by Agriculture and Agri-food Canada. North America and Europe, which have relatively small aquaculture industries, have a high demand for fish and other seafood products and depend on Asian producers to meet their demands.

#### **INDIAN AQUA FEED SECTOR STATUS & OUTLOOK**

Feed is one of the critical components required for the growth of aquaculture. The Indian shrimp feed segment is highly organised as the shrimp industry caters to the export market with organised players accounting for 80% of the shrimp feed industry. Indian shrimp feed market attained consumption volume of over 8 lakh metric Tons in FY17, growing at a CAGR of 18 % during FY10- FY17. Going ahead, the Shrimp feed market consumption in India is expected to grow at a CAGR of 12% during FY18 to FY23, reaching a volume of 1.7 Million Metric Tons.

Since shrimp production in India during 2019 is estimated to be lower than in 2018, the demand for shrimp feed consumption is estimated to remain flat during 2019 at about 10 to 11 lakh MT. Despite short term volatilities Indian aqua business is poised to grow hence the aqua feed business is expected to benefit in the long term.

#### **OPERATIONAL HIGHLIGHTS**

Diversification of business by introducing new capabilities (Hatchery) resulting in comprehensive offerings to customers enabling a differentiated market position has been the key strategy of the company. The company now offers integrated solutions right from hatchery to farm care services.

During October 2018, the company commissioned phase 1 of its Vannamei hatchery with an annual capacity of 250 Mn PL, thus strengthening company's position in the overall value chain.

#### **RISK AND RISK MITIGATION**

##### **Risks**

Large number of external factors like weather pattern, disease outbreaks, volatile prices, etc., contribute to the unpredictability of the industry.

**Inconsistency of raw materials for feed-** Volatile supply and prices of major ingredients of shrimp feed such as soya and fish meal is also a major risk factor

**Availability of Good quality inputs-** Challenges in accessing good quality seeds, broodstock etc., are effecting the yields and as a result are hindering speedy and sustainable growth

**Largely unorganised industry-** It is not easy to regulate or control the industry due to its fragmented and unorganized nature, which adds by way of difficulties in availability of insurance, quality labour and finances.

# DIRECTORS' REPORT

Dear Shareholders,

The Directors have pleasure in presenting the 32<sup>nd</sup> Annual Report together with the audited financial statements for the year ended 31<sup>st</sup> March 2019.

Financial Highlights		(₹ in Crores)	
Particulars	FY19	FY18	
Total Revenue	371.65	344.28	
Total Expenses	324.33	295.68	
Profit Before Tax (PBT)	47.33	48.61	
Tax expenses	16.48	18.71	
Profit After Tax (PAT)	30.85	29.90	
Total Comprehensive Income	30.92	30.07	
Basic & Diluted EPS (in ₹)	7.45	7.58	

## Financial Statements

The Financial Statements for the year ended 31<sup>st</sup> March 2019 have been prepared under Ind AS (Indian Accounting Standards) by the Company. Further, the Board at the Meeting held on 15<sup>th</sup> May 2019 approved the Audited Financial Statements for the year ended 31<sup>st</sup> March 2019.

## Performance Overview & Strategic Initiatives

The Company reported revenue of Rs. 371.65 Crores in FY 2019 compared to Rs. 344.28 Crores last year, registering a growth of 8 %. Profit after tax for the FY 2018-19 is Rs. 30.85 Crores compared to Rs. 29.90 Crores in previous financial year. Total expenditure for the year stood at Rs. 324.33 Crores compared to Rs. 295.68 Crores last year. During the year, the Company provided Rs. 16.48 Crores for taxation as against Rs. 18.71 Crores in the same period last year. PAT remained almost the same due to increase in the Input costs.

During October 2018, the commercial production in the hatchery has commenced and we have started commercial sale of post larvae (PL) during the year.

The Company continues its focus on the feed business by increasing its penetration into newer markets and territories. The year also saw customers continuing to respond favourably to the Company's range of farm care products under the brand 'Baylife'.

## Material Developments during the year under review.

There were no material developments during the year under review.

## Share Capital

The authorized share capital of the company as on 31<sup>st</sup> March 2019 is ₹ 65,00,00,000/- comprising of 6,00,00,000 Equity shares of ₹ 10/- each and 5,00,000 preference shares of ₹ 100/- each.

The paid-up share capital of the company as on 31<sup>st</sup> March 2019 is ₹ 41,42,67,790/- comprising of ₹ 4,14,26,779 Equity shares of ₹ 10/- each. During the year under review the company has not issued any shares.

## 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 ₹ 1.50/- per equity share for FY19 at the meeting held on 15<sup>th</sup> May 2019. The Dividend is payable on obtaining the Shareholder's approval in the ensuing 32<sup>nd</sup> Annual General Meeting of the Company.

## Directors and Key Managerial Personnel

There was no change in composition of the Board of Directors during the period from 01<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019.

Mr. R Achuthan was appointed as Company Secretary & Compliance Officer in the Board meeting held on 25<sup>th</sup> May 2018. As per the terms of appointment in the 27<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September 2014, the following Independent Directors were appointed for a term of 5 consecutive years from 01<sup>st</sup> April 2014 up to 31<sup>st</sup> March 2019.

Independent Directors	DIN
Mr. Anil Kumar Bhandari	00031194
Lt. Gen. Deepak Summanwar (Retd)	02017830
Mr. Ranjit Mehta	03172264
Mr. Nakul Kamani	00891344

## 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 FY19, the annual evaluation process was kick started at the meeting of Independent Directors held on 12<sup>th</sup> February 2019 followed by Nomination and Remuneration Committee meeting. The Nomination Remuneration Committee completed the annual evaluation process at the meeting held on 12<sup>th</sup> February 2019.

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. Since the 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](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 discuss and decide on business performance, policies, strategies and other matters of significance. The Board of Directors of the Company met four times during the financial year on 25<sup>th</sup> May 2018, 03<sup>rd</sup> August 2018, 12<sup>th</sup> November 2018 and 12<sup>th</sup> February 2019. 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 31<sup>st</sup> March 2019, the Board consisted 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.

*\* As per the terms of appointment in the 27<sup>th</sup> Annual General Meeting held on 29 September 2014, the Independent Directors were appointed for a term of 5 consecutive years from 01<sup>st</sup> April 2014 up to 31<sup>st</sup> March 2019.*

#### **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.

During FY19, the CSR initiatives of the Company were 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 approves the list of CSR Projects/ Programmes being undertaken by KCT Group Trust from out of the funds provided by the Company and also monitors 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](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**

The extract of the Annual Return under Section 92(3) of the Companies Act, 2013 in form MGT-9 is available on the website of the Company at <http://waterbaseindia.com/> and in Annexure-D of this report.

#### **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](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:

- a) 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;
- b) 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 or loss of the company for that period;
- c) 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;
- d) 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;
- e) 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 FY19.

#### **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](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 Auditors M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W100018) were appointed at the 30<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> December 2017 for a period of 5 (Five) consecutive years, to hold office till the conclusion of the Thirty Fifth Annual General Meeting.

Further, the report of the Statutory Auditors for FY19 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 FY19. The report of the said Secretarial Auditor for FY19 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 Commerce and Industry, Ministry of Finance, Customs and Excise include Department of Goods and Service Tax (GST), 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**  
Director

**Anil Kumar Bhandari**  
Director

Date: 15<sup>th</sup> May 2019  
Place: New Delhi

# 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:
- i. The services are rendered by such Director in his capacity as the professional; and
  - ii. 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:
- a) 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.
  - b) 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.
  - c) 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 31<sup>st</sup> March 2019:

(₹ in Lakhs)

Particulars	Title	Commission	Sitting Fee
Mr. Vikramaditya Mohan Thapar	Non - Executive Chairman	6.69	1.20
Mrs. Jyoti Thapar	Non-Executive Director	6.69	0.50
Mr. Varun Aditya Thapar	Non-Executive Director	6.69	1.00
Mr. Rahul Kapur	Non-Executive Director	6.69	0.50
Mr. Anil Kumar Bhandari	Independent Director	6.69	1.85
Lt. Gen. Deepak Summanwar (Retd.)	Independent Director	6.69	1.85
Mr. Nakul Kamani	Independent Director	6.69	1.45
Mr. Ranjit Mehta	Independent Director	6.69	1.85

#### **Note:**

- Remuneration for FY 19 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 / %
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	2:1
2	Percentage increase in remuneration of Director and KMP during the financial year.	Commission to Directors	1.91%
		Chief Executive Officer	6.05%
		Chief Financial Officer	11.92%
		Company Secretary	3.17%
3	Percentage increase / (decrease) in median remuneration of employees in the financial year	The median remuneration of employees increased by 5.02%. While computing the increase in median remuneration, employees as at 31 <sup>st</sup> March 2019 and as at 31 <sup>st</sup> March 2018 were considered.	
4	Number of permanent employees on the rolls of the Company	There were 274 permanent employees on the rolls of the company as on 31 <sup>st</sup> March 2019.	
5	Average percentile increases 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 employees' remuneration other than Key Managerial Personnel was 12.24% and for Key Managerial Personnel it was 7.13%. 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 shareholders' values.	

**Notes :-**

- During the year Mr. R. Achuthan was appointed as Company Secretary & Compliance Officer with effect from 25 May 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 <sup>st</sup> March 2019 (₹ In Lakhs)
1	Mr. Ramakanth V. Akula	CEO	MBA, PGCBM	50	Nippon Paint India Pvt Ltd	29	President	1 <sup>st</sup> August 2014	205.97

For and on behalf of the Board of Directors

**Vikramaditya Mohan Thapar**  
Director

**Anil Kumar Bhandari**  
Director

Date: 15<sup>th</sup> May 2019  
Place: New Delhi

## 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 Swach 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 endeavor 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 kind 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 as on 31<sup>st</sup> March 2019 comprises of the following Directors:

- Mr. Vikramaditya Mohan Thapar – Non-Executive Director (Chairman)

- Lt. Gen. Deepak Summanwar (Retd.) - 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 Lakhs)

Net profits as per Section 198 of the Companies Act, 2013	Amount
Financial Year 2017-18	52,18,60,255
Financial Year 2016-17	18,67,60,399
Financial Year 2015-16	4,23,45,990
Total	75,09,66,643
<b>Average Net profit</b>	<b>25,03,22,214</b>
2% of the Average Net Profit (Amount to be contributed towards CSR Activities in the current year)	50,06,444
Amount spent during financial year 2018-19	50,06,444
Amount unspent, if any	Nil

**D. Details of contribution towards CSR Activities:**

**Contributions made for the year 2018-19**

(₹ 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-Kolkata	Education opportunity for girls to complete their school education and acquire skill for 21 <sup>st</sup> century livelihood	Through KCT Group Trust	Kolkata	12,00,000	11,63,144	11,63,144
2	Kashvi Learning Centre-Jharkhand	Education for girls through NIOS, followed by skill development and livelihood associated with KLC.	Through KCT Group Trust	Rural Ranchi-Jharkhand	15,00,000	15,33,150	15,33,150

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
3	Kashvi Learning Centre- Kolkata	Inception of girls education project for school dropouts in Kolkata.	Through KCT Group Trust	Kolkata- WB	2,50,000	2,59,750	2,59,750
4	India Paryavaran Sahayak Foundation	Promotion of clean and green environment	Through KCT Group Trust	Ropar- Punjab	10,00,000	10,00,000	10,00,000
5	Wildlife Conservation Trust	Conservation and preservation of forest land and protection of wildlife	Through KCT Group Trust	Tadoba- Maharashtra	10,00,000	10,00,000	10,00,000
6	Administrative Expenses of KCT- Group Trust				50,000	50,400	50,400
<b>TOTAL</b>					<b>50,00,000</b>		<b>50,06,444</b>

**Details of unspent CSR amount from FY 2017-18**

S. No	CSR or Project name	Sector in which the project was covered	Amount spent directly or through external agency	Location of project or program	Unspent amount from FY 2017-18	Actual amount spent during FY 2018-19
1	Kashvi Learning Centre- Kolkata	Education opportunity for girls to complete their school education and acquire skill for 21 <sup>st</sup> century livelihood	Through KCT Group Trust	Kolkata	₹ 1,00,362	₹ 1,00,362

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

**Anil Kumar Bhandari**  
Director

Date: 15<sup>th</sup> May 2019  
Place: New Delhi

# 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:
  - o Improving Feed Conversion Ratio (FCR)
  - o Reducing visceral waste & improving yield
  - o Reducing environmental output (pond conditions)
  - o Optimizing digestible nutrient levels (maintaining performance)
  - o Reducing impact of infections on productivity
  - o 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:
  - o Revenue expenses - ₹ 84.16 Lakhs
  - o Capital expenses - Nil

#### C. Foreign Exchange Earnings and Outgo

Particulars	2018-19	2017-18
Earnings in Foreign Exchange	1023.25	1194.60
Foreign Exchange Outgo	1330.66	630.69

For and on behalf of the Board of Directors

**Vikramaditya Mohan Thapar**  
Director

**Anil Kumar Bhandari**  
Director

Date: 15<sup>th</sup> May 2019

Place: New Delhi

## ANNEXURE - D

### Extract of Annual Return

Form No. MGT-9

As on financial year ended on 31-03-2019

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 <sup>rd</sup> 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, SPSR 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: 044-40020728 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 other animal feeds (Manufacture of/ Trading in Shrimp feed)	10809	94.27%

#### 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	Nav Srijit Shakti Telangana Private Limited	3 <sup>rd</sup> Floor Plot No. 715A Jubilee Hills 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

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
		(01-04-2018)				(31-03-2019)				
		Demat	Physical	Total	% of shares	Demat	Physical	Total	% of shares	
<b>A</b>	<b>Shareholding of Promoter and Promoter Group</b>									
<b>1</b>	<b>Indian</b>									
a	Individuals / Hindu Undivided Family	4,00,800	0	4,00,800	0.97	36,42,519	0	36,42,519	8.79	7.82
b	Central Government / State Government(s)	0	0	0	0	0	0	0	0	
c	Bodies Corporate	2,59,97,176	0	2,59,97,176	62.75	2,40,42,805	0	2,40,42,805	58.04	(4.71)
d	Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
e	Any other	0	0	0	0	0	0	0	0	0
	<b>Sub - Total (A)(1)</b>	<b>2,63,97,976</b>	<b>0</b>	<b>2,63,97,976</b>	<b>63.72</b>	<b>2,76,85,324</b>	<b>0</b>	<b>2,76,85,324</b>	<b>66.83</b>	
<b>2</b>	<b>Foreign</b>									
a	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0	0	0	0	0	0	0
b	Bodies Corporate	0	0	0	0	0	0	0	0	0
c	Institutions	0	0	0	0	0	0	0	0	0
d	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
e	Any other	0	0	0	0	0	0	0	0	0
	<b>Sub - Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)</b>	<b>2,63,97,976</b>	<b>0</b>	<b>2,63,97,976</b>	<b>63.72</b>	<b>2,76,85,324</b>	<b>0</b>	<b>2,76,85,324</b>	<b>66.83</b>	<b>3.11</b>
<b>B</b>	<b>Public Shareholding</b>									
<b>1</b>	<b>Institutions</b>									
a	Mutual Funds / UTI	0	7,000	7,000	0.02	0	7000	7000	0.02	No change
b	Financial Institutions/Banks	800	434	1,234		800	434	1,234		No change
c	Central Government / State Government(s)	0	0	0	0	0	0	0	0	0
d	Venture Capital Funds	0	0	0	0	0	0	0	0	0
e	Insurance Companies	0	0	0	0	0	0	0	0	0
f	Foreign Institutional Investors	0	1,600	1,600	0	0	1600	1600	0	No change
g	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
h	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
i	Any other									
	Foreign Portfolio Investor	3,64,255	0	3,64,255	0.88	Nil	Nil	Nil	Nil	--
	<b>Sub - Total (B)(1)</b>	<b>3,65,055</b>	<b>0</b>	<b>3,74,089</b>	<b>0.90</b>	<b>800</b>	<b>9034</b>	<b>9834</b>	<b>0.02</b>	<b>0.88%</b>
<b>2</b>	<b>Non - Institutions</b>									
a	Bodies Corporate	10,99,687	1,02,100	12,01,787	2.90	769707	98200	8,67,907	2.1	(0.8)
b	Individuals -									
	I. Individual Shareholders Holding Nominal Share Capital upto ₹ 2 Lakhs	83,96,227	17,43,088	1,01,39,315	24.47	86,12,299	15,68,688	1,01,80,987	24.58	0.11
	II. Individual Shareholders Holding Nominal Share Capital in excess of ₹ 2 Lakhs	11,48,886	50,000	11,98,886	2.89	10,32,719	50,000	10,82,719	2.61	0.28

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
		(01-04-2018)				(31-03-2019)				
		Demat	Physical	Total	% of shares	Demat	Physical	Total	% of shares	
c	Qualified Foreign Investors	0	0	0	0	0	0	0	0	
	<b>Sub- Total B(2)</b>	<b>1,06,44,800</b>	<b>18,95,188</b>	<b>1,25,39,988</b>	<b>30</b>	<b>1,04,14,725</b>	<b>17,16,888</b>	<b>1,21,31,613</b>	<b>29</b>	
d	<b>ANY OTHER</b>									
	Clearing Members	3,50,514	0	3,50,514	0.85	51153	--	51153	0.12	(0.73)
	Directors and their Relatives	0	0	0	0	0	0	0	0	0
	Hindu Undivided Families	5,45,131	100	5,45,231	1.31	508536	500	509036	1.23	(0.08)
	Non Resident Indians	6,85,570	8,000	6,93,570	1.67	517008	8,000	525008	1.27	(0.4)
	Overseas Corporate Bodies	2,60,000	2,50,400	5,10,400	1.23	497000	2800	499800	1.21	(0.02)
	Trusts	15,011	0	15,011	0.04	15011	--	15011	0.04	--
	<b>Any Other (Total)</b>	<b>18,56,226</b>	<b>2,58,500</b>	<b>21,14,726</b>		<b>1588708</b>	<b>11,100</b>	<b>1600008</b>	<b>3.87</b>	
	<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>1,28,66,081</b>	<b>21,53,688</b>	<b>1,50,28,803</b>	<b>36.27</b>	<b>1,20,04,233</b>	<b>17,37,022</b>	<b>1,37,41,955</b>	<b>33.17</b>	<b>(3.1)</b>
<b>C</b>	<b>Shares held by custodians And Against Which Depository Receipts have been issued</b>									
	Promoter and Promoter Group	0	0	0		0	0	0	0	0
	Public	0	0	0		0	0	0	0	0
	<b>Total Custodian (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Grand Total (A)+(B)+(C)</b>	<b>3,92,64,057</b>	<b>21,62,722</b>	<b>4,14,26,779</b>		<b>39760357</b>	<b>1666422</b>	<b>41426779</b>	<b>0</b>	<b>0</b>

## B. Shareholding 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	0.13	0	53,750	0.13	0	0
2	Karam Chand Thapar & Bros (Coal Sales Ltd)	28,46,895	6.87	0	32,41,719	7.83	0	0.96
3	Nav Srijit Shakti Telangana Private Limited	2,19,34,545	52.95	0	2,19,34,545	52.95	0	0
4	Mrs. Jyoti Thapar	73,500	0.18	0	73,500	0.18	0	0
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	0.41	0	1,69,800	0.41	0	0
8	KCT Management Services Private Limited	12,15,736	2.93	0	21,08,260	5.09	0	2.16

## C. Change in Promoters' 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	28,46,895	6.87
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	3,94,824
		Dates of acquisition	Provided as Annexure-D (I)
		Reason	Creeping Acquisition of shares by the Promoter.
3	At the end of the year	32,41,719	7.83

**KCT Management Services Private Limited**

S. No	Particulars	No. of Shares	% of total shares of the Company
1	At the beginning of the year	12,15,736	2.93
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	8,92,524
		Dates of acquisition	Provided as Annexure- D(II)
		Reason	Creeping Acquisition of shares by the Promoter.
3	At the end of the year	21,08,260	5.09

**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	Lincoln P Coelho Jt with Kiran S Coelho	3,01,000	0.73	3,01,000	0.73
2	Nead Trading & Investments Limited	2,60,000	0.63	2,50,000	0.63
3	Flash Rise Limited	2,47,000	0.60	2,47,000	0.60
4	Subhash Chand Mantri HUF	2,57,090	0.62	2,00,596	0.48
5	Nishita Kirit Shah	2,12,385	0.51	1,46,474	0.35
6	Manoj Kumar Dawar Jt with Kusum Dawar	1,05,030	0.25	1,07,022	0.26
7	Gregory Sandhu	Nil	Nil	67,600	0.16
8	Marykutty Jose	Nil	Nil	59,500	0.14
9	Sushil Kumar Kohli	Nil	Nil	54,100	0.13
10	Angel Broking Limited	Nil	Nil	65,962	0.16

**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	R. Achuthan	0	0.00	0	0.00

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

**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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2,849.61	--	--	2,849.61
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>2,849.61</b>	<b>--</b>	<b>--</b>	<b>2,849.61</b>
<b>Change in Indebtedness during the financial year</b>				
· Addition	--	--	--	--
· Reduction	87.77	--	--	87.77
<b>Net Change</b>	<b>(87.77)</b>	<b>--</b>	<b>--</b>	<b>(87.77)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2761.74	--	--	2761.74
ii) Interest due but not paid				
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	<b>2761.74</b>	<b>--</b>	<b>--</b>	<b>2761.74</b>

**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 2018-19: (In ₹ Lakhs)

S. No.	Particulars of Remuneration	Name of Directors							
		Vikramaditya Mohan Thapar	Jyoti Thapar	Varun Aditya Thapar	Nakul Kamani	Lt. Gen. Deepak Summanwar (Retd.)	Anil Kumar Bhandari	Ranjit Mehta	Rahul Kapur
1	Independent Directors								
	Fee for attending board committee meetings	--	--	--	1.45	1.85	1.85	1.85	--
	Commission	--	--	--	6.69	6.69	6.69	6.69	--
	Others, please specify	--	--	--	Nil	Nil	Nil	Nil	--
	<b>Total (1)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>8.14</b>	<b>8.54</b>	<b>8.54</b>	<b>8.54</b>	<b>--</b>
2	Other Non Executive Directors								
	Fee for attending board committee meetings	1.20	0.50	1.00	--	--	--	--	0.50
	Commission	6.69	6.69	6.69	--	--	--	--	6.69
	Others, please specify	Nil	Nil	Nil	--	--	--	--	Nil
	<b>Total (2)</b>	<b>7.89</b>	<b>7.19</b>	<b>7.69</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>7.19</b>
	<b>Total (B) = (1+2)</b>	<b>7.89</b>	<b>7.19</b>	<b>7.69</b>	<b>8.14</b>	<b>8.54</b>	<b>8.54</b>	<b>8.54</b>	<b>7.19</b>
	Total Managerial Remuneration								
	Overall Ceiling as per the Act (including the sitting fee which does not form part of remuneration)								

- Remuneration to Key Managerial Personnel Other than MD/Manager/WTD for the year 2018-19: (In ₹ Lakhs)

S. No	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Ramakanth V Akula (CEO)	Mr. R. Sureshkumar (CFO)	Mr. R. Achuthan (CS)	
1	Gross salary				
	(a) Salary as per the provisions contained in section 17(1) of the Income Tax Act, 1961	205.17	65.71	18.85	290.53
	(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	--	--	--	--
	<b>Total</b>	<b>205.17</b>	<b>65.71</b>	<b>18.85</b>	<b>290.53</b>

#### VII. Penalties / Punishment / Compounding of Offences:

There were no 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

**Anil Kumar Bhandari**  
Director

Date: 15<sup>th</sup> May 2019  
Place: New Delhi

## 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

No contracts or arrangements, or transactions which were not at arm's length basis were entered during the financial year ended 31<sup>st</sup> March 2019

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

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

**Anil Kumar Bhandari**  
Director

Date: 15<sup>th</sup> May 2019

Place: New Delhi

# 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 31<sup>st</sup> March 2019, 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.

*\* As per the terms of appointment in the 27<sup>th</sup> Annual General Meeting held on 29 September 2014, the Independent Directors were appointed for a term of 5 consecutive years from 01<sup>st</sup> April 2014 up to 31<sup>st</sup> March 2019*

#### 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 FY19, the Board of Directors of the Company met four times on 25<sup>th</sup> May 2018, 03<sup>rd</sup> Aug 2018, 12<sup>th</sup> Nov 2018, 12<sup>th</sup> Feb 2019. 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*
<b>Non-Executive Directors</b>					
1.	Mr. Vikramaditya Mohan Thapar	3	No	00030967	3
2	Mrs. Jyoti Thapar	2	No	00031035	2
3	Mr. Varun Aditya Thapar	4	Yes	02322660	4
4	Mr. Rahul Kapur	2	No	00020624	7
<b>Independent Directors</b>					
6	Lt. Gen. Deepak Summanwar (Retd.)	4	Yes	02017830	3
7	Mr. Nakul Kamani	3	No	00891344	4
8	Mr. Anil Kumar Bhandari	4	Yes	00031194	6
9	Mr. Ranjit Mehta	4	No	03172264	Nil

\* Including private limited companies

**C. Details of Directorship in other Companies:**

The details of Directorships of the Company's Directors in other companies as on **31<sup>st</sup> March 2019** is given below:

Name of Director	Directorship in other Companies
Mr. Vikramaditya Mohan Thapar	Karam Chand Thapar & Bros (Coal Sales) Limited Indian City Properties Limited Barbus Fudiciary Services Private Limited
Mrs. Jyoti Thapar	Dharma Trustee Private Limited Gourmet Delhicatessens Limited
Mr. Varun Aditya Thapar	Karam Chand Thapar & Bros (Coal Sales) Limited Piano Forte Fiduciary Services Private Limited ICP Developments Private Limited Vasudha Sampada 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 Director	Directorship in other Companies
Lt. Gen. Deepak Summanwar (Retd.)	Peninsula Land Limited Pusalkar Suraksha Components Private Limited Topvalue Real Estate Development Limited
Mr. Nakul Kamani	Samrath Engineering Co Private Limited Rushabh Investments Private Limited Sparx Technologies Private Limited Steel City Press Limited
Mr. Anil Kumar Bhandari	Kirloskar Electric Company Limited Bhoruka Park Private Limited Karnataka Coffee Brokers 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 as on 31<sup>st</sup> March 2019**

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 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
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
4	Mr. Rahul Kapur	NIL	NIL	NIL
5	Lt. Gen. Deepak Summanwar (Retd.)	Peninsula Land Limited	Nomination and Remuneration Committee	Chairman
		Peninsula Land Limited	Stakeholders Relationship Committee	Chairman
		Peninsula Land Limited	Audit Committee	Member

S. No	Name of Director	Name of the Indian Public Limited Company	Name of the Committee	Member/ Chairman
6	Mr. Nakul Kamani	NIL	NIL	NIL
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 31 <sup>st</sup> March 2019.
Mr. Vikramaditya Mohan Thapar	Non-Executive Chairman	53,750
Mrs. Jyoti Thapar	Non-Executive Director	73,500
Mr. Varun Aditya Thapar	Non-Executive Director	1,69,800
Mr. Rahul Kapur	Non-Executive Director	NIL
Lt. Gen. Deepak Summanwar (Retd.)	Independent Director	NIL
Mr. Nakul Kamani	Independent Director	29,938
Mr. Anil Kumar Bhandari	Independent Director	NIL
Mr. Ranjit Mehta	Independent Director	NIL

#### F. Appointment/ Re-appointment of Directors

Mr. Anil Kumar Bhandari and Mr. Ranjit Mehta were appointed as Additional Directors to the Board with effect from 15<sup>th</sup> May 2019.

#### 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 FY19, the annual evaluation process was kick started at the meeting of Independent Directors held on 12 February 2019. Thereafter, the Nomination and Remuneration Committee and the Board completed the annual evaluation process at the meeting held on 12 February 2019.

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 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 [www.waterbaseindia.com/online\\_pdf/Independent\\_Directors\\_Familiarisation\\_Programme.pdf](http://www.waterbaseindia.com/online_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 1<sup>st</sup> 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 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 31<sup>st</sup> March 2019, composition of the committee was as follows:

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

During the year, the committee met 4 (Four) 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	4	4
Mr. Vikramaditya Mohan Thapar	4	3
Lt. Gen. Deepak Summanwar (Retd.)	4	4
Mr. Nakul Kamani	4	3
Mr. Ranjit Mehta	4	4

*\* As per the terms of appointment in the 27<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September 2014, the Independent Directors were appointed for a term of 5 consecutive years from 01<sup>st</sup> April 2014 up to 31<sup>st</sup> March 2019.*

**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 during the year Mr. Varun Aditya Thapar

was appointed to the committee on 25<sup>th</sup> May 2018. The committee met three times during the year. (25<sup>th</sup> May 2018, 03<sup>rd</sup> August 2018 and 12<sup>th</sup> February 2019).

The composition of the committee as on 31<sup>st</sup> March 2019 was as follows:

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

**C. Attendance of Directors**

Name	No of Meetings Held	No of Meetings Attended
Mr. Anil Kumar Bhandari	3	3
Lt. Gen. Deepak Summanwar (Retd.)	3	3
Mr. Nakul Kamani	3	3
Mr. Ranjit Mehta	3	3
Mr. Varun Aditya Thapar	3	2

*\* As per the terms of appointment in the 27<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September 2014, the Independent Directors were appointed for a term of 5 consecutive years from 01<sup>st</sup> April 2014 up to 31<sup>st</sup> March 2019.*

**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 Six complaints from the Shareholders which have been resolved to their satisfaction.

#### **B. Composition & Meetings**

The committee comprises of three Directors as on 31<sup>st</sup> March 2019. The composition of the committee was 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 six 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 building 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, 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\***

Composition of the committee as on 31<sup>st</sup> March 2019 was as follows:

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

The Committee met for 1(one) time 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.

*\* As per the terms of appointment in the 27<sup>th</sup> Annual General Meeting held on 29 September 2014, the Independent Directors were appointed for a term of 5 consecutive years from 01<sup>st</sup> April 2014 up to 31<sup>st</sup> March 2019.*

##### **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](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
2015-16	Date: 29 <sup>th</sup> September 2016 Time: 12:15 p.m.	Registered Office – Ananthapuram Village, Nellore, Andhra Pradesh – 524344	NIL
2016-17	Date: 30 <sup>th</sup> December, 2017 Time: 12:15 PM	Registered Office – Ananthapuram Village, Nellore, Andhra Pradesh – 524344	<b>Item No. 5</b> Modification of Borrowing powers of the Board to ₹ 200 Crores.  Creation of charges on the assets of the Company.
2017-18	Date: 27 <sup>th</sup> September 2018 Time 12.00 PM	Hotel Minerva Grand, Grand Trunk Road, Saraswathi Nagar, Dargamitta, Nellore, AP- 524003	<b>Item No. 5</b> To consider and approve Employee Stock Option Plan (ESOP)  <b>Item No. 6</b> 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

### 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 independent Practising Company Secretary. For the year ended 31<sup>st</sup> March 2019, M/s. ARUB & Associates, Practising Company Secretaries, Chennai have 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 Obligations 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**

- 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.
- 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.
- 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](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**

- 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.
- The Company's results were disseminated on the website of BSE Limited.
- The Company's results were also disseminated in the Investors Page of the Company's website: [www.waterbaseindia.com](http://www.waterbaseindia.com).
- The Management Discussion and Analysis Report is included elsewhere as part of this Annual Report.
- The Company has made presentations to Institutional Investors during the year on various dates and the presentations are hosted in our website at [http://waterbaseindia.com/investor\\_relations.php](http://waterbaseindia.com/investor_relations.php)

### General Shareholders' Information

a. **Annual General Meeting:**

Date	Time	Venue
20 <sup>th</sup> September 2019	12.00 Noon	Hotel Minerva Grand, Grand Trunk Road, Saraswathi Nagar, Dargamitta, SPSR Nellore, Andhra Pradesh 524003

b. **Financial Year & Financial Calendar:**

SI No	Item	Details
1	Financial Year	Financial Year of the Company is from 1 <sup>st</sup> April of every calendar year to 31 <sup>st</sup> March of the subsequent calendar year.
2	Financial Calendar	<ul style="list-style-type: none"> <li>• First Quarter Results - By 15<sup>th</sup> August</li> <li>• Second Quarter / Half Year Results - By 15<sup>th</sup> November</li> <li>• Third Quarter / Nine Months Results - By 15<sup>th</sup> February</li> <li>• Fourth Quarter / Year end Results - By 30<sup>th</sup> May</li> </ul>
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 13 <sup>th</sup> September 2019
4	Dividend Payment Date	The Board had recommended a final dividend of INR 1.50/- per equity share for FY19 at the meeting held on 15 <sup>th</sup> May 2019. Upon approval of the shareholders, the dividend will be paid within 19 <sup>th</sup> October 2019
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 Jheejeebhoy Towers Dalal Street, Mumbai - 400 001. The Annual Listing fees for the Financial Year 2019-20 of ₹ 3,24,000/- was paid on 15 <sup>th</sup> April 2019.
6	Stock Code	523660
7	ISIN	INE054C01015

c. **Share Price Data:**

The Company's monthly high and low quotations for the Financial Year 2018-19 at the BSE are given herein:

Month	BSE	
	High (in INR)	Low (In INR)
April 2018	328.90	275.40
May 2018	290.00	181.15
June 2018	210.05	164.30
July 2018	181.35	138.10
August 2018	229.70	181.00
September 2018	228.80	162.15
October 2018	200.10	158.00
November 2018	198.95	154.10
December 2018	179.70	155.15
January 2019	166.15	133.10
February 2019	163.40	116.25
March 2019	192.10	134.00

**d. Share price performance chart:**



**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: 044-40020728  
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 1,73,72,22 shares

constituting 4.19 % of the paid-up share capital of the Company as at 31<sup>st</sup> March 2019. 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 Share-holders	Total Shares	% to paid-up Capital
1-100	28,850	66.2244	19,25,044	4.65
101-500	10,801	24.7934	28,13,755	6.79
501-1000	2,120	4.8664	16,94,555	4.09
1001 - 2000	975	2.2380	14,77,000	3.57
2001 - 3000	326	0.7483	8,35,650	2.02
3001 - 4000	132	0.3030	4,75,658	1.15
4001 - 5000	111	0.2547	5,27,381	1.27
5001 - 10000	164	0.3764	12,47,446	3.01
10001 and above	85	0.1951	3,04,30,290	73.46
<b>TOTAL</b>	<b>43,564</b>	<b>100</b>	<b>4,14,26,779</b>	<b>100</b>

**i. There are no outstanding GDRs/ ADRs/ Warrants and convertible instruments.**

**j. Plant (Unit I, II) and Hatchery Location**

- (i) Ananthapuram Village, SPSR Nellore, Andhra Pradesh - 524344
- (ii) Bogole Village & Mandal, SPSR Nellore, Andhra Pradesh - 524142
- (iii) Ramachandrapuram Village, Vidavalur, Varini, SPSR Nellore, Andhra Pradesh- 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"> <li>• Composition (17(1))</li> <li>• Frequency of Meetings (17(2))</li> <li>• Review of Compliance Report (17(3))</li> <li>• Plans for orderly succession for appointments (17(4))</li> <li>• Code of Conduct (17(5))</li> <li>• Fees / compensation to Non-Executive Directors (17(6))</li> <li>• Minimum information to be placed before the Board (17(7))</li> <li>• Compliance Certificate (17(8))</li> <li>• Risk assessment and management (17(9))</li> <li>• Performance evaluation of Independent Directors (17(10))</li> </ul>
2	Audit Committee	18	Yes	<ul style="list-style-type: none"> <li>• Composition (18(1))</li> <li>• Meetings (18(2)(a) and (b))</li> <li>• Powers of the Committee (18(2)(c))</li> <li>• Role of the Committee and review of information by the Committee (18(3))</li> </ul>
3	Nomination and Remuneration Committee	19	Yes	<ul style="list-style-type: none"> <li>• Composition (19(1))</li> <li>• Chairperson (19(2) and (3))</li> <li>• Role of the Committee (19(4))</li> </ul>
4	Stakeholder Relationship Committee	20	Yes	<ul style="list-style-type: none"> <li>• Composition (20(1))</li> <li>• Chairperson (20(2))</li> <li>• Other Members (20(3))</li> <li>• Role of the Committee (20(4))</li> </ul>
5	Risk Management Committee	21	NA	<ul style="list-style-type: none"> <li>• The Company had adopted the Enterprise Risk Management framework and had constituted an Executive Committee on Risk Management</li> </ul>
6	Vigil Mechanism	22	Yes	<ul style="list-style-type: none"> <li>• Formulation of Vigil Mechanism for Directors and employees (22(1))</li> <li>• Direct access to Chairperson of Audit Committee (22(2))</li> </ul>
7	Related Party Transactions	23	Yes	<ul style="list-style-type: none"> <li>• Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions (23(1))</li> <li>• Approval including omnibus approval of Audit Committee (23(2) and (3))</li> <li>• Review of Related Party Transactions (23(3)(d))</li> </ul>
8	Subsidiaries of the Entity	24	NA	NA
9	Obligations with respect to Independent Directors	25	Yes	<ul style="list-style-type: none"> <li>• Memberships / Chairmanships in Committees (26(1) and (2))</li> <li>• Affirmation on compliance of Code of Conduct by Directors and Senior Management (26(3))</li> <li>• Disclosure of shareholding by Non-Executive Directors (26(4))</li> <li>• Disclosures by Senior Management about potential conflicts of interest (26(5))</li> </ul>

S.No	Particulars	Regulation	Compliance Status (Yes/No/NA)	Details of Compliance along with applicable Regulations
10	Other Corporate Governance Requirements	27	Yes	<ul style="list-style-type: none"> <li>Compliance with discretionary requirements (27(1))</li> <li>Filing of quarterly compliance report on Corporate Governance (27(2))</li> </ul>
11	Website	46	Yes	<ul style="list-style-type: none"> <li>Maintaining Functional Website (46(1))</li> <li>Details disseminated on website (46(2))</li> <li>Contents on website and updating the website (46(3))</li> </ul>

#### 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 Familiarization 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
12.	Policy for inquiry of leak or suspected leak of Unpublished Price Sensitive Information
13.	Code of practices and procedures for fair disclosure as per as per SEBI(Prohibition of Insider Trading Regulations, 2015) Amendment Act 2018

For and on behalf of the Board of Directors

**Ramakanth V Akula**  
Chief Executive Officer

**Vikramaditya Mohan Thapar**  
Director

**Anil Kumar Bhandari**  
Director

Date: 15<sup>th</sup> May 2019  
Place: New Delhi

## 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 2019, as envisaged as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For and on behalf of the Board of Directors

Date: 15<sup>th</sup> May 2019  
Place: New Delhi

**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 2019;

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.

**Ramakanth V Akula**  
Chief Executive Officer

**R. Sureshkumar**  
Chief Financial Officer

Date: 15<sup>th</sup> May 2019  
Place: New Delhi

## 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: 31.03.2019

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, 2019 (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 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- 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 (Buy-back of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (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 understand that there were no dissenting views for being captured in the minutes.

**We further report that** based on the compliance mechanism established by the Company we are of the opinion that there are 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, however there is a scope for improvement.

**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.

- During the audit period Mr. R. Achuthan was appointed as Company Secretary & Compliance Officer with effect from 25<sup>th</sup> May 2018 following the resignation of Mr. G. Venkatram as Company Secretary and Compliance Officer with effect from 14<sup>th</sup> February 2018.
- The Company has obtained the approval of the members to implement the Employee Stock Option Plan.
- The Company has obtained the approval of the members 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.

For **ARUB & ASSOCIATES**

Company Secretaries

Firm Registration No. P2015TN044500

**Usha Balasubramanian**

Partner

FCS: 9267, CP: 7444

Date: 03<sup>rd</sup> May 2019

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 2018-19 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: 03<sup>rd</sup> May 2019  
Place: Chennai

## Secretarial Auditors Certificate on Compliance with Corporate Governance provisions

To

**The Members**

**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 2019 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: 15<sup>th</sup> May 2019

Place: Chennai

# INDEPENDENT AUDITOR'S REPORT

## To The Members of The Waterbase Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of The Waterbase Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Valuation of biological assets</b></p> <p>(Refer Notes 2.7, 2.19 and 9 to the financial statements)</p> <p>As at 31 March 2019, the Company held biological assets in the form of different phases of shrimps.</p> <p>In accordance with the requirement of Ind AS 41, these biological assets have been measured at fair value less costs to sell.</p> <p>Fair value of post larvae is considered as a key audit matter as it requires judgement with regard to estimates of future market prices, costs to sell and applicable adjustments for survival rate.</p>	<p><b>Principal audit procedures performed:</b></p> <p>We evaluated the design of internal controls relating to management judgments and estimates for survival rates, future market prices and costs to sell and also tested the operating effectiveness of the aforesaid controls.</p> <p>We assessed the reasonableness of the fair valuation model used by management for the valuation of the biological assets, obtained an understanding of the significant management judgements applied in the valuation model and tested the reasonableness of these judgements.</p> <p>We validated the underlying data of count and age of biological assets by manual inventory records available with the Company.</p> <p>Assessed the appropriateness of the disclosure in the financial statements in accordance with the applicable financial reporting framework.</p>

#### Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report including Annexures to Board's Report and Management Discussion and Analysis Report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Management's Responsibility for the Financial statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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 Ind AS 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibility for the Audit of the Financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional

omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a

matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report 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 Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2019 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 the requirements of section 197(16) of the Act, as

amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) 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 financial statements - Refer Note 33(a) and Note 33(b) to the 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)

Place: New Delhi  
Date: May 15, 2019

## 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, 2019 in conjunction with our audit of the 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, 2019, 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)

**Abhijit Bandyopadhyay**  
Partner  
(Membership No. 054785)

Place: New Delhi  
Date: May 15, 2019

## 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 generally regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Goods and Service Tax, Customs Duty, 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, Goods and Service Tax, Customs Duty, cess and other material statutory dues in arrears as at March 31, 2019 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, 2019 on account of disputes are given below:

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (₹ 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^
Income Tax Act	Income Tax	Assistant CIT, Kolkata	2015-16	0.49

# 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 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)

Place: New Delhi  
Date: May 15, 2019

# BALANCE SHEET AS AT MARCH 31, 2019

(₹ in Lakhs)

Particulars	Note	As at Mar 31, 2019	As at Mar 31, 2018
<b>I. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	3	7,152.14	5,983.85
(b) Capital work in progress	3	85.70	854.08
(c) Intangible assets	4	144.28	158.62
(d) Other financial assets	5	19.34	51.28
(e) Deferred tax asset (net)	6	14.32	-
(f) Non-current tax asset (net)	7	50.90	158.25
(g) Other non-current assets	8	249.25	287.64
<b>Total non-current assets</b>		<b>7,715.93</b>	<b>7,493.72</b>
<b>2 Current assets</b>			
(a) Biological assets	9	43.75	-
(b) Inventories	10	8,862.38	8,285.05
(c) Financial assets			
(i) Trade receivables	11	7,298.60	9,025.67
(ii) Cash and cash equivalents	12	89.85	81.31
(iii) Other balances with bank	13	601.35	634.01
(iv) Other financial assets	5	33.98	29.68
(d) Other current assets	8	239.47	223.18
<b>Total current assets</b>		<b>17,169.38</b>	<b>18,278.90</b>
<b>TOTAL ASSETS</b>		<b>24,885.31</b>	<b>25,772.62</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity share capital	14	4,142.68	4,142.68
(b) Other equity	15	13,162.35	10,819.76
		<b>17,305.03</b>	<b>14,962.44</b>
<b>2 Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16	821.55	1,335.22
(b) Provisions	17	228.92	235.18
(c) Deferred tax liabilities (net)	6	-	195.59
<b>Total non-current liabilities</b>		<b>1,050.47</b>	<b>1,765.99</b>
<b>3 Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	989.95	824.89
(ii) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	19	7.77	200.79
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	19	2,695.38	4,987.28
(iii) Other financial liabilities	20	2,534.28	2,826.64
(b) Provisions	17	166.27	8.14
(c) Other current liabilities	21	136.16	196.45
<b>Total current liabilities</b>		<b>6,529.81</b>	<b>9,044.19</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>24,885.31</b>	<b>25,772.62</b>

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

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

Sd/-  
Abhijit Bandyopadhyay  
Partner

Place: New Delhi  
Date: May 15, 2019

Sd/-  
R. Achuthan  
Company Secretary

For and on behalf of the Board of Directors

Sd/-  
Vikramaditya Mohan Thapar  
Chairman  
DIN : 30967

Sd/-  
Ramakanth V Akula  
Chief Executive Officer

Sd/-  
Anil Kumar Bhandari  
Director  
DIN : 31194

Sd/-  
R. Sureshkumar  
Chief Financial Officer

# STATEMENT OF PROFIT AND LOSS

## FOR THE YEAR ENDED MAR 31, 2019

(₹ in Lakhs)

Particulars	Note	For the Year ended Mar 31, 2019	For the Year ended Mar 31, 2018
I Revenue from operations	22	36,548.24	34,274.03
II Other income	23	617.73	154.59
<b>III Total Income (I+II)</b>		<b>37,165.97</b>	<b>34,428.62</b>
IV Expenses			
a) Cost of materials consumed	24	24,957.64	21,321.96
b) Purchases of stock-in-trade	25	933.28	115.34
c) Changes in inventories of finished goods, work in progress, stock-in-trade and biological assets	26	(1,158.34)	334.24
d) Employee benefits expense	27	2,109.88	1,864.25
e) Finance costs	28	328.21	438.82
f) Depreciation and amortization expenses	29	692.79	615.70
g) Other expenses	30	4,569.68	4,877.35
<b>Total Expenses (IV)</b>		<b>32,433.14</b>	<b>29,567.66</b>
<b>V Profit before tax (III-IV)</b>		<b>4,732.83</b>	<b>4,860.96</b>
<b>VI Tax expenses</b>	31		
a) Current tax			
In respect of current year		1,861.75	1,773.87
In respect of earlier years		-	167.66
b) Deferred tax		(213.66)	(70.60)
		<b>1,648.09</b>	<b>1,870.93</b>
<b>VII Profit for the year (V-VI)</b>		<b>3,084.74</b>	<b>2,990.03</b>
VIII Other comprehensive income			
a) Items that will not be reclassified to profit or loss			
(i) Re-measurements of defined benefit plans		10.73	25.79
(ii) Income tax relating to above	31	(3.75)	(8.93)
<b>Total other comprehensive income</b>		<b>6.98</b>	<b>16.86</b>
<b>IX Total comprehensive income for the year (VII+VIII)</b>		<b>3,091.72</b>	<b>3,006.89</b>
<b>X Earnings per equity share (Nominal value of ₹10/- per share)</b>	32		
a) Basic		<b>7.45</b>	<b>7.58</b>
b) Diluted		<b>7.45</b>	<b>7.58</b>

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

In terms of our report attached

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

**Sd/-**  
**Abhijit Bandyopadhyay**  
Partner

Place: New Delhi  
Date: May 15, 2019

**Sd/-**  
**R. Achuthan**  
Company Secretary

**For and on behalf of the Board of Directors**

**Sd/-**  
**Vikramaditya Mohan Thapar**  
Chairman  
DIN : 30967

**Sd/-**  
**Ramakanth V Akula**  
Chief Executive Officer

**Sd/-**  
**Anil Kumar Bhandari**  
Director  
DIN : 31194

**Sd/-**  
**R. Sureshkumar**  
Chief Financial Officer

# STATEMENT OF CASH FLOW

## FOR THE YEAR ENDED MAR 31, 2019

(₹ in Lakhs)

Particulars	For the Year ended Mar 31, 2019	For the Year ended Mar 31, 2018		
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Profit Before Tax</b>	4732.83	4,860.96		
<i>Adjustments for:</i>				
Depreciation and amortisation expenses	692.79	615.70		
Loss / (Profit) on sale of property, plant and equipment	3.61	(1.29)		
Loss on sale of investments	-	1.18		
Net loss on fair valuation of investment through Statement of Profit and Loss	-	0.19		
Deferred corporate guarantee charges	(12.38)	(6.55)		
Finance costs	328.21	438.82		
Interest income	(129.32)	(140.30)		
Bad Debts written off	6.94	561.00		
Provisions for bad and doubtful debts and advances	546.16	322.06		
Inventory written off	0.61	155.00		
Provision for Inventory	8.43	-		
Loss on fair valuation of biological assets	9.46	-		
Dividend Income	(20.46)	(0.20)		
Unrealised foreign exchange loss / (profit)	20.41	(10.46)		
Liabilities no longer required written back	(78.78)	-		
	1375.68	1,935.15		
<b>Operating profit before working capital changes</b>	6108.51	6,796.11		
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Biological assets				
Inventories	(586.37)	(1,381.24)		
Trade receivables	1149.82	(1,517.94)		
Biological assets	(53.21)	-		
Other assets (non-current and current)	(25.80)	-		
Other financial and non-financial assets	8.72	134.25		
<i>Adjustments for (decrease) / increase in operating liabilities:</i>				
Trade payables	(2402.38)	1,688.01		
Other financial and non-financial liabilities	(581.96)	1,055.38		
Provisions (non-current and current)	162.59	34.33		
Other liabilities (non-current and current)	(47.94)	(2376.53)	-	12.79
<b>Cash generated from operations</b>	3731.98	6,808.90		
Net income taxes paid	(1754.40)	(1,353.85)		
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES (A)</b>	<b>1977.58</b>	<b>5,455.05</b>		

# STATEMENT OF CASH FLOW (CONTI....)

## FOR THE YEAR ENDED MAR 31, 2019

(₹ in Lakhs)

Particulars	For the Year ended Mar 31, 2019		For the Year ended Mar 31, 2018	
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Capital expenditure on property, plant and equipments and intangible assets, including capital advances	(1039.04)		(1,165.13)	
Proceeds from sale of property, plant and equipment	4.96		13.22	
Purchase of Mutual Fund	(8500.00)		-	
Proceeds from sale of mutual fund	8500.00		2.91	
Net proceeds from fixed deposits	81.58		426.87	
Interest received on deposits and others	116.32		171.53	
Dividend received	20.46	(815.72)	0.20	(550.40)
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>(815.72)</b>		<b>(550.40)</b>	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Proceeds from non-current borrowings from Banks	436.57		685.00	
Repayment of non-current borrowings from Banks	(689.50)		(684.17)	
Proceeds from WCDL	2000.00		-	
Repayment of WCDL	(2000.00)		-	
Finance costs	(316.32)		(438.82)	
Dividend paid (including dividend distribution tax)	(749.13)	(1318.38)	(498.60)	(936.59)
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>	<b>(1318.38)</b>		<b>(936.59)</b>	
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)</b>	<b>(156.52)</b>		<b>3,968.06</b>	
<b>Cash and cash equivalents as at Apr 1</b>				
	(743.58)		(4,711.64)	
<b>Cash and cash equivalents as at Mar 31 - Refer Note 12A</b>				
	(900.10)		(743.58)	
<b>Net (Decrease)/Increase in cash and cash equivalents</b>	<b>(156.52)</b>		<b>3,968.06</b>	

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

In terms of our report attached

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

**Sd/-**  
**Abhijit Bandyopadhyay**  
Partner

Place: New Delhi  
Date: May 15, 2019

**Sd/-**  
**R. Achuthan**  
Company Secretary

**For and on behalf of the Board of Directors**

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**Vikramaditya Mohan Thapar**  
Chairman  
DIN : 30967

**Sd/-**  
**Ramakanth V Akula**  
Chief Executive Officer

**Sd/-**  
**Anil Kumar Bhandari**  
Director  
DIN : 31194

**Sd/-**  
**R. Sureshkumar**  
Chief Financial Officer

# STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED MAR 31, 2019

(₹ in Lakhs)

Particulars	Equity share capital	Other equity					Total
		Share application money pending allotment	Securities premium	Capital reserve	General reserve	Retained earnings	
<b>Balance as at Apr 01, 2017</b>	<b>3,860.33</b>	<b>282.35</b>	<b>1,473.49</b>	<b>1,026.10</b>	<b>1,315.07</b>	<b>4,496.82</b>	<b>12,454.16</b>
Profit for the year	-	-	-	-	-	2,990.03	<b>2,990.03</b>
Re-measurement gain on defined benefit plan (net of tax)	-	-	-	-	-	16.86	<b>16.86</b>
<b>Total comprehensive income for the year</b>	-	-	-	-	-	<b>3,006.89</b>	<b>3,006.89</b>
Payment of final dividend	-	-	-	-	-	(414.27)	<b>(414.27)</b>
Payment of dividend distribution tax on above	-	-	-	-	-	(84.34)	<b>(84.34)</b>
Shares allotted during the year (Refer note 41)	282.35	(282.35)	-	-	-	-	-
<b>Balance as at Mar 31, 2018</b>	<b>4,142.68</b>	<b>-</b>	<b>1,473.49</b>	<b>1,026.10</b>	<b>1,315.07</b>	<b>7,005.10</b>	<b>14,962.44</b>
Profit for the year	-	-	-	-	-	3,084.74	<b>3,084.74</b>
Re-measurement gain on defined benefit plan (net of tax)	-	-	-	-	-	6.98	<b>6.98</b>
<b>Total comprehensive income for the year</b>	-	-	-	-	-	<b>3,091.72</b>	<b>3,091.72</b>
Payment of final dividend	-	-	-	-	-	(621.40)	<b>(621.40)</b>
Payment of dividend distribution tax on above	-	-	-	-	-	(127.73)	<b>(127.73)</b>
<b>Balance as at Mar 31, 2019</b>	<b>4,142.68</b>	<b>-</b>	<b>1,473.49</b>	<b>1,026.10</b>	<b>1,315.07</b>	<b>9,347.68</b>	<b>17,305.03</b>

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

In terms of our report attached

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

**Sd/-**  
**Abhijit Bandyopadhyay**  
Partner

Place: New Delhi  
Date: May 15, 2019

**Sd/-**  
**R. Achuthan**  
Company Secretary

**For and on behalf of the Board of Directors**

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**Vikramaditya Mohan Thapar**  
Chairman  
DIN : 30967

**Sd/-**  
**Ramakanth V Akula**  
Chief Executive Officer

**Sd/-**  
**Anil Kumar Bhandari**  
Director  
DIN : 31194

**Sd/-**  
**R. Sureshkumar**  
Chief Financial Officer

# NOTES TO FINANCIAL STATEMENTS

## 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. The company is also in the business of Shrimp Hatchery.

### 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 of 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.

**Ind AS 116- Leases:** On Mar 30, 2019 the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease rentals are charged to the statement of profit and loss. The Company is currently evaluating the implications of Ind AS 116 on the financial statements.

The Companies (Indian Accounting Standards) Amendment Rules, 2019 notified amendments to the following accounting standards. The amendments would be effective from Apr 01, 2019.

- a. Ind AS 12, Income taxes – Appendix C on uncertainty over income tax treatments
- b. Ind AS 23, Borrowing costs
- c. Ind AS 28 – investment in associates and joint ventures
- d. Ind AS 103 and Ind AS 111 – Business combinations and joint arrangements
- e. Ind AS 109 – Financial instruments
- f. Ind AS 19 – Employee benefits

The Company is in the process of evaluating the impact of such amendments and does not expect significant impact on its financial statements

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, 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 ASs, 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 live
<b>Building</b>	
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
<b>Plant and equipment</b>	
Plant and Machinery (including general laboratory equipment)	10-15 years
<b>Furniture and fixtures</b>	10 years
<b>Office Equipment</b>	3-5 years
<b>Vehicles</b>	6-10 years
<b>Computers</b>	
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 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.

### 1.2 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	3-6 years

The estimated useful life is reviewed annually by the management.

1.3 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.

1.4 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.

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.

1.5 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.

#### 1.6 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.

#### 1.7 Biological assets

Biological assets of the Company comprises of livestock of shrimps breeders and different phases of shrimp (viz. Zoea, Mysis, Post Larvae, etc.) that are classified as current biological assets. The Company recognises biological assets when, and only when, the Company controls the assets as a result of past events, it is probable that future economic benefits associated with such assets will flow to the Company and the fair value or cost of the assets can be measured reliably. Expenditure incurred on biological assets are measured on initial recognition and at the end of each reporting period at its fair value less costs to sell. The gain or loss arising from a change in fair value less costs to sell of biological assets are included in Statement of Profit and Loss for the period in which it arises.

#### 1.8 Revenue recognition

##### **Revenue from contract with customers for sale of goods and services**

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at a point of time or over a period of time. Performance obligations

satisfied over a period of time are recognised as per the terms of relevant contractual agreements/ arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

A refund liability is recognised for expected returns in relation to sales made corresponding assets are recognised for the products expected to be returned.

The Company recognises as an asset, the incremental costs of obtaining a contract with a customer, if the Company expects to recover those costs. The said asset is amortised on a systematic basis consistent with the transfer to goods or services to the customer.

##### 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.

#### 1.9 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.

#### 1.10 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.

1.11 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.

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 LICI 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 availment of encashment of such accrued benefit or where the availment 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.

#### 1.12 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.

#### 1.13 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.

#### 1.14 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".

#### 1.15 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.

##### 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.

1.16 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.

1.17 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.

1.18 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.

1.19 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.

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.

#### Biological Assets

Management estimates the fair value less costs to sell of biological assets, taking into account the most reliable evidence available at each reporting date. The future realization of these biological assets may be affected by their survival rate, age and / or other market-driven changes that may reduce the future economic benefits associated with such assets. The fair value is arrived at based on the observable market prices of biological assets adjusted for cost to sells, as applicable.

#### 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 38).

#### 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.

**3 Property, plant and equipment and Capital work in progress**

(₹ in Lakhs)

Carrying Amount	As at Mar 31, 2019	As at Mar 31, 2018
Property, plant and equipment ("PPE")		
Freehold land	525.50	520.35
Building	2,879.77	1,868.88
Plant and equipment	3,417.01	3,330.94
Furniture and fixtures	44.50	32.18
Vehicles	180.10	165.96
Office equipment	77.84	41.10
Computers	27.42	24.44
	7,152.14	5,983.85
Capital work in progress	85.70	854.08

Particulars	Freehold land	Building	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Total PPE	Capital work in progress
<b>Cost or Deemed Cost</b>									
<b>As at Apr 1, 2017</b>	<b>505.17</b>	<b>2,196.53</b>	<b>3,932.01</b>	<b>84.64</b>	<b>111.93</b>	<b>45.67</b>	<b>67.17</b>	<b>6,943.12</b>	<b>303.65</b>
Additions	15.18	0.51	366.70	12.89	118.00	17.39	9.49	540.16	604.51
Disposals	-	-	-	-	(28.50)	-	-	(28.50)	-
Transfer	-	-	-	-	-	-	-	-	(54.08)
<b>As at Mar 31, 2018</b>	<b>520.35</b>	<b>2,197.04</b>	<b>4,298.71</b>	<b>97.53</b>	<b>201.43</b>	<b>63.06</b>	<b>76.66</b>	<b>7,454.78</b>	<b>854.08</b>
Additions	5.15	1,150.55	560.94	16.54	49.73	52.44	15.05	1,850.40	720.12
Disposals	-	-	-	-	(15.95)	-	-	(15.95)	(1,488.50)
Transfer	-	-	-	-	-	-	-	-	-
<b>As at Mar 31, 2019</b>	<b>525.50</b>	<b>3,347.59</b>	<b>4,859.65</b>	<b>114.07</b>	<b>235.21</b>	<b>115.50</b>	<b>91.71</b>	<b>9,289.23</b>	<b>85.70</b>
<b>Depreciation and Impairment</b>									
<b>As at Apr 1, 2017</b>	<b>-</b>	<b>210.62</b>	<b>584.79</b>	<b>16.32</b>	<b>32.72</b>	<b>11.55</b>	<b>34.02</b>	<b>890.02</b>	<b>-</b>
Depreciation charge for the year	-	117.54	382.98	49.03	19.32	10.41	18.20	597.48	-
Disposals	-	-	-	-	(16.57)	-	-	(16.57)	-
<b>As at Mar 31, 2018</b>	<b>-</b>	<b>328.16</b>	<b>967.77</b>	<b>65.35</b>	<b>35.47</b>	<b>21.96</b>	<b>52.22</b>	<b>1,470.93</b>	<b>-</b>
Depreciation charge for the year	-	139.66	474.87	4.22	27.02	15.70	12.07	673.54	-
Disposals	-	-	-	-	(7.38)	-	-	(7.38)	-
<b>As at Mar 31, 2019</b>	<b>-</b>	<b>467.82</b>	<b>1,442.64</b>	<b>69.57</b>	<b>55.11</b>	<b>37.66</b>	<b>64.29</b>	<b>2,137.09</b>	<b>-</b>
<b>Carrying Amount</b>									
As at Mar 31, 2018	520.35	1,868.88	3,330.94	32.18	165.96	41.10	24.44	<b>5,983.85</b>	<b>854.08</b>
As at Mar 31, 2019	525.50	2,879.77	3,417.01	44.50	180.10	77.84	27.42	<b>7,152.14</b>	<b>85.70</b>

(i) The amount of revenue expenditures recognised in the carrying amount of PPE is ₹ 95.60 Lakhs for the year ended Mar 31, 2019

(ii) The amount of revenue expenditures recognised in the carrying amount of capital work in progress is ₹ 31.69 Lakhs for the year ended Mar 31, 2018

#### 4 Intangible assets

(₹ in Lakhs)

Carrying Amount	As at Mar 31, 2019	As at Mar 31, 2018
Intangible asset		
Computer Software	144.28	158.62
<b>Particulars</b>		<b>Computer Software</b>
<b>Cost or Deemed Cost</b>		
<b>As at Apr 01, 2017</b>		<b>173.86</b>
Additions		20.05
<b>As at Mar 31, 2018</b>		<b>193.91</b>
Additions		4.91
<b>As at Mar 31, 2019</b>		<b>198.82</b>
<b>Amortisation and Impairment</b>		
<b>As at Apr 01, 2017</b>		<b>17.07</b>
Amortisation charge for the year		18.22
<b>As at Mar 31, 2018</b>		<b>35.29</b>
Amortisation charge for the year		19.25
<b>As at Mar 31, 2019</b>		<b>54.54</b>
<b>Carrying Amount</b>		
As at Mar 31, 2018		<b>158.62</b>
As at Mar 31, 2019		<b>144.28</b>

#### 5 Other financial assets

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
<b>A. Non Current</b>		
Earmarked balances:		
Deposits with original maturity of more than twelve months (Refer note below)	19.34	51.28
<b>Total</b>	<b>19.34</b>	<b>51.28</b>
<b>B. Current</b>		
Interest accrued on deposits	33.73	20.71
Other claims	0.25	8.97
<b>Total</b>	<b>33.98</b>	<b>29.68</b>

**Note:**

Fixed Deposit of ₹ 19.34 Lakhs (As at Mar 31, 2018 : ₹ 51.28 Lakhs) are pledged against guarantees (Refer Note 33 (c))

#### 6 Deferred tax assets / liabilities (net)

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Deferred tax assets	539.78	292.54
Deferred tax liabilities	(525.46)	(488.13)
<b>Total</b>	<b>14.32</b>	<b>(195.59)</b>

Particulars	As at Apr 01, 2018	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at Mar 31, 2019
<b>A. Deferred tax assets</b>				
Allowances for doubtful debts	150.41	190.85	-	<b>341.26</b>
Allowances for doubtful advances	63.51	(1.43)	-	<b>62.08</b>
Provision for gratuity and compensated absences	85.02	1.20	(3.75)	<b>82.47</b>
Provision for Inventory	-	2.94	-	<b>2.94</b>
Expenditures falling under section 43B of Income Tax Act, 1961	14.78	50.96	-	<b>65.74</b>
Others	(21.18)	6.47	-	<b>(14.71)</b>
	<b>292.54</b>	<b>250.99</b>	<b>(3.75)</b>	<b>539.78</b>
<b>B. Deferred tax liabilities</b>				
Difference between book balance and tax balance of property, plant and equipment	488.13	37.33	-	<b>525.46</b>
	<b>488.13</b>	<b>37.33</b>	-	<b>525.46</b>
<b>Net deferred tax (liabilities) / assets (A-B)</b>	<b>(195.59)</b>	<b>213.66</b>	<b>(3.75)</b>	<b>14.32</b>

Particulars	As at April 01, 2017	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	As at Mar 31, 2018
<b>A. Deferred tax assets</b>				
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)
	<b>187.69</b>	<b>113.78</b>	<b>(8.93)</b>	<b>292.54</b>
<b>B. Deferred tax liabilities</b>				
Difference between book balance and tax balance of property, plant and equipment	444.95	43.18	-	488.13
	<b>444.95</b>	<b>43.18</b>	-	<b>488.13</b>
<b>Net deferred tax (liabilities) (A-B)</b>	<b>(257.26)</b>	<b>70.60</b>	<b>(8.93)</b>	<b>(195.59)</b>

## 7 Non-current tax asset (net)

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Advance income tax (including tax deducted at source)	50.90	158.25
[Net of Provision ₹ 5,818.99 Lakhs, as at March 31, 2018: ₹ 3,957.24 Lakhs]		
<b>Total</b>	<b>50.90</b>	<b>158.25</b>

## 8 Other assets

(₹ in Lakhs)

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
<b>A. Non Current (Unsecured)</b>		
Capital Advances	36.10	84.00
Security Deposits with government authorities	122.77	126.86
Less: Provision for doubtful deposits	(50.24)	(54.33)
	72.53	72.53
Security Deposits with others	143.58	134.03
Less: Provision for doubtful deposits	(2.96)	(2.96)
	140.62	131.07
Deferred rent receivable	-	0.04
<b>Total</b>	<b>249.25</b>	<b>287.64</b>
<b>B. Current (Unsecured)</b>		
Advance to suppliers	164.81	181.33
Less: Provision for doubtful advances	(124.47)	(124.47)
	40.34	56.86
Balance lying with Government Authorities	87.76	69.72
Prepaid expenses	91.87	63.59
Employee advances	10.45	25.81
Rental Deposit	9.05	2.96
Deferred rent receivable	-	4.24
<b>Total</b>	<b>239.47</b>	<b>223.18</b>

## 9 Biological assets

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
As at Opening date	-	-
Increase due to purchases / production / physical change	139.84	-
Decrease due to sale / consumption / amortisation	(86.63)	-
Net change in the fair value less estimated cost to sell	(9.46)	-
<b>Total</b>	<b>43.75</b>	<b>-</b>

### Note : Details and fair valuation of Biological Assets

Biological Assets is measured at fair value less costs to sell, with any change recognised in the Statement of Profit and Loss. Costs to sell are the incremental costs directly attributable to the disposal of biological asset, excluding finance costs and income taxes. Costs to sell include all costs that would be necessary to sell the assets, including direct selling costs.

The fair value of biological assets is based on its market condition as on the reporting date. The quoted price in the market is the appropriate basis for determining the fair value of these biological assets.

In the event that market determined prices or values are not available for biological assets in its present condition we use the present value of the expected net cashflows from the asset discounted at a current market determined rate in determining fair value.

### Fair Value Inputs are summarised as follows:

**Level 1 Price Inputs** – are quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

**Level 2 Price Inputs** – are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3 Price Inputs** – are inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Particulars	Fair Value Input	As at Mar 31, 2019	As at Mar 31, 2018
Brood Stock	Level 1	20.46	-
Post Larvae (including valuation of Zoea and Mysis)	Level 2	23.29	-
<b>Total</b>		<b>43.75</b>	<b>-</b>

Biological assets of the Company are in the nature of bearer and Consumable Biological Assets. To Brood Stock, i.e. the parents are the bearer biological asset and harvested species and harvested species which undergo biological transformation under different stages as Nauplii, Zoea, Mysis and Post Larvae are consumable biological assets. The Company sells the biological assets at Nauplii and Post Larvae Stages. The Brood Stock has a maximum useful life of 6 months for laying eggs and thereafter these are scraped.

## 10 Inventories

(₹ in Lakhs)

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
<b>(Lower of Cost and Net Realisable Value)</b>		
Raw materials	5,446.68	6,297.14
Work-in-progress	73.21	51.13
Finished goods	2,643.80	1,613.91
Stock-in-trade (Traded goods)	63.79	1.17
Stores and spares	634.90	321.70
<b>Total</b>	<b>8,862.38</b>	<b>8,285.05</b>
Stock-in-transit:included in :		
Raw Material	-	41.91

### Notes:

- Entire inventory has been hypothecated as security against bank borrowings of the Company as at Mar 31, 2019 and Mar 31, 2018 respectively (refer note 16 and 18). Refer 2.6 of the significant accounting policies for method of valuation.
- The cost of inventories recognised as an expense during the year is ₹ 27,192.73 Lakhs, (As at Mar 31, 2018: ₹ 24,623.18 Lakhs)
- The cost of inventories recognised as an expense includes 0.61 lakhs (for the year ended Mar 31, 2018: ₹ 155.00 Lakhs) in respect of write-down of inventory on account of obsolescence / adjustments.

## 11 Trade receivables

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Trade receivables (Unsecured)		
Considered good	7,298.60	9,025.67
Considered doubtful	976.60	430.44
	8,275.20	9,456.11
Less: Allowance for credit loss	(976.60)	(430.44)
<b>Total</b>	<b>7,298.60</b>	<b>9,025.67</b>

- 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 ₹ Nil (As at Mar 31, 2018 - ₹ Nil).

- (ii) There are 3 major customers having significant balances, i.e. exceeding 5% of the total trade receivables as at Mar 31, 2019 amounting to ₹ 1887.67 Lakhs, 3 major customers having significant balances amounting to ₹ 1,871.34 Lakhs as at Mar 31, 2018.
- (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 100 days based upon the credit worthiness of the customers.
- (v) Trade receivables are further analysed as follows:

Particulars	As at Mar 31, 2019		
	Gross credit risk	Expected credit loss allowance	Net credit risk
Amounts not yet due	3,001.40	9.26	2,992.14
Between one to six months overdue	2,948.38	12.34	2,936.04
Between six to twelve months overdue	1,350.58	342.05	1,008.53
Between one to two years overdue	715.87	353.98	361.89
Greater than two years overdue	258.97	258.97	-
	<b>8,275.20</b>	<b>976.60</b>	<b>7,298.60</b>

Particulars	As at Mar 31, 2018		
	Gross credit risk	Expected credit loss allowance	Net credit risk
Amounts not yet due	5,121.92	12.80	5,109.12
Between one to six months overdue	3,211.10	8.02	3,203.08
Between six to twelve months overdue	640.56	161.74	478.82
Between one to two years overdue	280.99	145.82	135.17
Greater than two years overdue	201.54	102.06	99.48
	<b>9,456.11</b>	<b>430.44</b>	<b>9,025.67</b>

- (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 Mar 31, 2019	For the Year ended Mar 31, 2018
Balance at beginning of the year	430.44	290.14
Movement in expected credit loss allowance on trade receivables	-	-
Add: Provision for the current year	546.16	140.30
Balance at end of the year	<b>976.60</b>	<b>430.44</b>

**12 Cash and cash equivalents**

(₹ in Lakhs)

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Cash in hand	2.09	2.35
Balances with banks:		
In current accounts	17.81	12.86
Deposits with original maturity of less than three months (Refer note below)	69.95	66.10
<b>Total</b>	<b>89.85</b>	<b>81.31</b>

**Note:**

Fixed Deposit of ₹ 69.95 Lakhs (As at Mar 31, 2018 : ₹ 66.10 Lakhs) are pledged against guarantees (Refer note 33 (c))

**12A For Statement of Cash flow, cash and cash equivalents comprise of the following:**

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Cash on hand	2.09	2.35
Balances with banks:		
In current accounts	17.81	12.86
Deposits with original maturity of less than three months	69.95	66.10
Less: Bank Overdraft and Cash Credit Facilities (Refer note 18)	989.95	824.89
<b>Total</b>	<b>(900.10)</b>	<b>(743.58)</b>

**13 Other balances with bank**

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Earmarked balances:		
Unclaimed dividend account	99.54	82.56
Balances with banks:		
Deposits with original maturity of more than 3 months but less than 12 months (Refer note (a) below)	316.41	282.89
Deposits with maturity more than 12 months but maturing within 12 months from the Balance Sheet date (Refer note (b) Below)	185.40	268.56
<b>Total</b>	<b>601.35</b>	<b>634.01</b>

**Notes:**

- (a) Fixed Deposit of ₹ 316.41 Lakhs (As at Mar 31, 2018 : ₹ 282.89 are pledged against bank guarantees (Refer Note 33(c))
- (b) Fixed Deposit of ₹ 185.40 Lakhs (As at Mar 31, 2019 : ₹ 182.51 are pledged against the term loan of ICICI to serve the interest commitment

**14 Equity share capital****a. Authorised share capital**

Particulars	Nos.	Amount
As at Apr 01, 2017	6,00,00,000	6,000.00
As at Mar 31, 2018	6,00,00,000	6,000.00
As at Mar 31, 2019	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 ₹ 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 the 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.

**b. Issued, Subscribed and Paid Up Equity Share Capital**

(₹ in Lakhs)

Particulars	As at Mar 31, 2019		As at Mar 31, 2018	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	4,14,26,779	4,142.68	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	4,14,26,779	4,142.68

**c. Shares held by holding company**

Particulars	As at Mar 31, 2019		As at Mar 31, 2018	
	Nos.	Amount	Nos.	Amount
Nav Srijit Shakthi 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 Mar 31, 2019		As at Mar 31, 2018	
	Nos.	% of holding	Nos.	% of holding
Nav Srijit Shakthi Telangana Private Limited	2,19,34,545	52.95%	2,19,34,545	52.95%
Karam Chand Thapar & Bros. (Coal Sales) Limited	32,41,719	7.83%	28,46,895	6.87%
KCT Management Services Private Limited	21,08,260	5.09%	-NA-	-NA-

**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 Mar 31, 2019	As at Mar 31, 2018	As at Mar 31, 2017	As at Mar 31, 2016	As at Mar 31, 2015
Issued, Subscribed and Fully Paid-Up					
Equity Shares of ₹ 10 each					
Number of Shares	28,23,529	28,23,529	-	-	-

**15 Other Equity**

(₹ in Lakhs)

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Share application pending for allotment	-	-
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	9,347.69	7,005.10
<b>Total</b>	<b>13,162.35</b>	<b>10,819.76</b>

**a. Share application money pending allotment**

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Opening Balance	-	282.35
Issue of shares during the year (Refer note 41)	-	(282.35)
<b>Closing Balance</b>	<b>-</b>	<b>-</b>

**b. Securities premium** (₹ in Lakhs)

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Opening Balance	1,473.49	1,473.49
Movement during the year	-	-
<b>Closing Balance</b>	<b>1,473.49</b>	<b>1,473.49</b>

**c. Capital reserve**

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Opening Balance	1,026.10	1,026.10
Movement during the year	-	-
<b>Closing Balance</b>	<b>1,026.10</b>	<b>1,026.10</b>

**d. General reserve**

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Opening Balance	1,315.07	1,315.07
Movement during the year	-	-
<b>Closing Balance</b>	<b>1,315.07</b>	<b>1,315.07</b>

**e. Retained earnings**

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Opening Balance	7,005.10	4,496.82
Profit for the year	3,084.74	2,990.03
Other Comprehensive Income for the year (net of tax)	6.98	16.86
Payment of final dividend	(621.40)	(414.27)
Payment of dividend distribution tax on above	(127.73)	(84.34)
<b>Closing Balance</b>	<b>9,347.69</b>	<b>7,005.10</b>

The Board of Directors has recommended a final dividend of ₹ 1.50 per equity share for the financial year ended Mar 31, 2019 (₹ 1.50 per equity share for the financial year ended Mar 31, 2018). Proposed dividend on equity share 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.

## 16 Borrowings

(₹ in Lakhs)

Particulars	As at Mar 31, 2019		As at Mar 31, 2018	
	Non-current	Current maturities of long term debt	Non-current	Current maturities of long term debt
<b>Term loans- at amortised cost</b>				
From banks (Secured)				
ICICI Bank Ltd	-	600.00	600.00	600.00
Yes Bank Ltd.	785.64	329.14	678.21	70.00
From banks (Secured)				
Car loans	35.91	21.10	57.01	19.50
<b>Total</b>	<b>821.55</b>	<b>950.24</b>	<b>1,335.22</b>	<b>689.50</b>

### Notes:

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

Particulars	Terms of repayment and security	As at Mar 31, 2019	As at Mar 31, 2018
Term loans from banks:			
i) ICICI Bank Ltd	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.	600.00	1,200.00
	Fixed deposit has been lien marked to ICICI Bank Ltd to serve the interest due, in case of uncertainty.		
	Interest rate as on Mar 31, 2019 : 9.75%, Mar 31, 2018 : 9.65%		
	Terms of repayment: 20 equal quarterly instalments starting from the end of 12 months from the COD i.e. May 21, 2015		
ii) Yes Bank Ltd	Secured by : Subservient charge on all moveable property, plant and equipment of the borrower both present and future	62.50	45.00
	Interest rate as on Mar 31, 2019 : 10.20%, Mar 31, 2018 : 10.25%		
	Terms of repayment: 20 equal quarterly instalments commencing from Sep 30, 2015.		
iii) Yes Bank Ltd	Secured by : Subservient charge on all moveable property, plant and equipment of the borrower both present and future	25.00	112.50
	Interest rate as on Mar 31, 2019 : 10.70%, Mar 31, 2018 : 10.75%		

(₹ in Lakhs)

Particulars	Terms of repayment and security	As at Mar 31, 2019	As at Mar 31, 2018
	Terms of repayment: 20 equal quarterly instalments commencing from Sep 30, 2015.		
iv) Yes Bank Ltd	Secured by : Exclusive charge on all moveable and immovable property, plant and equipment of the Hatchery Project both present and future	1,027.28	590.71
	Interest rate as on Mar 31, 2019 : 9.75%, Mar 31, 2018 : 9.25%		
	Terms of repayment: 16 equal quarterly instalments after a moratorium period of 12 months from date of first disbursement		
iv) Car Loans	Terms of repayment: Various; Each repayable in 48 equated instalments.	57.01	76.51
<b>Total</b>		<b>1,771.79</b>	<b>2,024.72</b>

(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 ₹ 100 each amounting to ₹ 500.00 Lakhs (As at Mar 31, 2018 - 5,00,000 shares of ₹ 100 each amounting to ₹ 500.00 Lakhs)

## 17 Provisions

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
<b>A. Non-current</b>		
Provision for employee benefits:		
Gratuity (Refer note 39)	131.39	147.86
Compensated absences (Refer note 39)	97.53	87.32
<b>Total</b>	<b>228.92</b>	<b>235.18</b>
<b>B. Current</b>		
Provision for employee benefits:		
Compensated absences (Refer note 39)	7.09	8.14
Provident fund (Refer note 39)	134.18	-
Provision for Statutory authorities		
Customs duty (Refer note below)	25.00	-
<b>Total</b>	<b>166.27</b>	<b>8.14</b>

### Note:

Represents Customs duty provision made for expected demand to be received from the department for short assessment and short payment of custom duty on imports made by the Company during the year 2018-19. Outflow of the same is expected within next 12 months.

## 18 Borrowings

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Loans repayable on demand (Secured)		
From banks - Cash Credit Facilities	989.95	824.89
<b>Total</b>	<b>989.95</b>	<b>824.89</b>

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

(₹ in Lakhs)

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Trade payables to micro and small enterprises	7.77	200.79
<b>Sub Total (A)</b>	<b>7.77</b>	<b>200.79</b>
Trade payables other than micro enterprises and small enterprises		
Related Party	106.02	568.81
Others	2,589.36	4,418.47
<b>Sub Total (B)</b>	<b>2,695.38</b>	<b>4,987.28</b>
<b>Total (A + B)</b>	<b>2,703.15</b>	<b>5,188.07</b>

### Notes:

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

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
(a) Principal amount remaining unpaid as at the end of the year	7.77	200.79
(b) Interest due thereon remaining unpaid as at the end of the year	7.15	4.78
(c) The amount of interest due and payable for the year	2.38	4.78
(d) The amount of interest accrued and remaining unpaid at the end of the year	7.15	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 Mar 31, 2019	As at Mar 31, 2018
<b>Current</b>		
Liabilities for expenses	1,250.45	1,717.70
Current maturities of long term debt	950.24	689.50
Payable to employees	217.39	212.10
Interest Payable	16.66	4.78
Unclaimed dividend	99.54	82.56
Security deposits	-	120.00
<b>Total</b>	<b>2,534.28</b>	<b>2,826.64</b>

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 Mar 31, 2019	As at Mar 31, 2018
<b>Current</b>		
Advances received from employees	-	4.08
Statutory remittances	57.93	104.79
Advances from customers	78.23	75.20
Deferred charges payable	-	12.38
<b>Total</b>	<b>136.16</b>	<b>196.45</b>

**22 Revenue from operations**

(₹ in Lakhs)

Particulars	For the Year ended Mar 31, 2019	For the Year ended Mar 31, 2018
Revenue from operations		
(a) Manufactured #*	34,966.30	33,815.12
(b) Traded	1,158.57	121.28
Revenue from services		
(a) Rental income	194.63	219.88
Other operating revenues		
(a) Export incentives	147.24	87.01
(b) Scrap sales	44.99	24.58
(c) Others	36.51	6.16
<b>Total</b>	<b>36,548.24</b>	<b>34,274.03</b>

# Revenue from manufactured goods includes export sales outside India made by the Company amounting to ₹ 1,625.29 Lakhs (for the year ended Mar 31, 2018 ₹ 343.45 Lakhs).

\* Effective Apr 01, 2018, the Company has adopted Ind AS 115 - Revenue from Contracts with Customers, using the cumulative effect method and the comparative information is not restated. An amount of ₹ 69.29 Lakhs has been netted of with Revenue from manufactured goods during the year ended March 31, 2019 due to the same.

**23 Other Income**

Particulars	For the Year ended Mar 31, 2019	For the Year ended Mar 31, 2018
Interest Income		
(a) On deposits carried at amortised cost	50.27	62.50
(b) On Income tax refund	1.26	56.96
(c) Others	77.79	20.84
Dividend income - from current investment	20.46	0.20
Deferred corporate guarantee charges	12.38	6.55
Net profit on sale of property plant and equipment	-	1.29
Insurance claim received	354.51	-
Liability no longer required written back	78.78	-
Others	22.28	6.25
<b>Total</b>	<b>617.73</b>	<b>154.59</b>

**24 Cost of materials consumed**

Particulars	For the Year ended Mar 31, 2019	For the Year ended Mar 31, 2018
Opening stock	6,297.14	4,506.35
Add: Purchases	24,107.18	23,112.75
	30,404.32	27,619.10
Less: Closing stock	5,446.68	6,297.14
<b>Total consumption of raw materials</b>	<b>24,957.64</b>	<b>21,321.96</b>

Particulars	For the Year ended Mar 31, 2019	For the Year ended Mar 31, 2018
<b>Details of materials consumed</b>		
Soya	9,364.03	6,611.52
Fish meal	5,211.48	4,146.89
Raw and processed shrimps	490.72	240.33
Other materials	9,891.41	10,323.22
<b>Total</b>	<b>24,957.64</b>	<b>21,321.96</b>

**25 Purchase of stock-in-trade**

(₹ in Lakhs)

Particulars	For the Year ended Mar 31, 2019	For the Year ended Mar 31, 2018
Shrimp feeds, processed crabs and others	933.28	115.34
<b>Total</b>	<b>933.28</b>	<b>115.34</b>

**26 Changes in inventories of finished goods, work in progress, stock in trade and biological assets**

Particulars	For the Year ended Mar 31, 2019	For the Year ended Mar 31, 2018
Inventories at the end of the year :		
(a) Finished goods	2,643.80	1,613.91
(b) Stock-in-trade	63.79	1.17
(c) Biological assets	43.75	-
(d) Work-in-progress	73.21	51.13
	<b>2,824.55</b>	<b>1,666.21</b>
Inventories at the beginning of the year :		
(a) Finished goods	1,613.91	1,952.65
(b) Stock-in-trade	1.17	0.63
(c) Biological assets	-	-
(d) Work-in-progress	51.13	47.17
	<b>1,666.21</b>	<b>2,000.45</b>
<b>(Increase) /Decrease in Inventories</b>	<b>(1,158.34)</b>	<b>334.24</b>

**27 Employee benefits expense**

Particulars	For the Year ended Mar 31, 2019	For the Year ended Mar 31, 2018
Salaries, wages and bonus	1,701.42	1,644.34
Contribution to provident, gratuity and other funds (Refer note 39)	254.44	119.56
Staff welfare expenses	154.02	100.35
<b>Total</b>	<b>2,109.88</b>	<b>1,864.25</b>

**Note:**

Contribution to provident, gratuity and other fund of the current year includes ₹ 134.18 Lakhs of provision made against provident fund liability payable based upon supreme court ruling dated Feb 28, 2019 in this regard.

**28 Finance costs**

Particulars	For the Year ended Mar 31, 2019	For the Year ended Mar 31, 2018
Interest on borrowings:		
(i) Term Loans	142.35	169.03
(i) Car Loans	5.37	3.20
(ii) Others	114.82	167.24
Interest on others	3.87	10.16
Other borrowing costs	61.80	89.19
<b>Total</b>	<b>328.21</b>	<b>438.82</b>

₹ 27.83 Lakhs interest expenses (for the year ended Mar 31, 2018 ₹ 2.58 Lakhs) pertaining to loan taken by the Company for Hatchery project has been capitalised. (Refer note.3)

**29 Depreciation and amortization expenses**

(₹ in Lakhs)

Particulars	For the Year ended Mar 31, 2019	For the Year ended Mar 31, 2018
Depreciation on Property, plant and equipment (Refer note 3)	673.54	597.48
Amortization on Intangible assets (Refer Note 4)	19.25	18.22
<b>Total</b>	<b>692.79</b>	<b>615.70</b>

**30 Other expenses**

Particulars	For the Year ended Mar 31, 2019	For the Year ended Mar 31, 2018
Consumption of stores and spares	627.28	612.85
Power and fuel	499.84	598.75
Rent (Refer note 35)	99.97	73.72
Processing charges	28.64	44.10
Repairs and maintenance:		
Plant and machinery	52.70	35.42
Buildings	3.31	0.84
Others	90.96	92.52
Vehicle maintenance	13.28	10.07
Contract labour	296.29	177.62
Security charges	67.21	68.06
Insurance	42.84	39.32
Rates and taxes	77.83	37.58
Freight outward	292.30	173.42
Selling expenses	337.65	444.93
Payment discount	321.71	386.91
Legal and professional charges	390.10	317.31
Secretarial expenses	45.37	86.69
Travelling expenses	375.61	331.77
Business communication expenses	31.21	39.79
Auditors' remuneration (excluding indirect tax):		
(i) As auditors - audit fees	11.00	11.00
(ii) For other services		
(a) Tax audit fees	1.50	1.50
(b) Limited Review and Other Services #	8.75	8.68
(iii) For reimbursement of expenses	1.04	-
Corporate social responsibility expenses (Refer note 36)	50.06	35.59
Directors' commission	53.48	52.48
Directors' sitting fees	10.20	10.85
Net loss on foreign currency transactions	26.15	4.04
Loss on fair valuation of investment	-	1.18
Loss on sale of investment	-	0.19
Loss on fair valuation of biological assets.	9.46	-
Net loss on sale of property plant and equipment	3.61	-
Bad Debts written off	6.94	561.00
Allowances for doubtful debts and advances	546.16	322.06
Doubtful deposits written off [₹ 4.09 Lakhs (for the year ended Mar 31, 2018 ₹ Nil)]	-	-
Less: Provision made during the earlier years [₹ 4.09 Lakhs (for the year ended Mar 31, 2018 ₹ Nil)]	-	-
Inventory written off	0.61	155.00
Provision for Inventory	8.43	-
Miscellaneous expenses	138.19	142.11
<b>Total</b>	<b>4,569.68</b>	<b>4,877.35</b>

# Includes payment made to erstwhile statutory auditors in the amount of previous year ended Mar 31, 2018.

**31 Tax expenses**

(₹ in Lakhs)

Particulars	For the Year ended Mar 31, 2019	For the Year ended Mar 31, 2018
31.a. <u>Income tax recognised in Statement of Profit and Loss</u>		
<b>Current tax</b>		
In respect of current year	1,861.75	1,773.87
In respect of earlier years	-	167.66
	<b>1,861.75</b>	<b>1,941.53</b>
31.b. <u>Deferred tax recognised in Statement of Profit and Loss</u>		
<b>Deferred tax</b>		
In respect of current year	(213.66)	(70.60)
	<b>(213.66)</b>	<b>(70.60)</b>
<b>Total</b>	<b>1,648.09</b>	<b>1,870.93</b>

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

Particulars	For the Year ended Mar 31, 2019	For the Year ended Mar 31, 2018
<b>Profit before tax</b>	<b>4,732.83</b>	<b>4,860.96</b>
Income tax expense calculated at 34.944% (for the year ended March 31, 2018: 34.608%)	1,653.84	1,682.28
Effect of income exempt from taxation	(7.15)	(0.07)
Effect of expenses that are not deductible in determining taxable profit	1.40	7.30
Effect of rate difference in opening and closing deferred tax	-	13.76
<b>Others</b>		
Income Tax for earlier years	-	167.66
<b>Total</b>	<b>1,648.09</b>	<b>1,870.93</b>

Particulars	For the Year ended Mar 31, 2019	For the Year ended Mar 31, 2018
30.c. <u>Income tax recognized in other comprehensive income</u>		
<b>Deferred tax</b>		
Arising on remeasurement gain on defined benefit plans	(3.75)	(8.93)
<b>Total</b>	<b>(3.75)</b>	<b>(8.93)</b>

**32 Earnings per share(EPS)**

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:

(₹ in Lakhs)

Particulars	For the Year ended Mar 31, 2019	For the Year ended Mar 31, 2018
Profit after tax	3,084.74	2,990.03
Weighted Average Number of Equity Shares for Basis EPS *	4,14,26,779	3,94,46,441
Weighted Average Number of Equity Shares for Diluted EPS *	4,14,26,779	3,94,46,441
Face Value of Share (₹)	10	10
Earnings Per Share - Basic (₹)	7.45	7.58
Earnings Per Share - Diluted (₹)	7.45	7.58

\* The weighted average number of shares takes into account the weighted average effect of shares issued pursuant to merger during the year ended March 31, 2018 for which shares were issued during the previous year ended March 31, 2018. 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.

### 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:

Nature of Tax	As at Mar 31, 2019	As at Mar 31, 2018
Custom duty	535.36	535.36
Excise duty	57.58	57.58
Service tax	66.86	66.86
Sales tax	108.66	108.66
Income tax	15.37	14.88

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 Mar 31, 2019	As at Mar 31, 2018
Claims related to contractual disputes	71.63	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**

(₹ in Lakhs)

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Bank Guarantee to Commissioner of Customs (India), US Customs & Border Protection	230.27	202.89

For Local bank guarantee 100% and for Foreign bank guarantee 125% of the guarantee value is maintained as a fixed deposits with banks

- d. 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 Mar 31, 2019	As at Mar 31, 2018
Estimated amount of contracts remaining to be executed on Capital Account and not provided for [Net of advances ₹ 36.10 Lakhs; as at March 31, 2018 ₹ 84.00 Lakhs]	19.02	237.79
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	139.16

**35 Operating Leases**

Particulars	As at Mar 31, 2019		As at Mar 31, 2018	
	Within 1 Year	1-5 Years	Within 1 Year	1-5 Years
Non-Cancellable operating lease payable	20.16	3.36	20.16	23.52
Non-Cancellable operating lease receivable	0.58	0.20	0.58	0.78

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, 2019 amounted to ₹ 99.97 Lakhs (For the year ended March 31, 2018 ₹ 73.72 Lakhs)

**36 Details of Corporate Social Responsibility expenditure**

Particulars	For the Year ended Mar 31, 2019	For the Year ended Mar 31, 2018
Gross amount required to be spent by the Company during the year	50.06	35.59
Amount spent during the year		
On purposes other than Construction/acquisition of any asset	51.07	34.58

**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 Disclosures

S.No.	Name of the Related Party	Relationship
1	Nav Srijit Shakti Telangana Private Limited	Holding Company
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. Varun Aditya Thapar	Non-Executive Director
9	Mr. Rahul Kapur	Non-Executive Director
10	Mr. Anil Kumar Bhandari	Independent Director (till Mar 31, 2019 and re-appointed w.e.f. May 15, 2019)
11	Mr. Ranjit Mehta	Independent Director (till Mar 31, 2019 and re-appointed w.e.f. May 15, 2019)
12	Mr. Nakul Kamani	Independent Director (till Mar 31, 2019)
13	Lt. Gen Deepak Summanwar (Retd.)	Independent Director (till Mar 31, 2019)
14	Mr. Ramakanth V Akula	Chief Executive Officer
15	Mr. R. Sureshkumar	Chief Financial Officer
16	Mr. G. Venkatraman	Company Secretary (up to Feb 21, 2018)
17	Mr. R. Achuthan	Company Secretary (w.e.f. May 25, 2018)
18	Ms. Nitasha Thapar	Relative of Non-Executive Director
19	Ms. Ayesha Thapar	Relative of Non-Executive Director
20	TWL Employees Gratuity Trust	KMP having significant influence

#### Transactions during the year

Particulars	Name of the Company	For the Year ended Mar 31, 2019	For the Year ended Mar 31, 2018
Purchase of Goods	Avitech Nutrition Private Limited	630.31	816.43
	Handy Waterbase India Private Limited	28.47	17.14
Reimbursement of Expenses	Karam Chand Thapar & Bros. (Coal Sales) Limited	-	8.08
Service Provided	Karam Chand Thapar & Bros. (Coal Sales) Limited	7.93	6.16
Dividend Paid	Karam Chand Thapar & Bros. (Coal Sales) Limited	48.63	28.24
	KCT Management Services Private Limited	22.51	12.00
	Nav Srijit Shakti Telangana Private Limited	329.02	219.35
	Mr. Varun Aditya Thapar	2.55	1.70
	Mrs. Jyoti Thapar	1.10	0.74
	Mr. Vikramaditya Mohan Thapar	0.81	0.54
	Ms. Nitasha Thapar	0.78	0.52
	Ms. Ayesha Thapar	0.78	0.52
Rent paid.	Karam Chand Thapar & Bros. (Coal Sales) Limited	58.27	65.97
Remuneration	Mr. Ramakanth V Akula	205.97	194.21
	Mr. R. Suresh Kumar	65.71	58.71
	Mr. G. Venkatram (up to Feb 21, 2018)	-	18.27
	Mr. R.Achuthan	18.85	-
Directors' Commission	Mr. Vikramaditya Mohan Thapar	6.69	6.56
	Mrs. Jyoti Thapar	6.69	6.56
	Mr. Varun Aditya Thapar	6.69	6.56
	Mr. Rahul Kapur	6.69	6.56
	Mr. Anil Kumar Bhandari	6.69	6.56
	Mr. Ranjit Mehta	6.69	6.56
	Mr. Nakul Kamani	6.69	6.56
	Lt. Gen Deepak Summanwar (Retd.)	6.69	6.56

Particulars	Name of the Company	For the Year ended Mar 31, 2019	For the Year ended Mar 31, 2018
Directors' Sitting Fees	Mr. Vikramaditya Mohan Thapar	1.20	1.20
	Mrs. Jyoti Thapar	0.50	0.25
	Mr. Varun Aditya Thapar	1.00	1.25
	Mr. Rahul Kapur	0.50	0.75
	Mr. Anil Kumar Bhandari	1.85	1.85
	Mr. Ranjit Mehta	1.85	1.85
	Mr. Nakul Kamani	1.45	1.45
	Lt. Gen Deepak Summanwar (Retd.)	1.85	2.25

#### Balances as at the end of the year

Particulars	Name of the Company	As at Mar 31, 2019	As at Mar 31, 2018
Trade Payables	Karam Chand Thapar & Bros. (Coal Sales) Limited	24.39	19.54
	KCT Management Services Private Limited	1.95	283.73
	Handy Waterbase India Private Limited	1.16	1.38
	Avitech Nutrition Private Limited	78.52	264.16
Other Payables	Mr. Vikramaditya Mohan Thapar	6.69	6.56
	Mrs. Jyoti Thapar	6.69	6.56
	Mr. Varun Aditya Thapar	6.69	6.56
	Mr. Rahul Kapur	6.69	6.56
	Mr. Anil Kumar Bhandari	6.69	6.56
	Mr. Ranjit Mehta	6.69	6.56
	Mr. Nakul Kamani	6.69	7.35
	Lt. Gen Deepak Summanwar (Retd.)	6.69	6.56

#### 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 key management personnel during the year was as follows:

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Short-term benefits	279.96	260.82
Post-employment benefits #	10.57	9.64
Other long-term benefits	-	0.73

# 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 plans

### Defined 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 other labour welfare funds and has recognised, in the Statement of Profit and Loss for the year ended March 31, 2019, an amount of ₹ 7.36 Lakhs (for the year ended Mar 31, 2018 ₹ 9.75 Lakhs) as expenses under the said defined contribution plans.

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Contribution to Employee State Insurance Fund	6.59	9.69
Contribution to other Labour welfare Fund	0.77	0.06

#### 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 ₹ 68.53 Lakhs (for the year ended Mar 31, 2018 ₹ 61.32 Lakhs) as contribution in the Statement of Profit and Loss A/c.

In addition to that company has taken a provision of ₹ 134.18 Lakhs based on the Supreme Court ruling dated Feb 28, 2019.

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 status of the defined benefit plans and unfunded status other long term benefits and the amount recognised in the financial statements:

Particulars	For the Year ended Mar 31, 2019		For the Year ended Mar 31, 2018	
	Gratuity	Compensated absences	Gratuity	Compensated absences
	Funded	Unfunded	Funded	Unfunded
<b>Components of employer expense</b>				
Current service cost	34.90	-	19.11	-
Past service cost	-	-	18.31	-
Interest cost	15.44	6.51	12.80	2.65
Expected return on plan assets	(5.98)	-	(1.90)	-
Actuarial losses / (gains)	-	-	-	-
Return on Plan Assets (excluding interest income)	1.82	-	0.84	-
Actuarial losses / (gains) arising from changes in demographic assumptions	-	-	-	(0.06)
Actuarial losses / (gains) arising from changes in financial assumptions	1.99	0.88	(16.27)	(2.86)
Actuarial losses / (gains) arising from changes in experience adjustments	(14.54)	23.79	(10.36)	68.76

Particulars	For the Year ended Mar 31, 2019		For the Year ended Mar 31, 2018	
	Gratuity	Compensated absences	Gratuity	Compensated absences
	Funded	Unfunded	Funded	Unfunded
<b>Total expense recognised in the Total Comprehensive Income</b>	<b>33.63</b>	<b>31.18</b>	<b>22.53</b>	<b>68.49</b>
<b>Actual contribution and benefit payments for year</b>				
Actual benefit payments	5.81	22.01	6.42	21.77
Actual contributions	50.09	22.01	60.72	21.77
<b>Net asset / (liability) recognised in the Balance Sheet</b>				
Present value of defined benefit obligation	235.20	104.63	203.22	95.46
Fair value of plan assets	103.80	-	55.36	-
Status [Surplus / (Deficit)]	(131.40)	(104.63)	(147.86)	(95.46)
Unrecognised past service costs				
<b>Net liability recognised in the Balance Sheet</b>	<b>(131.40)</b>	<b>(104.63)</b>	<b>(147.86)</b>	<b>(95.46)</b>
Particulars	For the Year ended Mar 31, 2019		For the Year ended Mar 31, 2018	
	Gratuity	Compensated absences	Gratuity	Compensated absences
	Funded	Unfunded	Funded	Unfunded
<b>Change in defined benefit obligations (DBO) during the year</b>				
Present value of DBO at beginning of the year	203.22	95.46	186.05	48.74
Current service cost	34.90	-	19.11	-
Past service cost	-	-	18.31	-
Interest cost	15.44	6.51	12.80	2.65
Actuarial losses / (gains)	(12.55)	24.67	(26.63)	65.84
Actuarial losses / (gains) arising from changes in demographic assumptions	-	-	-	(0.06)
Actuarial losses / (gains) arising from changes in financial assumptions	1.99	0.88	(16.27)	(2.86)
Actuarial losses / (gains) arising from changes in experience adjustments	(14.54)	23.79	(10.36)	68.76
Benefits paid	(5.81)	(22.01)	(6.42)	(21.77)
<b>Present value of DBO at the end of the year</b>	<b>235.20</b>	<b>104.63</b>	<b>203.22</b>	<b>95.46</b>
<b>Change in fair value of assets during the year</b>				
Plan assets at beginning of the year	55.36	-	-	-
Expected return on plan assets	5.98	-	1.90	-
Actual Company contributions	50.09	22.01	60.72	21.77
Actuarial gains	(1.82)	-	(0.84)	-
Benefits paid	(5.81)	(22.01)	(6.42)	(21.77)

Particulars	For the Year ended Mar 31, 2019		For the Year ended Mar 31, 2018	
	Gratuity	Compensated absences	Gratuity	Compensated absences
	Funded	Unfunded	Funded	Unfunded
<b>Plan assets at the end of the year</b>	<b>103.80</b>	-	<b>55.36</b>	-
<b>Composition of the plan assets is as follows:</b>				
Assets under scheme of insurance *	100%	NA	100%	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.				
<b>Actuarial assumptions</b>				
Discount rate	7.63%	7.65%	7.71%	7.71%
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
<b>Expected total benefit payments</b>				
Year 1	3.75	7.36	9.99	8.45
Year 2	4.20	7.79	6.19	7.19
Year 3	8.49	8.43	3.73	7.03
Year 4	6.89	8.67	7.71	7.64
Year 5	24.47	10.84	6.15	7.87
More than 5 years	127.61	54.84	99.52	46.33

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

#### Sensitivity analysis

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

(₹ in Lakhs)

Sensitivity	Gratuity		Compensated absences	
	2018-19	2017-18	2018-19	2017-18
DBO at Mar 31 with discount rate -1.0 %	262.19	226.66	114.45	104.37
DBO at Mar 31 with discount rate +1.0 %	211.93	183.04	96.17	87.80
DBO at Mar 31 with -1% salary escalation	214.10	184.88	96.12	87.75
DBO at Mar 31 with +1% salary escalation	259.31	223.87	114.32	104.25
DBO at Mar 31 with -1% mortality escalation	235.17	203.19	104.63	95.47
DBO at Mar 31 with +1% mortality escalation	235.22	203.23	104.62	95.46
DBO at Mar 31 with -1% attrition escalation	235.34	203.33	104.66	95.49
DBO at Mar 31 with +1% attrition escalation	235.05	203.10	104.59	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 Mar 31, 2019	As at Mar 31, 2018
Debt (A)	2,761.74	2,849.61
Cash and cash equivalents (B)	89.85	81.31
<b>Net debt (A-B)</b>	<b>2,671.89</b>	<b>2,768.30</b>
<b>Total Equity</b>	<b>17,305.03</b>	<b>14,962.44</b>
Net debt to equity ratio (%)	15.44%	18.50%

### 40.2 Categories of financial instruments

The following table presents carrying amount and fair value of each category of financial assets and liabilities for the year ended :

As at Mar 31, 2019	Amortised cost	Fair value through Statement of Profit and Loss	Total Carrying Value	Total Fair Value
<b>Financial assets</b>				
Trade receivables	7,298.60	-	7,298.60	7,298.60
Other financial assets	53.32	-	53.32	53.32
Cash and bank balances	691.20	-	691.20	691.20
<b>Total financial assets</b>	<b>8,043.12</b>	<b>-</b>	<b>8,043.12</b>	<b>8,043.12</b>
<b>Financial liabilities</b>				
Borrowings	1,811.50	-	1,811.50	1,811.50
Trade payables	2,703.15	-	2,703.15	2,703.15
Other financial liabilities	2,534.28	-	2,534.28	2,534.28
<b>Total financial liabilities</b>	<b>7,048.93</b>	<b>-</b>	<b>7,048.93</b>	<b>7,048.93</b>
<b>Total</b>	<b>994.19</b>	<b>-</b>	<b>994.19</b>	<b>994.19</b>
<b>As at Mar 31, 2018</b>				
As at Mar 31, 2018	Amortised cost	Fair value through Statement of Profit and Loss	Total Carrying Value	Total Fair Value
<b>Financial assets</b>				
Trade receivables	9,025.67	-	9,025.67	9,025.67
Other financial assets	80.96	-	80.96	80.96
Cash and bank balances	715.32	-	715.32	715.32
<b>Total financial assets</b>	<b>9,821.95</b>	<b>-</b>	<b>9,821.95</b>	<b>9,821.95</b>
<b>Financial liabilities</b>				
Borrowings	2,160.11	-	2,160.11	2,160.11
Trade payables	5,188.07	-	5,188.07	5,188.07
Other financial liabilities	2,826.64	-	2,826.64	2,826.64
<b>Total financial liabilities</b>	<b>10,174.82</b>	<b>-</b>	<b>10,174.82</b>	<b>10,174.82</b>
<b>Total</b>	<b>(352.87)</b>	<b>-</b>	<b>(352.87)</b>	<b>(352.87)</b>

**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 two types of risk: interest rate risk and currency 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 Mar 31, 2019	As at Mar 31, 2018	As at Mar 31, 2019	As at Mar 31, 2018
USD	229.69	319.88	709.02	102.54

##### 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 Mar 31, 2019	For the Year ended Mar 31, 2018
<b>US Dollar</b>		
Impact on profit or (loss) for the year	47.93	(21.73)

#### 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.

##### 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 Mar 31, 2019 would decrease/increase by ₹ 33.02 Lakhs (for the year ended Mar 31, 2018: decrease/increase by ₹ 40.16 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 Mar 31, 2019, bank guarantees amounts to ₹ 230.27 Lakhs (as at Mar 31, 2018: ₹ 286.05 Lakhs) has been considered in the balance sheet as contingent liabilities (refer note 33(c)).

#### 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 Mar 31, 2019 and Mar 31, 2018

(₹ in Lakhs)

As at Mar 31, 2019	Current		Non-Current		Total
	Within 12 Months	1-5 Years	Later than 5 years		
Borrowings	1,940.19	821.55	-		2,761.74
Trade and other payables	2,703.15	-	-		2,703.15
Other financial liabilities	2,534.28	-	-		2,534.28
<b>Total</b>	<b>7,177.62</b>	<b>821.55</b>	-		<b>7,999.17</b>

As at Mar 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	5,188.07	-	-		5,188.07
Other financial liabilities	2,826.64	-	-		2,826.64
<b>Total</b>	<b>9,529.10</b>	<b>1,335.22</b>	-		<b>10,864.32</b>

#### 40.9 Financing facilities

Particulars	As at Mar 31, 2019	As at Mar 31, 2018
Secured Term Loan Facility		
- amount used	4,387.00	3,950.00
- amount unused	413.00	850.00
Secured bank overdraft / cash credit facility / bill discounting		
- amount used	989.95	824.89
- amount unused	4,577.05	7,711.11
Secured letter of credit / bank guarantee / forward contracts		
- amount used	-	286.05
- amount unused	4,133.00	3,946.95

#### 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 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 under 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 had 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 had become effective and the effect thereof had been given in the accounts for the year ended Mar 31, 2018. Consequently, in respect of the merger of Pinnae Feeds Limited with the Company –

- a. 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 and effect of the same was given in the financial statements for the year ended Mar 31, 2017.
- b. In consideration of the amalgamation of PFL with the Company, the Company had issued 28,23,529 equity shares of ₹ 10/- each aggregating to ₹ 282,35,290/- in the ratio of 4 fully paid up Equity shares of the face value of ₹ 10/- each of the Company for every 17 fully paid up equity shares of ₹ 10/- each held in PFL during the previous year ended Mar 31, 2018.
- c. Accounting for Amalgamation:

The amalgamation of PFL with the Company was 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.

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.

#### 42 Previous year figures

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 15, 2019.

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

**Sd/-**  
**Abhijit Bandyopadhyay**  
Partner

Place: New Delhi  
Date: May 15, 2019

**Sd/-**  
**R. Achuthan**  
Company Secretary

**For and on behalf of the Board of Directors**

**Sd/-**  
**Vikramaditya Mohan Thapar**  
Chairman  
DIN : 30967

**Sd/-**  
**Ramakanth V Akula**  
Chief Executive Officer

**Sd/-**  
**Anil Kumar Bhandari**  
Director  
DIN : 31194

**Sd/-**  
**R. Sureshkumar**  
Chief Financial Officer

## THE WATERBASE LIMITED

CIN: L05005AP1987PLC018436

**Registered Office:** Ananthapuram Village, T P Gudur Mandal, SPSR 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

**NOTICE IS HEREBY GIVEN THAT THE 32<sup>ND</sup> ANNUAL GENERAL MEETING OF THE WATERBASE LIMITED WILL BE HELD ON FRIDAY, 20<sup>TH</sup> SEPTEMBER 2019 AT 12.00 NOON AT HOTEL MINERVA GRAND, GRAND TRUNK ROAD, SARASWATHI NAGAR, DARGAMITTA, SPSR NELLORE, ANDHRA PRADESH 524003 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 on 31<sup>st</sup> March 2019 and the Statement of Profit & Loss and Cash Flow Statement for the year ended as on the said 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 Ms. Jyoti Thapar (DIN: 00031035) who retires by rotation:**

To appoint a Director in place of Ms. Jyoti Thapar (DIN: 00031035), who retires by rotation in accordance with section 152 of the Companies Act 2013 and being eligible, offers herself for re-appointment.

### Special Business:

**4. To approve the continuation of Directorship of Mr. Anil Kumar Bhandari (DIN: 00031194) as a Director of the Company:**

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

“RESOLVED THAT pursuant to Regulation 17 (1A) and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof for the time being in force and the applicable provisions, if any, of the Companies Act, 2013, approval of the Members of the Company be and is hereby accorded for continuation of Mr. Anil Kumar Bhandari (DIN: 00031194), aged 75 years, as Director (Non-Executive & Independent) of the Company from conclusion of 32<sup>nd</sup> Annual General Meeting till the conclusion of 37<sup>th</sup> Annual General Meeting.”

**5. To approve appointment of Mr. Anil Kumar Bhandari (DIN: 00031194) as Independent Director of the company:**

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

“RESOLVED THAT pursuant to the provisions of Section 152, 149 and all other applicable provisions of the Companies Act, 2013 (“Act”) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendments thereto, Mr. Anil Kumar Bhandari (DIN: 00031194), who was appointed as an Additional (Non-Executive & Independent) Director w.e.f. 15<sup>th</sup> May 2019, and who holds office up to the date of 32<sup>nd</sup> Annual General Meeting be and is hereby appointed as Non-Executive Independent Director of the Company for a term of 5 consecutive years from the conclusion of 32<sup>nd</sup> Annual General Meeting till the conclusion of 37<sup>th</sup> Annual General Meeting.”

“RESOLVED FURTHER THAT any of the Directors or Chief Executive Officer or Chief Financial Officer or the Company Secretary be and are hereby severally authorized to do all the acts, deeds and things that are necessary to give effect to the above-mentioned resolution”.

**6. To approve appointment of Mr. Ranjit Mehta (DIN: 03172264) as Independent Director of the Company:**

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

“RESOLVED THAT pursuant to the provisions of Sections 152, 149 and all other applicable provisions of the Companies Act, 2013 (“Act”) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendments thereto, Mr. Ranjit Mehta (DIN: 03172264), who was appointed as an Additional (Non-Executive & Independent) Director w.e.f. 15<sup>th</sup> May 2019, and who holds office up to the date of 32<sup>nd</sup> Annual General Meeting be and is hereby appointed as Non-Executive Independent Director of the Company for a term of 5(five) consecutive years from the conclusion of 32<sup>nd</sup> Annual General Meeting till the conclusion of 37<sup>th</sup> Annual General Meeting.”

"RESOLVED FURTHER THAT any of the Directors or Chief Executive Officer or Chief Financial Officer or the Company Secretary be and are hereby severally authorized to do all the acts, deeds and things that are necessary to give effect to the above-mentioned resolution".

**7. To approve change in designation of Mr. Rahul Kapur (DIN: 00020624) as Independent Director of the Company:**

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

"RESOLVED THAT pursuant to the provisions of Section 152, 149 and all other applicable provisions of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendments thereto, consent of the members of the Company be and is hereby accorded for change in designation of Mr. Rahul Kapur (DIN 00020624) from Non-Executive Director to Non-Executive & Independent Director of the company for a term of 5(five) consecutive from the conclusion of 32<sup>nd</sup> Annual General Meeting till the conclusion of 37<sup>th</sup> Annual General Meeting."

"RESOLVED FURTHER THAT any of the Directors or Chief Executive Officer or Chief Financial Officer or the Company Secretary be and are hereby severally authorized to do all the acts, deeds and things that are necessary to give effect to the above-mentioned resolution".

By orders of the Board of Directors

**Vikramaditya Mohan Thapar**  
Director

New Delhi,  
09<sup>th</sup> August 2019

**Anil Kumar Bhandari**  
Director

**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. 13<sup>th</sup> September 2019 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 electronic 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 address to M/s. Cameo Corporate Services Ltd. Members holding shares in demat form are requested to register / update their e-mail address with their respective depository participant with whom they are maintaining their demat accounts.
6. Electronic copy of the Notice for the Annual General Meeting and the Annual Report for 2018-19 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](http://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: 044-40020728

**12. Voting Options:**

**A. Electronic Voting**

Pursuant to Section 108 and the corresponding Rules of Companies Act, 2013, the Company

- (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"> <li>• Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li> <li>• 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.</li> <li>• 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.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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).</li> </ul>

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 17<sup>th</sup> September 2019 at 9.00 AM and ends on 19<sup>th</sup> September 2019 at 5.00 PM 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 13<sup>th</sup> September 2019 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](http://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](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

- (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 also to be 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 and choose The Waterbase Limited to vote on the resolutions contained in this notice.
- (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](http://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](mailto: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](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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 13<sup>th</sup> September 2019, 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, Practicing 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 a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, not later than 48 hours from the conclusion of the meeting, 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 48 hours 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. 4

As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, ("Amendment Regulations, 2018"), approval of the shareholders by way of a special resolution is required for continuation of Directorship of Non- Executive Director who has attained the age of 75 years. Mr. Anil Kumar Bhandari has attained the age of 75 years. He is a B. A graduate and holds an Associate degree in Commercial Aviation Technology. Considering his seniority, expertise and vast experience in their respective fields, which has benefited the Company immensely, the Board recommends his appointment as Director (Non-Executive & Independent) till the conclusion of 37<sup>th</sup> Annual General Meeting.

The Company has received a declaration from Mr. Anil Kumar Bhandari, being eligible for re-appointment as Director (Non-Executive & Independent) providing his consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014. The Company has also received a declaration from Mr. Anil Kumar Bhandari, confirming the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Regulations) 2015. Mr. Anil Kumar Bhandari is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

Accordingly, consent of the Members is sought for passing Special Resolution as set out in this item of the Notice for appointment of Mr. Anil Kumar Bhandari as Director (Non-Executive & Independent Director) of the Company

Except Mr. Anil Kumar Bhandari and his relatives, none of the other Directors / Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, in the said resolutions.

#### ITEM NO. 5 & 6

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 15<sup>th</sup> May 2019 appointed the following Directors as Additional (Non-Executive & Independent) Directors of the company to hold the office up to the conclusion of 32<sup>nd</sup> Annual General Meeting (AGM). The Board also proposed to appoint them as Non-Executive & Independent Directors for a period of 5(five) consecutive years from the conclusion of 32<sup>nd</sup> AGM till the conclusion of 37<sup>th</sup> AGM, subject to approval of Members of the Company at the 32<sup>nd</sup> AGM.

1	00031194	Mr. Anil Kumar Bhandari
2	03172264	Mr. Ranjit Mehta

In the opinion of the Board, the proposed Independent Directors fulfil the conditions for appointment as Independent

Directors as specified in the Act and the Listing Regulations and they are independent of the management.

The Company also received declarations from the Directors that they meet the criteria of Independence as prescribed under the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The proposed Independent Directors were also not disqualified from being appointed as a Director in terms of Section 164 of the Act.

A copy of terms and conditions for the appointment is available for inspection by the Members at the registered office of the Company during business hours on any working day up to the date of this Annual General Meeting and is also available on the website of the Company [www.waterbaseindia.com](http://www.waterbaseindia.com). A brief resume in relation to the experience, functional expertise, memberships on other Companies' Boards and Committees in respect of the appointment of Mr. Anil Kumar Bhandari and Mr. Ranjit Mehta as Independent Directors, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is set out in this Notice. The proposed Independent Directors are not related to any other Directors and Key Managerial Personnel of the Company. The Board is of the opinion that it will be beneficial to the Company to continue availing their services as Independent Directors of the Company and recommends the Ordinary resolution as set out in Item No.5 & 6 of the Notice for approval of the shareholders. Save and except the proposed Independent Directors and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel, and their relatives, are in any way, concerned or interested, in the said resolution. The resolution as set out in item No. 5 & 6 of this Notice is accordingly commended for your approval by the Board. This Explanatory Statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **ITEM No. 7**

The members of the company appointed Mr. Rahul Kapur (DIN: 00020624) as Director in the 29<sup>th</sup> Annual General Meeting of the company with effect from 29<sup>th</sup> September 2016. The Nomination and Remuneration Committee and the Board in its meeting held on 15<sup>th</sup> May 2019, recommended change in designation of Mr. Rahul Kapur from Non-Executive Director to Non- Executive & Independent Director of the company for the period of 5(five) consecutive years with effect from conclusion of 32<sup>nd</sup> AGM till the conclusion of 37<sup>th</sup> AGM, subject to approval of members in the 32<sup>nd</sup> Annual General Meeting.

Mr. Rahul Kapur (56 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 recognized member of the animal production industry

The Company has received a declaration from Mr. Rahul Kapur that he meets the criteria of Independence as prescribed under the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Mr. Rahul Kapur is not disqualified from being appointed as a Director in terms of Section 164 of the Act. In the opinion of the Board, the proposed Independent Director fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations and he is independent of the management.

A copy of terms and conditions for the appointment of Independent Directors is available for inspection by the Members at the registered office of the Company during business hours on any working day up to the date of 32<sup>nd</sup> Annual General Meeting and is also available on the website of the Company [www.waterbaseindia.com](http://www.waterbaseindia.com). The brief resume in relation to the experience, functional expertise, memberships on other Companies' Boards and Committees in respect of the appointment Mr. Rahul Kapur as Independent Director, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is set out in this Notice. Mr. Rahul Kapur is not related to any other Director and Key Managerial Personnel of the Company. The Board is of the opinion that it will be beneficial to the Company to avail his services as an Independent Director of the Company and recommends the Ordinary resolution as set out in Item No. 7 of the Notice for approval of the shareholders. Save and except the proposed Independent Director and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel, and their relatives, are in any way, concerned or interested, in the said resolution. The resolution as set out in item No. 7 of this Notice is accordingly commended for your approval by the Board. This Explanatory Statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A brief profile of Mr. Anil Kumar Bhandari, Mr. Ranjit Mehta and Mr. Rahul Kapur is given below:

S.No	Particulars	Details
1	Name of the Director	Mr. Anil Kumar Bhandari
2	DIN	00031194
3	Date of joining in the Board	July 01, 1988
4	Profile of Director	Mr. Anil Kumar Bhandari is a B. A graduate and holds an Associate degree in Commercial Aviation Technology. He is also the President of India Coffee Trust.
5	No. of shares held	NIL
6	Other Directorships/Committee Memberships	<ul style="list-style-type: none"> <li>• Kirlsokar Electric Company Limited</li> <li>• Karnataka Coffee Brokers Private Limited</li> <li>• Bhoruka Park Private Limited</li> <li>• Swaki Habitat Private Limited</li> <li>• Luxquisite Parkland Private Limited</li> <li>• SLPKG Estate Holdings Private Limited</li> </ul>

S.No	Particulars	Details
1	Name of the Director	Mr. Ranjit Mehta
2	DIN	03172264
3	Date of joining in the Board	October 27, 2010
4	Profile of Director	Mr. Ranjit Mehta is a BA (Honors)Economics graduate and a member of the Institute of Bankers, UK. He has held senior positions in HSBC Bank in India and at the Bank's Head Office in Hong Kong during the period 1968-1995. Thereafter he held the position of Country Head and CEO in ING Barings from 1996 to 2000 and from 2001 to 2006 he held the position as Chairman in PCCW group.
5	No. of shares held	NIL
6	Other Directorships/Committee Memberships	NIL

S.No	Particulars	Details
1	Name of the Director	Mr. Rahul Kapur
2	Date of birth	6 <sup>th</sup> April, 1963
3	Nationality	Indian
4	Relationship with Directors	NIL
5	Date of appointment on the board	29 <sup>th</sup> October, 2015
6	Expertise in specific functional area	<ul style="list-style-type: none"> <li>• Poultry breeding, health and nutrition.</li> <li>• Building and managing organizations in the animal feed production sector.</li> <li>• Animal Genetics and Vaccines</li> </ul>
7	Number of shares held in the company	NIL
8	List of the directorships held in other companies	<ul style="list-style-type: none"> <li>• Avitech Nutrition Private Limited</li> <li>• Keggfarms Private Limited</li> <li>• Avitech Trading Private Limited</li> <li>• JMK Mercantile Limited</li> <li>• Indovax Private Limited</li> <li>• Immunetic Lifesciences Private Limited</li> <li>• PML Mercantile Limited</li> </ul>



# 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, SPSR Nellore, Andhra Pradesh - 524344

Phone: 9100018037 Fax:0 44-30127001

32<sup>nd</sup> Annual General Meeting – 20<sup>th</sup> September 2019

## PROXY FORM

<b>Name of the Member(s)</b>	
<b>Registered Address</b>	
<b>E-mail ID</b>	
<b>Folio No/DP ID-Client ID</b>	

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 32<sup>nd</sup> Annual General Meeting of the Company, to be held on Friday, 20<sup>th</sup> September 2019 at 12.00 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

S.No.	Resolutions	Optional*	
		For	Against
<b>Ordinary business</b>			
1	Consideration of Financial Statements together with the reports of the Directors and Auditors thereon		
2	Declaration of dividend		
3	Re-appointment of Ms. Jyoti Thapar (DIN: 00031035) who retires by rotation		
<b>Special business</b>			
4	To approve continuation of Directorship of Mr. Anil Kumar Bhandari (DIN: 00031194) as Director of the company.		
5	To approve appointment of Mr. Anil Kumar Bhandari (DIN: 00031194) as Independent Director of the company		
6	To approve appointment of Mr. Ranjit Mehta (DIN: 03172264) as Independent Director of the company		
7	To approve change in designation of Mr. Rahul Kapur (DIN: 00020624) as Independent Director of the company		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

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 32<sup>nd</sup> 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

CIN: L05005AP1987PLC018436,

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

Phone: 0861-2165009/2165021, Email: info@waterbaseindia.com

Website: www.waterbaseindia.com

32<sup>nd</sup> Annual General Meeting

# ATTENDANCE SLIP

<b>Name of the Member(s)</b>	
<b>Registered Address</b>	
<b>E-mail ID</b>	
<b>Folio No/DP ID-Client ID</b>	

I/We hereby record my/our presence at the 32<sup>nd</sup> Annual General Meeting of the Company to be held on Friday, 20<sup>th</sup> September 2019 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 the 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.

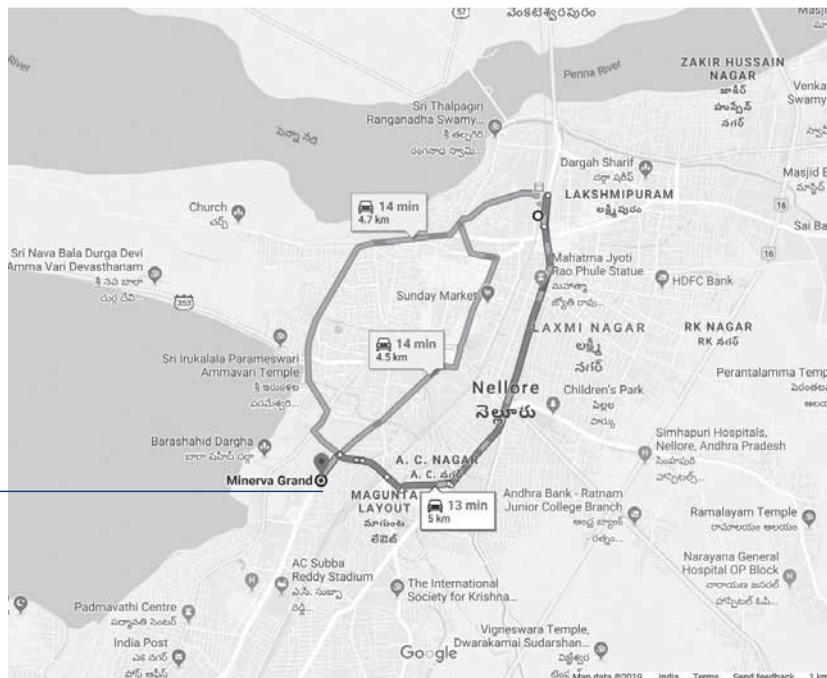
# ROUTE MAP OF AGM VENUE

## FROM NELLORE BUS STAND TO AGM VENUE



**Minerva Grand**

## FROM NELLORE RAILWAY STATION TO AGM VENUE



**Minerva Grand**

# AWARDS & ACCOLADES



## SME - Empowering India Awards 2019

- Wins the award under the 'Food, Agro & Horticulture Products (Mid - Corporate)' category at the SME - Emerging India Awards 2019
- "SME- Empowering India Awards 2019" seeks to recognize the contribution of such SMEs who through their achievements and growth have empowered the nation
- Hon'ble Union Minister of Steel, Govt. of India, Shri Chaudhary Birender Singh presented the award to Mr. Ramakanth V Akula, CEO, The Waterbase Limited



**The  
Waterbase  
Limited**

**Registered Office**

Ananthapuram Village,  
SPSR Nellore District  
Andhra Pradesh, 524 344, India  
Phone: 91000 18037  
Email: [info@waterbaseindia.com](mailto:info@waterbaseindia.com)

**Corporate Office**

Thapar House, No. 37, Montieth Road,  
Egmore, Chennai - 600 008, Tamilnadu, India  
Phone: 91 44 3012 7000, Fax: +91 44 3012 7001  
Email: [info@waterbaseindia.com](mailto:info@waterbaseindia.com)  
[www.waterbaseindia.com](http://www.waterbaseindia.com)