

# To dream. To dare.

The story of the entrepreneurial  
fabric of The Waterbase Limited





The ability to perceive opportunities not evident to most.

The skill to innovate where most see no room.

The passion to bounce back from setbacks.

The ability to transform sectoral volatility into corporate stability.

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The sequence on the adjoining page represents the successful transformation of The Waterbase Limited.




\*The Company reported a 38% CAGR in revenues for the 5 years ending 31st March, 2016.

# To dream. To dare.

At a time when most questioned the need for commercial shrimp rearing in India, The Waterbase Limited pioneered the aquaculture industry in the country.

At a time when most did not see hope in the business, The Waterbase Limited stood committed to the Industry.

The result is that The Waterbase Limited is more than just another player in the country's aquaculture industry; it is one of its most dynamic sectoral proxies.



The late Karam Chand Thapar is often regarded as one of the founding fathers of Indian industry and commerce. Mr. Thapar undertook several pioneering initiatives to diversify the presence of the Group into textiles, chemicals, paper, sugar, banking and insurance, some ventures subsequently nationalized. In 1956, he started Thapar Institute of Engineering and Technology which was given the status of Deemed University in 1985 and renamed Thapar University.



## Background

The Waterbase Limited (incorporated 1987) commenced business in 1993, becoming one of the first companies to enter the organized aquaculture business in India.

The Waterbase Limited is part of the Karam Chand Thapar Group (KCT Group). Founded in 1929 as a coal mining company, the KCT Group has a highly diversified portfolio of businesses with interests in sectors ranging from coal and infrastructure to real estate, manufacturing and aquaculture.

The present chairman is Mr. Vikramaditya Mohan Thapar, grandson of the founder.

The group's foundation emanates from a desire to focus on long-term, sustainable growth steeped in strong ideals such as a clear focus on real customer satisfaction; ensuring employee welfare; by adopting a responsible attitude towards the environment in which it operates to

enrich all stakeholders. This ethos lies at the heart of all KCT Group companies.

The Waterbase Ltd. is committed not only to continuing the rich business legacy of the Group, but also to significantly build and develop it across the years.

## Business

The Company is focused on manufacturing shrimp feed, processing shrimp and exporting processed shrimp. The Company is in the process of setting up the Vannamei Shrimp Hatchery.

## Listing

The Company's shares are traded on the Bombay Stock Exchange. As of 31st March 2016, the Company enjoyed a market capitalisation of ₹382 crores, one of the highest in the country's aquaculture industry. The promoters held a 57.39% stake in the Company, as on 31st March, 2016.

## Presence

The Waterbase Limited is headquartered in Chennai (Tamil Nadu) with a shrimp feed manufacturing plant and shrimp processing plant in Nellore (Andhra Pradesh). The Company's shrimp feed is sold across the coastal states of India. The Company also exports shrimp in different forms (IQF, block frozen and cooked) to the quality-conscious geographies of Japan, USA and Europe.

## Quality

The Company's feed plant is India's first ISO 9001:2008 – certified feed plant. The Company's shrimp processing facility is FDA approved, EU-listed, HACCP and BAP certified.

## Product portfolio

The Company manufactures a wide range of shrimp feeds. The feed formulations have been developed over a period of time through committed research, farm trials and under the guidance of International feed nutrition experts.

### Bay White

The first Indian shrimp feed brand developed for 'Vannamei' shrimp farming. A mixture of highly digestible marine and vegetable proteins, it contains natural sources of phospholipids, cholesterol and Omega-3 fatty acids to fulfil the shrimp's nutritional requirements.

### Ultra XL

Specially formulated to meet the nutritional needs of 'Tiger' shrimp, Ultra XL enhances survival, growth and lower FCR. Nutritionally balanced and cost-effective, this feed meets the complete nutritional requirements of semi-intensive culture of Tiger shrimp.

### Tiger Bay XL

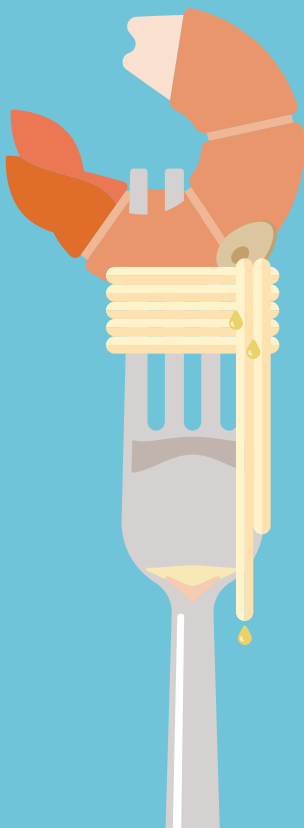
A completely balanced and cost effective feed for modified extensive farming of Tiger shrimp. This contains boosters, which stabilize osmoregulation. The enriched Omega-3 fatty acids enables the feed to perform better in varied aquatic conditions, especially in areas of varying salinity.

### Magnum

One of the better performing feeds for Scampi in India. Magnum contains moulting stimulators which ensure better weekly growth, and is incorporated with high quality attractants.

## SAP

The Company implemented SAP ERP to support its strategic growth plans. This is a 'one of its kind' implementation in the aquaculture industry, enabling the transformation of business operations as well as becoming scalable and agile. It provides the right technology that can help cut costs, become more efficient and grow through innovation. SAP ERP provides real-time information for timely decision making and better business analytics. It is expected to bring visibility across the enterprise while seamlessly integrating business processes, resulting in improved efficiencies and better controls.



## 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.



## Core Values

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

**Trust** – We maintain a high degree of integrity, transparency and responsibility in whatever we do; we constantly endeavor to instill trust and credibility in the minds of everyone we deal with.

**Collaboration** – We believe in nurturing lasting partnerships with all stakeholders through positive communication and co-operation for creating enduring value.

**Innovation** – We strive to create forward thinking solutions to mitigate the inherent risks and weaknesses in the Industry and to boost growth.

**Excellence** – In pursuit of excellence, we strive to set new benchmarks and raise the bar.

**Sustainability** – We are committed to develop sustainable business practices in all our activities that will help saving this planet for future generations.

# 1,10,000 135

Feed manufacturing capacity in tons (following amalgamation with Pinnae Feeds Limited)

Dealer network as on March 31, 2016

# 4,000 224

Shrimp processing capacity (tons)

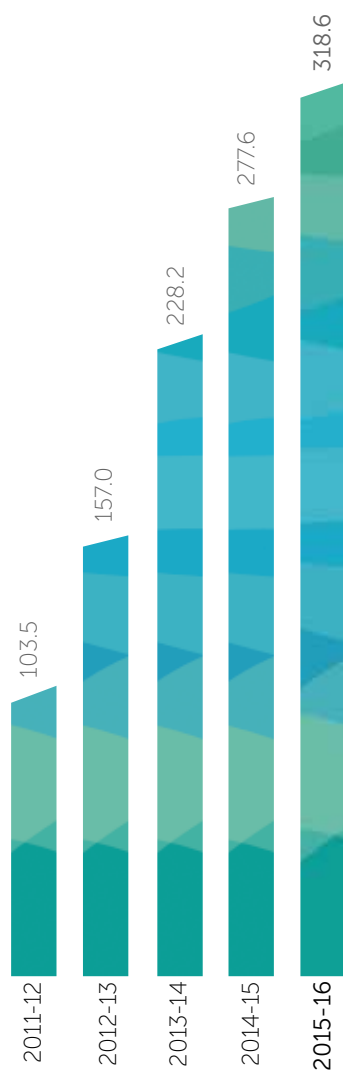
Team size as on March 31, 2016



## This is how we have performed over the years

### Revenues (₹ crore)

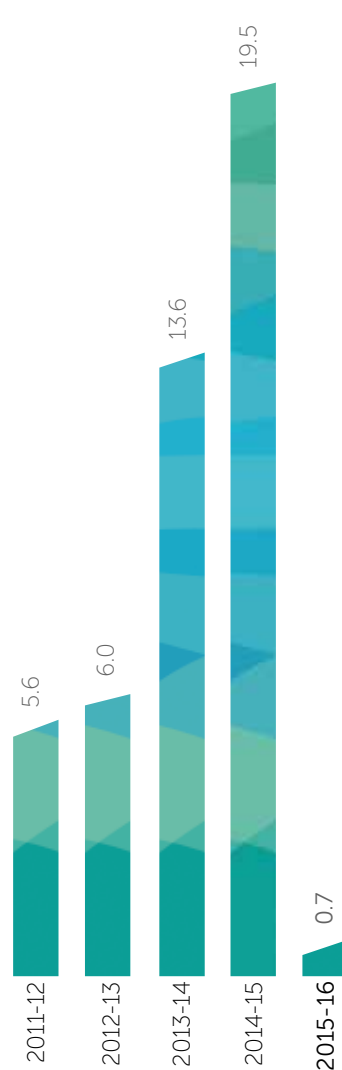
+41 (₹ cr)



A 14.8% sales increase was the result of the Company's ability to enter new geographies, deepen its dealer network and launch value-added products.

### Post-tax profit (₹ crore)

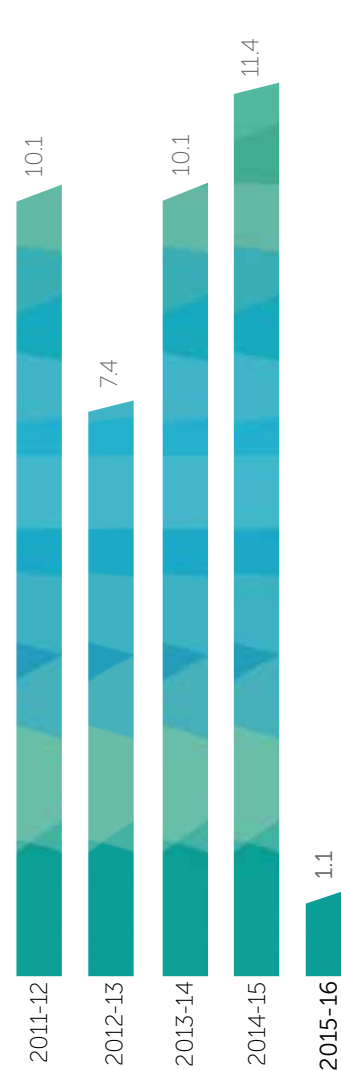
-18.8 (₹ cr)



A decline in the Company's profitability was the result of the abrupt end to the farming season due to outbreak of disease and inclement weather resulting in flooding and one-time expenses incurred as a result of a settlement with the banking partner.

### EBIDTA margin (%)

-1070 bps



This one-time decline in margins was a result of disruption in revenues due to flooding and lower than expected volume growth.

**Debt-equity ratio (x)**

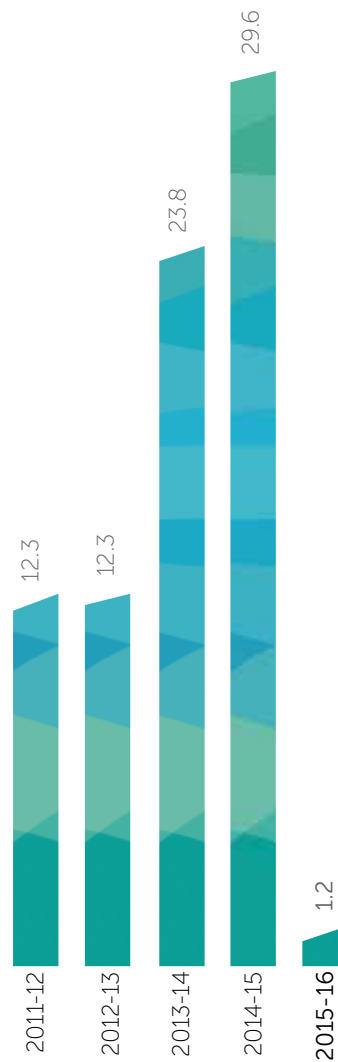
No change



The stability in gearing is a validation of the Company's ability to sustain growth through internal accruals as well as a result of one-time settlement with Canara Bank, one of the bankers.

**RoCE (%)**

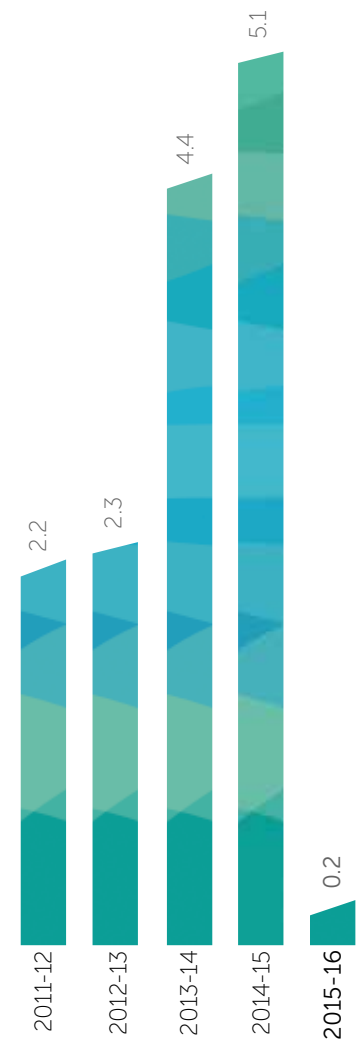
-2840 bps



The Company reported lower returns (temporary phenomenon) owing to a less-than-expected volume growth and lower inventory turnover due to operational disruption for three months

**Earnings per share (₹)**

-4.9 (₹)



The decline in EPS mirrored a decline in profitability.

# To dream.

Until 2009, shrimp farming in India was synonymous with the monoculture of Tiger shrimp *P. monodon*. The Waterbase Limited was not different; the Company engaged in working with the Black Tiger (*P. monodon*) species.

However, this space encountered challenges. Since 1995, the culture of *P. monodon* was so extensively affected by the White Spot Syndrome Virus that shrimp farming became practically stagnant and large players exited the business.

At this time of sectoral weakness and attrition, the Company continued to hold faith. The Company continued to trust India's enduring fundamentals: ideal topography, long coastline, tropical climate and enterprising farmers.

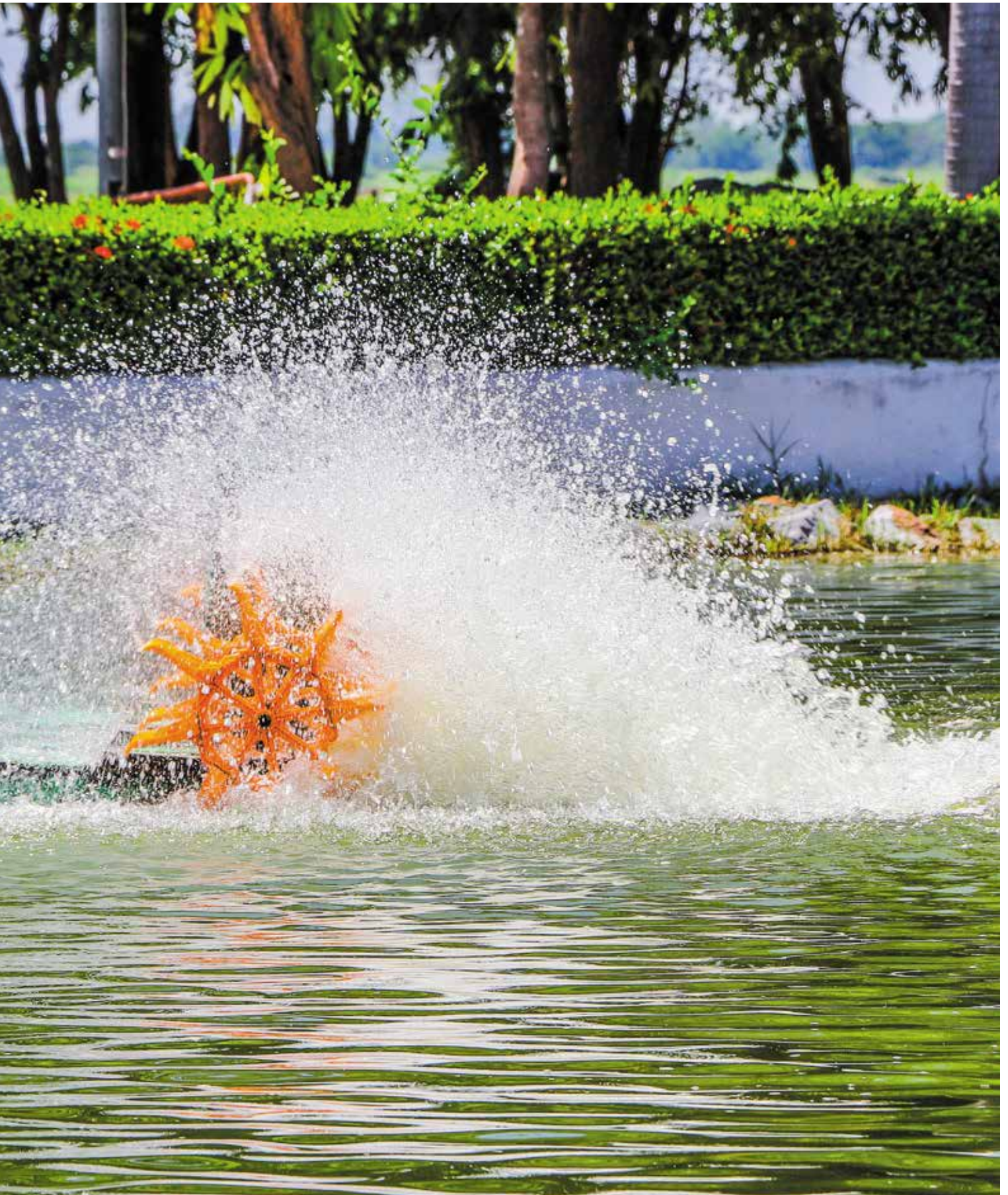
In 2009, the industry reached an inflection point when TWL played an active role in seeking permission to farm the Vannamei shrimp species in India. Following pilot-level introduction and risk analysis, large-scale Vannamei introduction was permitted from 2009 onwards. The Company seized this opportunity by becoming the first Company to introduce Vannamei Feed in the country under the brand name Baywhite.

Following the introduction of this robust shrimp variant, sectoral volumes rebounded, profits increased, reinvestment became recurring and the shrimp farming industry emerged out of an extended trough.

In the last five years through excellent products and services, network expansion, capacity increases and leveraging group synergies, the Company transformed what would otherwise have been a one-off improvement into multi-year sustainability.

Going ahead, the Company will continue to seek sustainable growth across the entire value chain by foraying into new segments, scaling capacity utilization and enhancing presence (and share) in existing and emerging (domestic and international) markets





## To dare.

At The Waterbase Limited, our ability to dream of better prospects has been complemented by a passion to implement various ground-level interventions and transform realities.

The Company endured a number of turbulent years before the sectoral turnaround transpired in 2009.

As industry prospects improved, the Company was challenged by the need to reinvest in the business. As the Company was affected by weak cash flows and funding issues, KCT group established Pinnae Feeds Limited (PFL) as a wholly-owned subsidiary to solely support the feed business of the Company in FY15. Following the establishment of PFL, TWL

enjoyed access to increased capacity of 1,10,000 metric tons. As a result of this, the Company overcame capacity constraints and started focusing on dealer and farmer network expansion, which resulted in enhanced trade visibility.

The Company expanded its dealer base from 60 in FY12 to 135 in FY16. It widened its geographic footprint from four states in FY12 to seven states FY16 and launched several new products to meet the nutritional requirement of shrimps.

The result is that topline grew from ₹103.5 crore in FY12 to ₹318.6 crore in FY16.

The Waterbase Limited is a pioneer in the Indian aquaculture industry...

- First corporate to enter into integrated aquaculture
- First to launch an IPO in the sector
- First to manufacture and market Vannamei shrimp feed
- First feed plant to obtain ISO certification







Management  
overview

**“We have in place a strategic, long-term approach to widen and deepen our market penetration and kickstart diverse revenue streams to ensure sustainable growth”**



Dear shareholders,

It gives me immense pleasure to present a snapshot of our FY16 performance in the context of the broad sectoral environment.

Several advanced economies remain at different stages of recovery in the aftermath of the global financial crisis. Although significant regional variations persist, growth rates in numerous mature and emerging markets have converged. The US economy, in real terms, grew at a rate of 2.1% in FY16 (compared to 2.4% in FY15) propelled by growing employment rates, swelling housing demand and increasing consumer spending. Going forward, a lot will depend on how efficiently wages and investments are able to keep up with rising consumption levels. In China, a remarkable shift is underway, spearheaded by a robust growth in the

services segment and implementation of decisive policies offsetting the impact of the slowdown in industrial activity and consequent layoffs. The Chinese services sector now accounts for almost half of the nations' GDP and a majority of the new jobs in urban centres.

During the fiscal gone by, India's GDP grew by 7.6% in FY16 compared to 7.2% in FY15 following a revival in the industrial and agriculture segments. India cemented its status as the world's fastest-growing large economy on the back of a strong 7.9% growth rate in Q4 FY16. In comparison, China reported a 6.7% growth rate, the slowest in seven years.

From a macro perspective, the systematic introduction of Vannamei shrimps turned India's ailing aquaculture sector around. The result is that India now possesses the potential to cross ₹60,000 crore in seafood exports by 2020 with a number of large global seafood and shrimp buyers considering India as their port-of-first-call when it comes to accessing quality processed shrimp. After growing output, revenues and profits for six consecutive years, India's shrimp feed sector encountered its first major setback during the year under review. Despite a strong first half, during which your Company registered a growth of 20%,

India now possesses the potential to cross ₹60,000 crore in seafood exports by 2020 with a number of large global seafood and shrimp buyers considering India as their port-of-first-call.

We believe that we are not here to merely enhance our market share. Instead we feel it is our responsibility to work with all the stakeholders to sustain the growth momentum in the sector. We go beyond marketing our products to educating farmers on best practices.



performance declined sharply during the last two quarters. During Q3, an outbreak of EHP disease followed by heavy rains across Southern India adversely impacted shrimp production.

Although, we reported a 15% growth in annual revenues, profits declined from ₹19.5 crore in FY15 to ₹0.7 crore in FY16. This decline in profits was due to exceptional items like the one-time-settlement of loans owed to Canara Bank and unexpected losses stemming from the shutdown of factory. The cumulative impact of exceptional items during the year amounted to ₹20.88 crore. As is understandable, the decline in profits during FY16 was largely on account of external factors that were beyond the Company's control. With several farsighted initiatives already undertaken, we are confident of soon regaining our growth momentum.

We believe that we are not here to merely enhance our market share. Instead, it is our responsibility to expand the aquaculture market in India. Consequently, we extended beyond marketing our products to educating our stakeholders; from a singular focus on captive profitability to across-the-table value-addition; from manufacturing existing products to undertaking research-driven product development.

**Case in point:** During the year, we launched 'Baywhite Enriched', a new variant of nutrition-rich shrimp feed to boost shrimp growth and immunity. The shrimp feed, fortified with stable microflora, ensures a healthy gut, enhances energy availability and improves lipid breakdown.

The product received encouraging response during the year. However the full impact will be manifested once the country's shrimp production returns to normalcy.

The amalgamation process of Pinnae Feeds Limited into the Company was kickstarted during the last fiscal. This should allow us to widen our operational presence over the near-term and ensure superior resource utilization, enhance economies-of-scale, eliminate functional overlaps and reduce overheads during the years to come. We also resumed processing and exporting shrimp to American and European markets to strengthen revenues and margins going into FY17.

The state-of-the-art hatchery project, which was scheduled to commence operations last year, ran into unforeseen delays and is now expected to be completed by Q4 FY17. By setting up this hatchery, we will help farmers access quality shrimp seed.

Farmers use a host of products and additives to farm shrimps. These products include probiotics, animal healthcare products and ammonia binders, among others. A dearth of genuine, antibiotic-free range of farm care products pose a significant risk to shrimp farmers. To address this issue, we are aiming to market a high-performance antibiotic-free range of farm care products under the brand name of 'BayLife'. This ancillary segment will be synergic with our existing business, reinforce customer engagements and allow us to carve out a larger slice of the revenue pie.

We remain optimistic of our long-

term prospects for a number of reasons. The international demand for shrimp remains robust and the Indian aquaculture industry appears to be all set to stage a comeback. The Company made several inroads into new markets and they have started yielding positive results. We believe that by diversifying our revenue mix and extending our market penetration, we will be able to increase our volumes and margins,

adding value in the hands of our shareholders.

I would like to take this opportunity to acknowledge our employees for their contribution, dedication and commitment. I would also like to thank our customers, business partners, vendors and other business associates, without whose support we would not have been able to scale heights. I would like to express my gratitude to various Central and State

Government authorities and industry bodies for consolidating what for long had been a nascent space. Finally, I wish to thank all our stakeholders for their undivided interest, support, faith and encouragement and look forward to their continued support.

Regards

**Vikramaditya Mohan Thapar**  
*Chairman*

## KEY INITIATIVES TAKEN BY WATERBASE



### Branding

The Company enjoys strong brand recognition and customer loyalty for its feed brands. The Company has been breaking new grounds in the industry, creating a new paradigm for branding initiatives. The Company has revamped the packaging architecture of its feed products and has undertaken a branding exercise with new instore and shop signage.



### Hatchery

Better quality seeds (post larvae) contributes to greater success in farming. The Company ventured into the hatchery business to enhance the success rates of its customers, capture a larger wallet share and enhance industry sustainability. The land for the first hatchery was acquired at Nellore; the design has been finalized as well. Construction has started and the hatchery should be operational by the end of FY17. The Company plans to set up a series of hatcheries.



### Farm care products

The use of farm care products enhances the growth rate of shrimps, improves shrimp health, restores and protects the environment. The use of genuine farm care products enhances the success rate in shrimp farming. The Company will foray into marketing the farm care range of products. This initiative will not only provides further touch points to engage with customers, but will also enable the Company to add a new revenue stream. The farm care products will be marketed under the brand 'BAYLIFE'.



### Processing

The Company has a 4,000 MT shrimp processing facility in Nellore. In FY16, the Company decided to re-enter the export market. The Company aims to progressively increase exports over the next 3-4 years.

## Our business strategy



### Scaling volumes



### Widening footprint



### Diversify revenue streams

The Company's installed shrimp feed capacity, following the amalgamation of Pinnae Feeds Limited with the Company, will grow from 35,000 tons per annum to 110,000 tons per annum – an increase of more than 300%.

We believe that this scale will make it possible for the Company to service the growing needs of customers, provide adequate volumes to widen the Company's marketing footprint, amortize fixed costs, create operational synergies and provide a significant impetus to growth.

As capacity constraints will no longer pose a hindrance, the Company will be able to enter new geographies and aggressively pursue customer acquisition. Incremental revenues gained from this increase in sale will enhance return ratios, improving consolidated margins.

The Company reorganized its distribution infrastructure to enhance pan-India presence.

The Company's 135-dealer network is spread across states including Andhra Pradesh, Tamil Nadu, Gujarat and West Bengal. The Company added

35 dealers in FY16, consolidating its presence in large geographies like West Bengal and Gujarat.

Along with identifying and developing new markets for shrimp farming, the Company is also planning to increase its weighted reach and shop share in all markets by adding new depots, better stocking at the distributor level, addition of SKUs and enhanced after-sales service.

The Company is widening its presence across the shrimp aquaculture value chain; it intends to renew exports to key global markets.

The Company resumed exports in FY16, shipping over 200 tons of processed shrimp to customers in Europe and US.

The Company commenced setting up hatcheries to ensure an uninterrupted supply of quality seeds for shrimp farming. The hatchery is expected to be operational by Q4 FY17.

Diversification into new revenues streams, wider market presence, introduction of new products and an integrated model will elevate our business profile and brand reputation.

## Being socially responsible

The Company's vision is to actively contribute towards Inclusive Sustainable Socio-Economic Development of the Community and to create societal capital while creating long-term value for other stakeholders.

The Company has been contributing towards the cause of education, sports, cancer and eye care research, and rehabilitation of natural disaster victims to benefit underprivileged sections.



### Nimaya Foundation

- Founded in 2012, as a seed fund to enable women entrepreneurs from Dharavi to realize their business dreams.
- Adopted a school from 2013-14 onwards – Shree Ganesh Vidya Mandir Primary School (Dharavi, Mumbai) to keep it from shutting down.
- Implemented a reading and writing program in Dharavi, in partnership with the Gunvati J Kapoor Foundation.

### Rural Development project – Nellore, 2015-16

In November 2015, Tamil Nadu and Andhra Pradesh suffered natural disasters like flooding and a disease

epidemic resulting in financial and production losses. The Company extended support to the community impacted in these areas:

- Villages such as Varakavipudi, Pynapuram, DH Wada and Ananthavaram were provided health services.
- After the floods, three rounds of fogging and fuming were conducted in these villages to control the spread of malaria and dengue, which should benefit over 1600 households comprising 5937 members.
- A total of 418 mosquito nets were distributed to underprivileged families.
- Beautification of village primary schools was undertaken.
- Construction of the CCR road in Varakavipudi.



## Management discussion and analysis



### Economic overview

Global economic growth was pegged at 3.1% in 2015, marginally lower than in 2014. Three key factors continue to influence the global economy: Chinese economy's gradual slowdown and rebalancing with the shift away from investment and manufacturing toward consumption and services, lower prices of commodities and a gradual tightening in monetary policy in the United States in the context of a resilient U.S. recovery. As several other major advanced economies' central banks continue to ease monetary policy (Source: IMF).

Oil prices reported a marked decline in September 2015, reflecting expectations of increase

in production by OPEC members amidst weak consumption. Prices of other commodities, especially metals, declined as well. Abundant supplies and stocks across most commodity sectors, softening global growth prospects, and a strong U.S. dollar have all contributed to the steady fall in commodity prices. Since then, prices have generally recovered from their lows, on expectations of reduced supplies going forward. However, most commodity markets remain well supplied with large stocks, making significant price increases unlikely.

India's GDP grew 7.6% in 2015-16 (economic growth 7.2% in 2014-15) following a robust manufacturing growth and rebound in farm

output. The growth numbers for the last fiscal, which reinforces India's position as the world's fastest-growing large economy, came on the back of a strong 7.9% growth in the last quarter of the fiscal when China correspondingly reported 6.7% growth, its slowest in about seven years. Going forward, better monsoons and Seventh Pay Commission payouts are likely to drive consumption.

### Industry overview

Aquaculture is one of the world's fastest growing industries, with CAGR of 8% over last ten years. With capture fishery production relatively static since 1980s, aquaculture has been responsible for the impressive growth in the supply of sea food. Aquaculture is expected to continue

to grow through intensification, species diversification and through the introduction of innovative, more-resource efficient farming technologies. Aquaculture will remain one of the fastest-growing sectors for animal food production going forward.

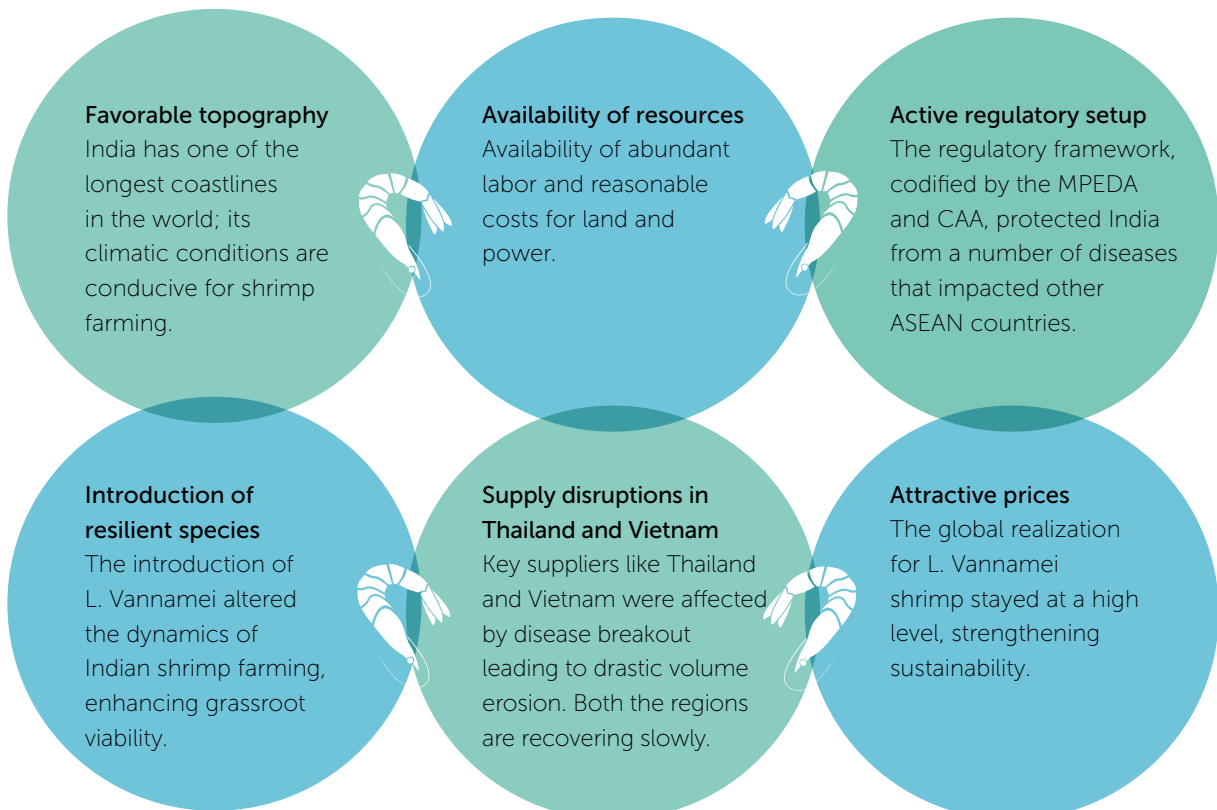
Shrimp is the single largest seafood commodity by value. Farmed shrimp accounts over 55 % of the shrimp produced globally. Most shrimp aquaculture occurs in China, followed by India, Indonesia, Ecuador, Vietnam, Thailand, Mexico and Brazil. It has generated substantial income in these developing countries. Farming has made shrimp more accessible to an eager, shrimp-loving consumers in the U.S., Europe, Japan and elsewhere. However, as economic conditions

improve, growing domestic demand in these countries is leading to lower exports.

Farmed shrimp production was 8% lower in 2015 due to falling prices, unfavorable weather conditions and diseases. Owing to disease problems in China, India, Ecuador and Vietnam, farmers lowered their stocking density to reduce or avoid disease occurrence. Thailand was the exception to the rather sombre situation of shrimp farming in Asia with production increasing in 2015 for the first time since 2011 to 2,60,000 tons. China still remains the single largest producer of Shrimp in 2015 amounting to 1 million tons.

India is one of the largest shrimp producers and exporters in the world.

### Factors behind the success of the shrimp farming industry in India





## Global demand and supply for shrimps

Mixed trends were witnessed in global shrimp trade during 2015. Imports declined in most of the developed markets, except in the USA, despite overall price weakening. EU imported 5,63,000 tons which is a decline of 3.5%, while US imports increased to 5,87,500 tons up by 3.2%. Japan imports fell by 4.2% to 2,13,700 tons.

Lower shrimp prices helped producing countries increase exports beyond only traditional markets. Ecuador, India and others exported large quantities of shrimp to Vietnam and China as well as to other markets in Asia and the Middle East. Vietnam was the fourth largest import market for shrimp in 2015, buying more than 2,00,000 tons of shrimp, mainly going to the processing industry for re-export.

In export trade, India was the lead supply source exporting 3,73,866 tons in 2015. India's leading export markets were US, Vietnam, Japan, China and EU nations. Indian exports increased to Kuwait, Qatar and Egypt in the Middle East and to neighboring Sri Lanka and Maldives.

## Hatchery Industry in India: challenges and trends

Shrimp is a high value commodity mainly produced in Asia and Latin America for export purposes. Over the past two decades, there have been considerable problems in shrimp farming mainly due to diseases.

Hatchery practices need to be elevated to reduce the incidence of diseases. Stocking with healthy post larvae is a key factor for achieving better survival during production. This means that basic principles of sound biosecurity and good management practices need to be implemented across the industry to enhance sustainability.

### Key challenges plaguing the Industry are:

- Commercial shrimp hatchery operations are a fairly recent development in India. Many hatchery operators

have under 10 years of experience and need to ramp up practices and protocols

- The sector is constrained by a lack of quality control and poor management practices.
- In practice, the success of shrimp farming mainly depends on good quality seed. However, shrimp farmers attribute crop success to feed.
- A large number of hatcheries (around 250 out of the total 500 hatcheries) are illegal and have sprouted due to the sharp demand growth. There is weak governance and poor co-ordination among regulatory authorities. The regulatory mechanism is not robust enough to rein in illegal hatchery operators.

## SWOT Analysis



### Strengths

**Ground-breaking:** The Company is among the pioneers in the Indian aquaculture industry, committed to long-term growth and sustainability.

**Positioning:** The Company is a leader in this sector and has positioned its products and services as best-in-class for quality and value for money. The Company's products enjoy high recall for their quality.

**Expertise:** The Company possesses over two decades of experience in the business, resulting in enduring ties with suppliers, farmers and dealers.

**Pedigree:** The Company is backed by the KCT Group, one of India's leading industrial houses.

**Governance:** The Company has established a reputation for ethical practices in a business that continues to be largely unorganized.

**Robust:** The Company possesses state-of-the-art facilities, automated processes and robust quality control system. The Company's shrimp processing facility is FDA approved, EU listed, BAP and HACCP certified; the feed plant is also BAP-certified.

**Cutting-edge:** The Company's strong in-house R&D team is committed to proprietary research and is associated with renowned organisations in animal nutrition.

**Liquidity:** The Company enjoyed a debt-equity ratio of 0.1 as on March 31, 2016; TWL effectively had zero net debt on its books.

### Weakness

As aquaculture is a nascent industry, it is yet to adopt best practices in order to predict and reduce crop failures. Shrimp farming is relatively new when compared to other sectors like poultry and animal husbandry to have well-tested and developed operational models.

Fish meal and fish oil are the key raw materials for manufacturing shrimp feed. The dependence on these products for manufacturing feed is an inherent weakness in the Industry. The availability of these raw materials depends on the wild catch. Research is going on in several parts of the globe to replace/ minimize fish meal and fish oil in shrimp feed manufacturing.

Aquaculture, unlike agriculture does not enjoy the benefits like access to finance, insurance and other policy benefits. Lack of adequate infrastructure in terms of power and cold chain impedes growth.

### Opportunities

The Company believes that the following provide opportunity for the growth of the aquaculture industry and the Company:

**Changing preferences:** Urbanization has played a significant role in transforming food consumption patterns. Growth in per capita income would drive seafood consumption.

**Nutritive benefits:** Shrimps provide high quality digestible proteins, high content of Omega-3 fatty acids, minerals and are also rich in Vitamin A, D and B12. Growing awareness of these nutrition and health benefits are driving global shrimp consumption.

**Depleting natural resources:** By 2050, our planet will have nine billion people. The world will need to increase food production by 70% to meet the growing demand while reducing environmental impact. This could increase seafood demand.

**Tactical switch:** The high-return, short-crop Vannamei species has catalysed a shift from the Black Tiger variety. This switch to Vannamei is expected to bring more areas into aquaculture in India.

**Multiple revenue streams:** The growth in shrimp farming opens up several opportunities in the value chain for the Company, apart from feed and export businesses. Hatchery, farm care range of products and the domestic market for shrimps are opportunities likely to grow revenues.

## Threats

Shrimp farming is a risky business and prospects are affected by several factors such as diseases, poor seed quality, fluctuating international prices, weather, seasonal patterns, production costs, etc. Many of these factors cannot be controlled thereby increasing the risk profile of the shrimp business.

An outbreak of disease can directly affect the business of the Company, being a major risk.

As the majority of farming undertaken

is in marine and brackish water, located in proximity to the coast line, the possibility of natural disasters like floods, tsunamis, hurricanes and cyclones can significantly impact the industry.

The capacities in the shrimp feed business have gone up manifold in the past few years. The intense competition may put a pressure on pricing and margins, going forward.

Fluctuation in foreign exchange rates and anti-dumping/ countervailing duty pose a threat to exports.



## Research and development

The Company has been conducting research to develop products and technologies, which enhance performance and sustainability of shrimp farming. The Company's world-class R&D programme and technology platform helped introduce innovative shrimp feeds, extending beyond just addressing the basic nutritional requirement of shrimps. The Company's proven research competence represents a competitive advantage marked by a large data repository pertaining to shrimp nutrition, pathology, soil and marine

conditions. The main objectives of your Companies R&D are to:

### **Improve product performance:**

The economics of shrimp farming is considerably dependent on feed performance. The primary objective of the Company's R&D department is to improve product performance through the effective use of quality feed.

### **Improve growth and feed conversion ratio:**

The Company strives to improve growth and feed conversion ratios through its research and farm scale experiments.

**Optimize recipes:** The Company's R&D extends beyond conventional practices to address current challenges in intensive/semi-intensive shrimp farming. These practices result in optimized raw material cost.

**Enhance sustainability:** The Company consistently uses responsible materials in line with its core values. The Company's feed plant is BAP-certified, which endorses the Company's practice of responsible sourcing.

## Marketing and branding

The Company is among leading players in the shrimp feed and processing industry enjoying a sizeable market share. As on 31st March, 2016 the Company had a network of 135 dealers in Andhra Pradesh, Karnataka, Tamil Nadu, Gujarat and West Bengal. During the year under review, the Company consolidated its presence in West Bengal and Gujarat. The Company engaged in brand building during the year with new in-store branding and shop signage to enhance brand visibility. The Company conducted a series of dealer and farmer meets to enhance product awareness.

### **Outlook**

Surging demand for seafood will be met by growth in supply from aquaculture production. Aquaculture

will remain one of the fastest-growing sectors. The share of farmed shrimps could increase beyond 60% as the wild catch is expected to decline. Developing countries will maintain their key role in aquaculture production.

There has been an improvement in the sentiment of the farming community as farm gate prices have firmed up, yielding better margins. The first crop had progressed well and resulted in good harvests on expected lines. However, any outbreak of diseases in the subsequent crops could hamper shrimp production.

The Company has embarked on geographical expansion since the last year and will build on the initial gains made in new markets. The channel expansion drive will continue to

achieve optimum weighted reach in the market.

The Company stands to benefit from the overall development of the industry as it has established itself in the market with a good customer base. The next-gen shrimp feed 'BayWhite Enriched' will address shrimp farming challenges like nutrition uptake and assimilation efficiency through two unique ingredients – 'hpboost' and 'healthy gut'.

Revenue diversification initiatives like the commencement of exports, marketing of the farm care range of products and hatchery business will increase revenues and maximize shareholder value in the coming years.

## Risks and Concerns



The Waterbase Limited analyses potential risks to take adequate precautionary steps, minimizing losses and maximising realizations.

**Could increasing cases of diseases affect business sustainability?**

The Company has played a significant role in educating farmers in adopting novel agricultural practices. The Company works with international agencies to develop new-age products that enhance animal health and nutrition. The Company is engaged in commissioning a hatchery (on stream by Q4 FY17) to provide quality seeds to farmers. Commencement of the Farm Care range of products is also expected to assist the farmers in their fight against shrimp disease.

**Could an overt dependence on a particular geography impede growth?**

The Company is widening its domestic footprint. In FY16, the Company entered West Bengal. The commencement of export will also ensure that the growth is driven not by few geographies but by global trends in aquaculture.

**Could the unavailability of key raw materials threaten the business?**

The key feed raw materials like fish meal and fish oil face a demand-supply skew. Fish meal-free shrimp feed is making a buzz but is still at lab scale. The Company has been working with leading international companies and has carried out trials of products that rely less on fish meal and fish oil.

# Corporate Information

**CIN:** L05005AP1987PLC018436

**Registered Office:** Ananthapuram Village, Nellore, Andhra Pradesh – 524344

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

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

## Board of Directors

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

## Chief Executive Officer

Mr. Ramakanth V. Akula

## Chief Financial Officer

Mr. S. Giridhari

## Company Secretary

Mr. G. Venkatram

## Stock Exchange

Bombay Stock Exchange  
Phiroze Jheejeebhoy Towers  
Dalal Street, Mumbai- 400001

## Auditors:

1. Statutory Auditors: M/s. Mitra Kundu & Basu, Kolkata
2. Internal Auditors: M/s. PricewaterhouseCoopers LLP, Bangalore & M/s. Francis Charles & Associates
3. Secretarial Auditor: M/s. ARUB & Associates - Practicing Company Secretaries, Chennai

## Bankers

State Bank of India, Overseas Branch, Chennai - 600 001  
Union Bank of India, Overseas Branch, Chennai - 600 108  
State Bank of Hyderabad, Industrial Finance Branch, Chennai - 600 001

## Registrars & Share Transfer Agent

M/s. Cameo Corporate Services Ltd  
Subramaniam Building, 1, Club House Road, Chennai - 600 002  
Phone: 044-28460390 / 391/ 392 / 393 / 394  
Fax: 044-28460129 | Email: investor@cameoindia.com



# Directors' Report

*Dear Shareholders,*

The Directors have pleasure in presenting the 29<sup>th</sup> Annual Report together with the audited financial statements for the year ended 31<sup>st</sup> March, 2016.

## Financial Highlights

**Standalone (in ₹ Cr.)**

|   | <b>FY16</b> | <b>FY15</b> |
|---|-------------|-------------|
| Total Revenue   | 319.98      | 279.50      |
| Total Expenses  | 297.56      | 249.26      |
| Profit before Exceptional and Extraordinary Items and Tax | 22.42       | 30.24       |
| Exceptional Items   | 3.46        | –           |
| Profit before Extraordinary Items and Tax                 | 18.96       | 30.24       |
| Extraordinary Item  | 17.46       | –           |
| Profit before Tax (PBT)                                   | 1.50        | 30.24       |
| Income Tax  | 0.82        | 10.73       |
| Profit after Tax (PAT)                                    | 0.68        | 19.51       |
| EPS (in ₹)  | 0.18        | 5.06        |

## Financial Statements

The Financial Statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements comply in all material respects with the Accounting Standards, notified under Section 133 of the Companies Act, 2013 ("the Act") read together with paragraph 7 of the Companies (Accounts) Rules 2014, to reflect the financial position and the results of operations of the Company. The financial statements of FY16 together with the Auditor's report form a part of this Annual report.

## Performance Overview

The Company reported revenues of ₹319.98 Crores in FY16 compared to ₹279.50 Crores last year, registering a growth of 14%. Revenue growth was achieved by steady growth in volumes of shrimp feed due to continued robust demand from farmers, stable realizations and a sustained contribution from shrimp processing.

Total expenditure for the year stood at ₹297.56 Crores higher by 19% when compared with last year. The Company is debt free on a net basis. The Finance costs primarily comprise of

bank charges and fees rather than interest expenses. These expenses, as a percentage of revenue, stood at 0.32% for FY16. During the year, the Company provided ₹0.82 Crores for taxation as against ₹10.73 Crores in the same period last year.

The Company made a strong start to the current year with increased volumes and improved profitability in the first half. However, the momentum during the first half could not be carried into rest of the year due to factors outside the control of the Company. Lower farm gate prices, outbreak of diseases like EHP (Enterocytozoon Hepatopenaei) and the unprecedented rainfall and resultant flooding in Andhra Pradesh dented the demand and prematurely ended the farming season. The floods resulted in washing away of shrimp farms in the area and resulted in shutdown of the Company's plant from 19<sup>th</sup> November, 2015 till it resumed operations on 27<sup>th</sup> January, 2016. The Company made a claim of ₹19.08 Crores with the insurer which includes a claim of ₹17.46 Crores towards stock damage. The impact of this on the Company's performance is shown under "Extraordinary items". The Company expects the insurance claim to be settled in the first half of the forthcoming financial year.

Further, during the year, the Company took steps to settle the long standing dispute with Canara Bank and agreed for a One Time Settlement (OTS) of all dues. In line with the OTS terms, the Company fully settled all dues to Canara Bank for a total sum of ₹7.80 Crores. The impact of the OTS is reflected under the head "Exceptional Items" in FY16. Together, these led to the Profit after Tax reduce by 97% which stood at ₹0.68 Crores when compared to last year PAT of ₹19.51 Crores. The earnings per share (EPS) for the year stood at ₹0.18 compared to ₹5.06 in the previous year. This year was an aberration and with several initiatives underway the Company is confident of resuming the overall growth momentum. The expansion of the Company's distribution network has progressed well during the year. The Company's entry into new markets like Gujarat and West Bengal has met with favourable response. Further details on this are provided elsewhere in this report.

### Dividend and Appropriations

The Company has not declared any interim dividend during the year under review and is not proposing to declare any final dividend. Further the Company has not transferred any amount to reserves during the year.

### Update on Scheme of Amalgamation

At the meeting held on 21<sup>st</sup> May, 2015, the Board of Directors of both Pinnae Feeds Limited (PFL) and the Company had sanctioned the amalgamation of PFL with the Company. The Company's Audit Committee and the Board of Directors, at their respective meetings held on 26<sup>th</sup> August, 2015 had approved the Draft Scheme of Amalgamation of PFL with the Company and the respective Shareholders and Creditors ("Scheme").

The draft Scheme was submitted with the Stock Exchange and the Securities and Exchange Board of India (SEBI) and their observation letter specifying the no-objection was obtained on 4<sup>th</sup> January, 2016. Thereafter, the Scheme was filed with Hon'ble High Court of Judicature at Hyderabad ("the Court"). The Court, by its order dated 26<sup>th</sup> April, 2016, had convened the meeting of Shareholders and Secured Creditors of the Company on 8<sup>th</sup> June, 2016 at the Registered Office. Both the meetings were held on the said date and the Scheme was approved by requisite majority of Shareholders and Secured Creditors.

In addition to the Court Convened Meeting, the Company, in accordance with SEBI Circular No. CIR/CFD/CMD/16/2015 dated 30<sup>th</sup> November, 2015, approached the non-promoter equity shareholders, through Postal Ballot, for their approval of the Scheme as the scheme involves issuance of equity

shares to Karam Chand Thapar Bros (Coal Sales) Limited (KCT) which is a Promoter Company. The result of the Postal Ballot was declared on 11<sup>th</sup> June, 2016 and the non-promoter equity shareholders had approved the Scheme with requisite majority.

The Scheme, if sanctioned by the Court, will take effect from 1<sup>st</sup> August, 2015 which is the Appointed date. Upon the Scheme becoming effective, in consideration of the transfer of and vesting of the assets and liabilities of PFL with the Company, the Company shall issue and allot, to the shareholder(s) of PFL, 4 fully paid up Equity Shares of ₹10/- (Rupees Ten only) each for every 17 fully paid up Equity Shares of ₹10/- (Rupees Ten Only) each held by the shareholder(s) of PFL. At present, PFL is a Company 100% owned by KCT and is manufacturing shrimp feed for the Company at the state-of-the-art plant situated at Bogole Village, Nellore. The share capital of PFL, as of the Appointed date was 1,20,00,000 equity shares of ₹10 each and correspondingly, the Company proposes to issue 28,23,530 equity shares of ₹10 each to KCT. The feed manufacturing capacity of PFL is 75,000 Metric Tonnes Per Annum (MTPA) and pursuant to the amalgamation the Company's feed manufacturing capacity is expected to increase from 35,000 MTPA to 1,10,000 MTPA.

Apart from increase in capacity, the amalgamation is expected to lead to reduction in overheads, administrative, managerial and other expenditure, operational rationalization, sharing of technology, organizational efficiency and optimal utilization of various resources. It could also enable better and efficient management, control and running of the businesses, cost competitiveness, create synergies and capitalize on the growth opportunities to the fullest extent.

### Acquisition of Majority Stake by Karam Chand Thapar Bros (Coal Sales) Limited

The Promoter Company, Karam Chand Thapar & Bros (Coal Sales) Limited (KCT) had acquired 19,10,500 shares of the company as per the following schedule:

| Date of acquisition          | Number of shares acquired | Post-acquisition holding in number of shares | Post-acquisition holding in % |
|------------------------------|---------------------------|--|-------------------------------|
| 28 <sup>th</sup> March, 2016 | 4,94,000                  | 1,85,04,541                                  | 47.94%                        |
| 30 <sup>th</sup> March, 2016 | 2,96,500                  | 1,88,01,041                                  | 48.70%                        |
| 31 <sup>st</sup> March, 2016 | 11,20,000                 | 1,99,21,041                                  | 51.60%                        |

The details of the above acquisition were not reflected in the Shareholding of KCT as on 31<sup>st</sup> March, 2016 as the shares were in the process of getting transferred/ registered in the name of KCT. The details of shares acquired were extracted from the disclosure to the Company made by KCT under SEBI (Prohibition of Insider Trading) Regulations, 2015. The transfer formalities for the shares acquired by KCT in physical mode was completed in the month of June, 2016 and, as on the date of this report, the said shares are in the process of being dematerialized. Further, post 31<sup>st</sup> March, 2016, KCT had acquired 13,59,448 shares on various dates thereby taking the overall shareholding of KCT in the Company to 55.13%.

### Update on Diversification Initiatives

At the Board meeting held on 21<sup>st</sup> May, 2015, approval was granted for setting up of Hatcheries which will ensure availability of quality seeds to farmers thereby elevating the sustainability of the industry. However, the progress of Hatchery project was hampered due to various reasons beyond the control of the Company. The commissioning of Hatchery is now expected to be completed by Q4 of the current year i.e. 2016-17. The project envisages the setting up of the first hatchery with a capacity of 5 billion seeds in two phases.

During the year, the Company revived export of processed shrimps. Export orders were undertaken for major shrimp consuming regions of US and Europe, shipping over 200 tonnes of processed shrimp to these geographies. This momentum is expected to strengthen in phased manner during FY17.

Beyond FY16, at the Board meeting held on 12<sup>th</sup> August, 2016, approval was granted to market farm care range of products under the brand name of 'BayLife', which include probiotics, animal healthcare products, ammonia binders etc. This line of business is expected to commence in the Q3 of FY17.

### Directors and Key Managerial Personnel

During the year, Mr. Rahul Kapur was appointed as an additional director on the Board at the Meeting held on 29<sup>th</sup> October, 2015. Mr. Adarsh Saran, who was a Non-executive Director, resigned from Directorship with effect from the said date. The Company is in receipt of a notice in writing from Mr. Rahul Kapur, proposing his candidature for the office of Director whose tenure is liable to be determined by way of rotation. The same is to be considered by the Shareholders at the forthcoming Annual General Meeting and a suitable item has been included in the Notice convening the 29<sup>th</sup>

Annual General Meeting which is enclosed as part of this report. Further details and the profile of Mr. Rahul Kapur is also provided as part of the Notice and the Explanatory Statement to the Notice.

Apart from the above, there was no change in the Directors and Key Managerial Personnel of the Company.

### 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 FY16, the annual evaluation process was kick started at the meeting of Independent Directors held on 5<sup>th</sup> February, 2016. Thereafter, the Nomination and Remuneration Committee and the Board completed the annual evaluation process at their respective meetings held on 24<sup>th</sup> May, 2016.

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 decide and discuss on business performance, policies, strategies and other matters of significance. The Board of Directors of the Company met five times during the financial year on 21<sup>st</sup> May 2015, 12<sup>th</sup> August 2015, 26<sup>th</sup> August 2015, 29<sup>th</sup> October 2015 and 05<sup>th</sup> February 2016. Further details of Board and Committee Meetings 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, 2016, the Board consists of 8 (eight) members, of which 4 (four) are Independent non-executive directors, 3 (three) are non-executive Directors belonging to Promoter/ Promoter Group and 1 (one) non-executive director. The policy of the Company on Director's appointment and remuneration, including criteria for determining qualifications, independence and other matters as provided under subsection (3) of Section 178 of the Companies Act, 2013 and the details of employees as per Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to and forms part of this Report.

## Corporate Social Responsibility

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

During the year, in line with Rule 4 (1) of the Companies (Corporate Social Responsibility) Rules, 2014 the Board approved the undertaking of CSR activities through a registered Trust established by the KCT Group under the name and style of 'KCT Group Trust'. The Objects of the Trust are in line with the CSR requirements as specified in Schedule VII of the Companies Act, 2013. With the enhanced resources arising out of pooling of group funds, it can be expected that much exciting and beneficial CSR programs can be launched

in FY17 through the KCT Trust. Contributions to the said Trust can begin from FY17 as Trust registration related formalities were completed subsequent to 31<sup>st</sup> March, 2016. As such, for the year 2015-16, the Company had contributed directly to CSR initiatives as recommended by the CSR Committee of the Board. Further, in order to broaden the geographical reach of the Company's CSR contribution and to enable contributing to the said Trust the Board had approved the undertaking of CSR activities in any place within India rather than restricting itself to the place of its operations. Though preference shall be given to CSR projects in the locality of Company's operations, enhanced reach is expected to support programmes that make wider societal impact.

The CSR Committee of the Board monitors and oversees various CSR initiatives and activities. 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

In accordance with section 134(3) (a) of the Act, the extract of the Annual Return in Form MGT-9 is attached to and forms part 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 Listing Agreement/ 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. Details of transactions with PFL were submitted with the Stock Exchange on Quarterly basis along with the Quarterly report on Compliance with Corporate Governance.

Further, the details of the contract and arrangements with related parties as required under Section 13(3) (h) read with Rule 8 of the Companies (Accounts) Rules, 2014, is given in form AOC-2 which is annexed to and forms part of this report.

## 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 the Listing Agreement/ SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate section 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 is annexed to 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 to and forms 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 and 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 Listing Agreement/ 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 FY16.

## Whistle Blower Policy/ Vigil Mechanism

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. 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;
4. Not attempt to conceal evidence of the Disclosure;
5. Take disciplinary action, if any one destroys or conceals evidence of the Disclosure made/to be made;

6. 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 whistleblowers 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 Auditor, M/s Mitra Kundu & Basu, Chartered Accountants were appointed, at the Annual General Meeting held on 29<sup>th</sup> September, 2014, for a period of three years, to hold office till the conclusion of the 30<sup>th</sup> Annual General Meeting i.e. AGM for FY17. As per the provisions of the Companies Act, 2013 the appointment of Statutory Auditor shall be ratified by the Shareholders at every Annual General Meeting till the expiry of the tenure for which he was appointed. The Audit Committee had considered the ratification of appointment of the Statutory Auditor for FY17 which was approved by the Board. A suitable resolution proposing the ratification of appointment by the Shareholders is included in the Notice convening the forthcoming Annual General Meeting for consideration and approval of Shareholders.

Further, the report of the Statutory Auditors for FY16 is given along with the Financial Statements which is annexed to and forms part of this report.

### Secretarial Audit

The Company's Board, at the meeting held on 12<sup>th</sup> August, 2015, had appointed Dr B Ravi as the Secretarial Auditor under Section 204 of the Companies Act, 2013 to conduct the Secretarial Audit for FY16. However, Dr B Ravi had tendered his resignation as Secretarial Auditor on 2<sup>nd</sup> May, 2016 due

to his other commitments. The Company's Board, at the meeting held on 24<sup>th</sup> May, 2016, accepted the Resignation with due appreciation for the services rendered by the outgoing Secretarial Auditor during his tenure. Subsequently, at the same meeting, the Board had appointed M/s. ARUB & Associates - Practicing Company Secretaries, Chennai for conducting the Secretarial Audit of the Company for FY16. The report of the Secretarial Auditor is annexed to and forms part of this report.

The Secretarial Auditor had remarked about the receipt of Show cause notice during the year under review from Ministry of Corporate Affairs for non-filing of Cost Audit Report for the year 2013-14 under Section 233B of the Companies Act, 1956 and that based on the information and explanations given by the Company and its officers, the Company is taking effective steps to ensure compliance. In this regard, the Board would like to clarify that the Cost Audit requirement was applicable to the Company for two financial years i.e. 2012-13 and 2013-14. Thereafter, the requirement of Cost Audit was not applicable. The Company had filed the Cost Audit report for the financial year 2012-13 as per the requirement of Law. However, for the financial year 2013-14, there has been a delay in meeting the statutory requirements due to resignation and resulting change of Cost Auditor as also significant Organizational changes. The Company had already taken all necessary steps to comply with the requirement of submitting the Cost Audit report for the year 2013-14.

## Risk Management

In line with the Risk Management Plan adopted by the Company in FY15, during the year, the Company carried out a detailed Risk assessment exercise and 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.

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. This Executive Committee on Risk Management Committee reports to the Audit Committee. Further, the Company had developed a comprehensive Risk Action Plan to mitigate key identified Risks such as:

- a. Business continuity risk arising out of natural calamities, diseases & environmental reasons;
- b. Reduction of revenue / market share, global threats and threats arising out of increased competition;
- c. Compliance with all Acts, Rules, Regulations, Guidelines etc as relevant and applicable to the Company;
- d. Volatility of raw material costs and their availability;
- e. Availability of qualified and trained personnel;
- f. Significant credit exposure;

To address the key risk of Non-compliance with regulatory requirements, the Company had also developed a Compliance Manual and checklist detailing all the Compliances that are to be ensured and periodically reviews the status of Compliance.

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 Departments, Income Tax Department, and all other government agencies for their support during the year and look forward to the same in the future.

For and on behalf of the Board of Directors

Varun Aditya Thapar  
Director

Delhi, 12<sup>th</sup> August 2016

Lt. Gen. Deepak Summanwar  
Director

# 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 Clause 49 of the Listing Agreement/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.

- f) 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, 2016**

| Name of Director              | Title                  | Commission (in ₹) | Sitting fees (in ₹) |
|-------------------------------|------------------------|-------------------|---------------------|
| Mr. Vikramaditya Mohan Thapar | Chairman               | 24,183            | 1,25,000            |
| Mrs. Jyoti Thapar             | Non-Executive Director | 24,183            | 30,000              |
| Mr. Varun Aditya Thapar       | Non-Executive Director | 24,183            | 60,000              |
| Mr. Adarsh Saran <sup>1</sup> | Non-Executive Director | -                 | 15,000              |
| Mr. Anil Kumar Bhandari       | Independent Director   | 24,183            | 1,40,000            |
| Lt. Gen. Deepak Summanwar     | Independent Director   | 24,183            | 1,15,000            |
| Mr. Nakul Kamani              | Independent Director   | 24,183            | 1,40,000            |
| Mr. Ranjit Mehta              | Independent Director   | 24,183            | 1,40,000            |
| Mr. Rahul Kapur <sup>2</sup>  | Non-Executive Director | 24,183            | 30,000              |
| <b>Total</b>                  |                        | <b>1,93,464</b>   | <b>7,95,000</b>     |

**\*Notes:**

- 1) Mr. Adarsh Saran has resigned from the Board effective from 29<sup>th</sup> October 2015.
- 2) Mr. Rahul Kapur was inducted to the Board as Additional Director company effective from 29<sup>th</sup> October, 2015

- Remuneration for FY15 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   | 0.63X                                   |
| 2       | Percentage increase in remuneration of Director and KMP during the financial year*         | Commission to Directors<br>Chief Executive Officer<br>Chief Financial Officer<br>Company Secretary  | (93.64)%<br>33.67%<br>32.28%<br>126.23% |
| 3       | Percentage increase / (decrease) in median remuneration of employees in the financial year | The median remuneration of employees increased from ₹2,60,562 to ₹3,07,744 representing an increase of 18.11%. While computing the increase in median remuneration, employees as at 31 <sup>st</sup> March, 2016 and as at 31 <sup>st</sup> March, 2015 was considered. |   |
| 4       | Number of permanent employees on the rolls of the Company                                  | There were 224 permanent employees on the rolls of the Company as on 31 <sup>st</sup> March, 2016   |   |

| Sl. No. | Requirements   | Details  | Ratio X times /% |                         |                 |     |        |        |     |       |       |    |       |       |  |
|---------|--|--|------------------|-------------------------|-----------------|-----|--------|--------|-----|-------|-------|----|-------|-------|--|
| 5       | Relationship between average increase in remuneration and company performance  | The increase in the Company revenue for the FY16 over FY15, was 15%. As against this, the average increase given to the employees was 19.41%. The average increase in remuneration is not based on Company's performance alone, but also takes into consideration other factors like market benchmark data and overall budgetary impact within the Company.  |                  |                         |                 |     |        |        |     |       |       |    |       |       |  |
| 6       | Comparison of remuneration of Key Managerial Personnel against performance of the Company  | The total compensation paid to Key Managerial Personnel for FY16 constituted 308.76% of the net profits of the Company as against 5.62% for Financial Year 2014-15.  |                  |                         |                 |     |        |        |     |       |       |    |       |       |  |
| 7       | Variation in the market capitalization of the Company, Price Earnings (P/E) ratio and percentage increase in the market quotation in comparison to the rate at which the company came out with the last public offer | The market capitalization of the Company as on 31 <sup>st</sup> March, 2016 was ₹381.59 Crores as against ₹190.33 Crores as on 31 <sup>st</sup> March, 2015. The P/E ratio as on 31 <sup>st</sup> March, 2016 was 549 times as against the P/E ratio of 10 times as on 31 <sup>st</sup> March, 2015. The closing price of the Company's equity shares was ₹98.85 as on 31 <sup>st</sup> March, 2016.                                   |                  |                         |                 |     |        |        |     |       |       |    |       |       |  |
| 8       | Average percentile increase in salaries of employees other than managerial personnel and its comparison with the percentile increase in managerial remuneration and justification thereof                            | The average increase in employee remuneration other than Key Managerial Personnel was 19.27% and for Key managerial Personnel it was 44.81%. The increase in Key Managerial Remuneration is in line with the measures to attract and retain the best talent. The Company also uses a mix of fixed and variable based compensation on a mid-to-long term basis to align senior management compensation to enhancing shareholder values. |                  |                         |                 |     |        |        |     |       |       |    |       |       |  |
| 9       | Comparison of remuneration of each Key Managerial Personnel against the performance of the Company   | <table><tr><th>KMP</th><th>Remuneration (in Lakhs)</th><th>% of net profit</th></tr><tr><td>CEO</td><td>146.95</td><td>214.81</td></tr><tr><td>CFO</td><td>49.46</td><td>72.30</td></tr><tr><td>CS</td><td>14.82</td><td>21.66</td></tr></table>   | KMP              | Remuneration (in Lakhs) | % of net profit | CEO | 146.95 | 214.81 | CFO | 49.46 | 72.30 | CS | 14.82 | 21.66 |  |
| KMP     | Remuneration (in Lakhs)  | % of net profit  |                  |                         |                 |     |        |        |     |       |       |    |       |       |  |
| CEO     | 146.95   | 214.81   |                  |                         |                 |     |        |        |     |       |       |    |       |       |  |
| CFO     | 49.46  | 72.30  |                  |                         |                 |     |        |        |     |       |       |    |       |       |  |
| CS      | 14.82  | 21.66  |                  |                         |                 |     |        |        |     |       |       |    |       |       |  |
| 10      | Key parameters for variable component of remuneration availed by Directors   | The Directors are paid Commission as per the approval of Shareholders. The Commission to Directors is based on the performance of the Company ascertained in tune with the net profits and the rating arrived at individual Directors performance in the annual performance evaluation of Directors.   |                  |                         |                 |     |        |        |     |       |       |    |       |       |  |

**\*Notes:**

- 1) During the Year Mr. Rahul Kapur was inducted to the Board as the Additional Director company effective from 29<sup>th</sup> October, 2015.
- 2) During the Year Mr. Adarsh Saran has resigned from the Board effective from 29<sup>th</sup> October 2015.
- 3) 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.
- 4) Ms. Suguna Krishnamurthy was the Company Secretary till 30<sup>th</sup> September, 2014 and Mr. G Venkatram is the Company Secretary from 17<sup>th</sup> February, 2015. Accordingly, comparison between FY15 and FY16 was done taking into account both their remuneration.
- 5) Mr. Ashok Nanjapa was the Chief Executive Officer till 31<sup>st</sup> July, 2014 and Mr Ramakanth V Akula is the CEO from 1<sup>st</sup> August, 2014. Accordingly, comparison between FY15 and FY16 was done taking into account both their remuneration.



• 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, 2016 (₹ in lakhs) |
|---------|--------------------|----------------------------|---------------|----------------|----------------------------|-----------------------------|------------------------------------|------------------------------|---|
| 1       | Ramakanth V. Akula | CEO                        | MBA, PGCBM    | 48             | Nippon Paint India Pvt Ltd | 26 Years                    | President                          | 1 <sup>st</sup> August, 2014 | 146.95  |

For and on behalf of the Board of Directors

Delhi, 12<sup>th</sup> August 2016

**Varun Aditya Thapar**  
Director

**Lt. Gen. Deepak Summanwar**  
Director

## ANNEXURE – B

### Corporate Social Responsibility

#### A. Outline of the CSR Policy:

##### 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/needful/ 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 aforesaid 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:

1. Education
2. Health care and Family Welfare
3. Sports & Culture
4. Social Causes
5. Infrastructure development
6. Sustainable livelihood
7. Environment
8. Women Empowerment

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

#### B. Composition of the CSR Committee:

The CSR Committee comprises of the following Directors:

- Mr. Vikramaditya Mohan Thapar - Chairman
- Lt. Gen. Deepak Summanwar - Independent Director
- Mr. Varun Aditya Thapar - 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 ₹ actuals)

| Net Profits as per Section 198 of the Companies Act, 2013                      | Amount              |
|--|---------------------|
| Financial Year 2014-15   | 30,36,87,334        |
| Financial Year 2013-14   | 20,68,55,869        |
| Financial Year 2012-13   | 7,58,49,493         |
| <b>Total</b>   | <b>58,63,92,696</b> |
| Average Net profit   | 19,54,64,232        |
| 2% on the Average Net Profit (Amount to be contributed towards CSR Activities) | 39,09,285           |
| Amount Spent during financial year 2015-16                                     | 37,94,668           |
| Amount unspent, if any   | 1,14,617            |

The shortfall of ₹1,14,617 in CSR spending is due to a committed CSR expenditure which was not incurred in the year 2015-16 pending finalization of the terms of funding. The Company is taking necessary steps to formalize the understanding and spend the amount unspent in 2016-17.

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

(in ₹ Actuals)

| Sl. No. | CSR project or program name  | Sector in which the project was covered  | Location of project or program | Amount of outlay (Project/Program wise) | Amount spent on the Project/Program | Cumulative expenditure up to reporting period | Amount spent directly or through external agency |
|---------|--|--|--------------------------------|---|-------------------------------------|---|--|
| 1       | Future Hope India - Sponsorship of Education expenditure for Children            | Promotion of education, including special education and employment enhancing vocation skills | Kolkata                        | 10,00,000                               | 10,00,000                           | 10,00,000                                     | Directly   |
| 2       | Ganesh Vidya Mandir, Dharavi - Sponsorship of Education expenditure for Children | Promotion of education, including special education and employment enhancing vocation skills | Mumbai                         | 16,00,000                               | 16,00,000                           | 16,00,000                                     | Through Nimaya Foundation                        |
| 3       | Kalighat Morning Club - Sponsorship of Vocational skills training                | Promotion of education, including special education and employment enhancing vocation skills | Kolkata                        | 77,600                                  | 77,600                              | 77,600  | Directly   |
| 4       | Tamil Nadu Flood Relief  | Flood Relief   | Chennai                        | 38,096                                  | 38,096                              | 38,096  | Through Rotary Club of Madras Charitable Trust   |
| 5       | Development of Rural Roads in Nellore in the vicinity of Company's plant         | Rural and urban Roads and highways   | Nellore                        | 7,00,000                                | 7,00,000                            | 7,00,000                                      | Directly   |
| 6       | Fogging and Fumigation of villages in the vicinity of Company's plant            | Sanitation   | Nellore                        | 78,400                                  | 78,400                              | 78,400  | Directly   |
| 7       | Distribution of Mosquito nets in flood affected areas                            | Flood Relief   | Nellore                        | 1,20,000                                | 1,20,000                            | 1,20,000                                      | Directly   |
| 8       | Distribution of sports equipments for village development                        | Rural development  | Chennai                        | 1,80,572                                | 1,80,572                            | 1,80,572                                      | Directly   |

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

**Ramakanth V Akula**  
Chief Executive Officer

**Varun Aditya Thapar**  
Director

**Lt. Gen. Deepak Summanwar**  
Director

Delhi 12<sup>th</sup> August 2016

## 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) No specific investment has been made in reduction in energy consumption. However, the Company makes all the efforts to conserve energy by optimum utilization of resources.
- c) As the impact of measures taken for conservation and optimum utilization of energy 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.
- b) The Company constantly improvises, through its in-house R&D, the feed ingredients and nutrients. The Company's research on functional feeds travel beyond

meeting nutritional requirements. The benefits arising out of the R&D are as below:

- Improving Food Conversion Ratio (FCR)
- Reducing visceral waste & improving yield
- Reducing environmental output (pond conditions)
- Optimizing digestible nutrient levels (maintaining performance)
- Reducing impact of infections on productivity
- Reducing the probability of Bacterial/ Viral infections and Parasitic infestations

- c) The Company is equipped with R & D farms to study the growth of Shrimps under various conditions. The expenditure incurred during the year under review towards Research & Development is as follows :

1. Revenue expenses - ₹99.56 lakhs
2. Capital Expenses - NIL

#### C. Foreign Exchange Earnings and Outgo

(in ₹ Lakhs)

| Particulars                  | 2015-16 | 2014-15 |
|------------------------------|---------|---------|
| Earnings in Foreign Exchange | 1164.35 | -       |
| Foreign Exchange Outgo       | 742.69  | 526.44  |

For and on behalf of the Board of Directors

**Varun Aditya Thapar**  
Director

Delhi, 12<sup>th</sup> August 2016

**Lt. Gen. Deepak Summanwar**  
Director

## ANNEXURE – D

### Extract of Annual Return

## FORM NO. MGT 9

As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(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, Nellore, Andhra Pradesh – 524344;<br>Registered Office Contact: 0861 2165009 / 2165021;<br>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 Ltd<br>Subramaniam Building<br>1, Club House Road, Chennai - 600 002<br>Phone: 044-28460390 / 391/ 392 / 393 / 394, Fax: 044-28460129<br>Email: investor@cameoindia.com |

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

| S. No. | Name and Description of main products / services                                 | NIC Code of the Product/service | % to total turnover of the company |
|--------|--|---------------------------------|------------------------------------|
| 1.     | Manufacture of prepared animal feeds<br>(Manufacture of/ Trading in Shrimp feed) | 10809                           | 98.01%                             |

### 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 |
|--------|---------------------|------------------------|---------|--------------------------------|-----------------|--------------------|
|        |                     | Nil                    |         |                                |                 |                    |

#### 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<br>(01-Apr-2015) |             |                 |                   | No. of shares held at the end of the year<br>(31-Mar-2016) |             |                 |                   | % Change during the year |
|-----------|---|--|-------------|-----------------|-------------------|--|-------------|-----------------|-------------------|--------------------------|
|           |   | Demat  | Physical    | Total           | % of Total Shares | Demat  | Physical    | Total           | % of Total Shares |                          |
| <b>A.</b> | <b>Shareholding of Promoter and Promoter Group</b>                            |  |             |                 |                   |  |             |                 |                   |                          |
| <b>1.</b> | <b>Indian</b>   |  |             |                 |                   |  |             |                 |                   |                          |
| a.        | Individuals/Hindu Undivided Family  | 414600   | 0           | 414600          | 1.07              | 400800   | 0           | 400800          | 1.04              | -0.04                    |
| b.        | Central Government/ State Government(S)                                       | 0  | 0           | 0               | 0.00              | 0  | 0           | 0               | 0.00              | 0.00                     |
| c.        | Bodies Corporate  | 19838747   | 0           | 19838747        | 51.40             | 19838747   | 0           | 19838747        | 51.39             | 0.00                     |
| d.        | Financial Institutions/ Banks   | 0  | 0           | 0               | 0.00              | 0  | 0           | 0               | 0.00              | 0.00                     |
| e.        | Any Other   |  |             |                 |                   |  |             |                 |                   |                          |
|           | <b>Sub - Total (A)(1)</b>   | <b>20253347</b>  | <b>0</b>    | <b>20253347</b> | <b>52.47</b>      | <b>20239547</b>  | <b>0</b>    | <b>20239547</b> | <b>52.43</b>      | <b>-0.04</b>             |
| <b>2.</b> | <b>Foreign</b>  |  |             |                 |                   |  |             |                 |                   |                          |
| a.        | Individuals (Non-Resident Individuals/ Foreign Individuals)                   | 0  | 0           | 0               | 0.00              | 0  | 0           | 0               | 0.00              | 0.00                     |
| b.        | Bodies Corporate  | 0  | 0           | 0               | 0.00              | 0  | 0           | 0               | 0.00              | 0.00                     |
| c.        | Institutions  | 0  | 0           | 0               | 0.00              | 0  | 0           | 0               | 0.00              | 0.00                     |
| d.        | Qualified Foreign Investor  | 0  | 0           | 0               | 0.00              | 0  | 0           | 0               | 0.00              | 0.00                     |
| e.        | Any Other   |  |             |                 |                   |  |             |                 |                   |                          |
|           | <b>Sub - Total (A)(2)</b>   | <b>0</b>   | <b>0</b>    | <b>0</b>        | <b>0.00</b>       | <b>0</b>   | <b>0</b>    | <b>0</b>        | <b>0.00</b>       | <b>0.00</b>              |
|           | <b>Total Share Holding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)</b> | <b>20253347</b>  | <b>0</b>    | <b>20253347</b> | <b>52.47</b>      | <b>20239547</b>  | <b>0</b>    | <b>20239547</b> | <b>52.43</b>      | <b>-0.04</b>             |
| <b>B.</b> | <b>Public Shareholding</b>  |  |             |                 |                   |  |             |                 |                   |                          |
| <b>1.</b> | <b>Institutions</b>   |  |             |                 |                   |  |             |                 |                   |                          |
| a.        | Mutual Funds/Uti  | 0  | 7000        | 7000            | 0.02              | 0  | 7000        | 7000            | 0.02              | 0.00                     |
| b.        | Financial Institutions/ banks   | 0  | 434         | 434             | 0.00              | 0  | 434         | 434             | 0.00              | 0.00                     |
| c.        | Central Government/ state government(s)                                       | 0  | 0           | 0               | 0.00              | 0  | 0           | 0               | 0.00              | 0.00                     |
| d.        | Venture Capital Funds   | 0  | 0           | 0               | 0.00              | 0  | 0           | 0               | 0.00              | 0.00                     |
| e.        | Insurance Companies   | 0  | 0           | 0               | 0.00              | 0  | 0           | 0               | 0.00              | 0.00                     |
| f.        | Foreign Institutional investors   | 8282   | 1600        | 9882            | 0.02              | 2626   | 1600        | 4226            | 0.01              | -0.01                    |
| g.        | Foreign Venture capital investors   | 0  | 0           | 0               | 0.00              | 0  | 0           | 0               | 0.00              | 0.00                     |
| h.        | Qualified Foreign Investor  | 0  | 0           | 0               | 0.00              | 0  | 0           | 0               | 0.00              | 0.00                     |
| i.        | Any Other Foreign Portfolio Investor  | 0  | 0           | 0               | 0.00              | 608000   | 0           | 608000          | 1.57              | 1.57                     |
|           | <b>Sub - Total (B)(1)</b>   | <b>8282</b>  | <b>9034</b> | <b>17316</b>    | <b>0.04</b>       | <b>610626</b>  | <b>9034</b> | <b>619660</b>   | <b>1.61</b>       | <b>1.56</b>              |

| S. No.    | Category of Shareholder   | No. of shares held at the beginning of the year<br>(01-Apr-2015) |                |                 |                   | No. of shares held at the end of the year<br>(31-Mar-2016) |                |                 |                   | % Change during the year |
|-----------|---|--|----------------|-----------------|-------------------|--|----------------|-----------------|-------------------|--------------------------|
|           |   | Demat  | Physical       | Total           | % of Total Shares | Demat  | Physical       | Total           | % of Total Shares |                          |
| <b>2.</b> | <b>Non-Institutions</b>   |  |                |                 |                   |  |                |                 |                   |                          |
| a.        | Bodies Corporate  | 793584   | 107500         | 901084          | 2.33              | 975374   | 103200         | 1078574         | 2.79              | 0.46                     |
| b.        | Individuals -   |  |                |                 |                   |  |                |                 |                   |                          |
| I.        | Individual Shareholders Holding Nominal Share Capital Upto ₹2 Lakh                      | 4608219  | 1969846        | 6578065         | 17.04             | 7015608  | 1920246        | 8935854         | 23.15             | 6.11                     |
| II.       | Individual Shareholders Holding Nominal Share Capital In Excess Of ₹2 Lakh              | 4485043  | 170900         | 4655943         | 12.06             | 2225757  | 50000          | 2275757         | 5.90              | -6.16                    |
| c.        | Qualified Foreign Investor  | 0  | 0              | 0               | 0.00              | 0  | 0              | 0               | 0.00              | 0.00                     |
| d.        | Any Other   |  |                |                 |                   |  |                |                 |                   |                          |
|           | Clearing Members  | 61892  | 0              | 61892           | 0.16              | 315776   | 0              | 315776          | 0.82              | 0.66                     |
|           | Directors And Their Relatives   | 100  | 0              | 100             | 0.00              | 0  | 0              | 0               | 0.00              | 0.00                     |
|           | Hindu Undivided Families  | 846400   | 0              | 846400          | 2.19              | 339286   | 0              | 339286          | 0.88              | -1.31                    |
|           | Non Resident Indians  | 1541703  | 502000         | 2043703         | 5.29              | 1051396  | 502000         | 1553396         | 4.02              | -1.27                    |
|           | Overseas Corporate Bodies   | 0  | 3245400        | 3245400         | 8.41              | 0  | 3245400        | 3245400         | 8.41              | 0.00                     |
|           |   | <b>2450095</b>   | <b>3747400</b> | <b>6197495</b>  | <b>16.05</b>      | <b>1706458</b>   | <b>3747400</b> | <b>5453858</b>  | <b>14.13</b>      | <b>-1.93</b>             |
|           | <b>Sub - Total (B)(2)</b>   | <b>12336941</b>  | <b>5995646</b> | <b>18332587</b> | <b>47.51</b>      | <b>11923197</b>  | <b>5820846</b> | <b>17744043</b> | <b>45.97</b>      | <b>1.52</b>              |
|           | <b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>                                    | <b>12345223</b>  | <b>6004680</b> | <b>18349903</b> | <b>47.53</b>      | <b>12533823</b>  | <b>5829880</b> | <b>18363703</b> | <b>47.57</b>      | <b>0.04</b>              |
|           | <b>Total (A)+(B)</b>  | <b>32598570</b>  | <b>6004680</b> | <b>38603250</b> | <b>100.00</b>     | <b>32773370</b>  | <b>5829880</b> | <b>38603250</b> | <b>100.00</b>     | <b>0.00</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               | 0.00              | 0  | 0              | 0               | 0.00              | 0.00                     |
|           | Public  | 0  | 0              | 0               | 0.00              | 0  | 0              | 0               | 0.00              | 0.00                     |
|           | <b>Total Custodian (C)</b>  | <b>0</b>   | <b>0</b>       | <b>0</b>        | <b>0.00</b>       | <b>0</b>   | <b>0</b>       | <b>0</b>        | <b>0.00</b>       | <b>0.00</b>              |
|           | <b>Grand Total (A)+(B)+(C)</b>  | <b>32598570</b>  | <b>6004680</b> | <b>38603250</b> | <b>100.00</b>     | <b>32773370</b>  | <b>5829880</b> | <b>38603250</b> | <b>100.00</b>     | <b>0.00</b>              |

## B. Share Holding of Promoters

| S. No.         | Shareholder's Name                                       | Shareholding at the beginning of the year |                                  |   | Shareholding at the end of the year |                                  |   | % change in shareholding during the year |
|----------------|--|---|----------------------------------|---|-------------------------------------|----------------------------------|---|--|
|                |  | No of shares                              | % of total shares of the company | % of shares pledged/ encumbered to total shares | No of shares                        | % of total shares of the company | % of shares pledged/ encumbered to total shares |  |
| Promoters      |  |   |                                  |   |                                     |                                  |   |  |
| 1              | Mr. Vikramaditya Mohan Thapar                            | 53750                                     | 0.1392                           | 0.0000  | 53750                               | 0.1392                           | 0.0000  | 0.0000                                   |
| 2              | Karam Chand Thapar & Bros (Coal Sales) Ltd               | 18010541                                  | 46.6555                          | 0.0000  | 18010541                            | 46.6555                          | 0.0000  | 0.0000                                   |
| Promoter Group |  |   |                                  |   |                                     |                                  |   |  |
| 3              | Mrs. Jyoti Thapar  | 73500                                     | 0.1903                           | 0.0000  | 73500                               | 0.1903                           | 0.0000  | 0.0000                                   |
| 4              | Ms. Ayesha Thapar  | 51875                                     | 0.1343                           | 0.0000  | 51875                               | 0.1343                           | 0.0000  | 0.0000                                   |
| 5              | Ms. Nitasha Thapar                                       | 51875                                     | 0.1343                           | 0.0000  | 51875                               | 0.1343                           | 0.0000  | 0.0000                                   |
| 6              | Mr. Varun Aditya Thapar                                  | 169800                                    | 0.4398                           | 0.0000  | 169800                              | 0.4398                           | 0.0000  | 0.0000                                   |
| 7              | Mr. Adarsh Saran   | 13800                                     | 0.0358                           | 0.0000  | 0                                   | 0.0000                           | 0.0000  | -0.0358                                  |
| 8              | Indian City Properties Ltd                               | 382470                                    | 0.9907                           | 0.0000  | 382470                              | 0.9907                           | 0.0000  | 0.0000                                   |
| 9              | The Doaba Industrial And Trading Company Private Limited | 180000                                    | 0.4662                           | 0.0000  | 180000                              | 0.4662                           | 0.0000  | 0.0000                                   |
| 10             | The Punjab Business and Supply Company Private Limited   | 30000                                     | 0.0777                           | 0.0000  | 30000                               | 0.0777                           | 0.0000  | 0.0000                                   |
| 11             | Karam Chand Thapar & Bros (Jammu And Kashmir) Pvt Ltd    | 20000                                     | 0.0518                           | 0.0000  | 20000                               | 0.0518                           | 0.0000  | 0.0000                                   |
| 12             | Towerbase Services Pvt Ltd                               | 1215736                                   | 3.1493                           | 0.0000  | 1215736                             | 3.1493                           | 0.0000  | 0.0000                                   |

## C. Change in Promoters' Shareholding

| S. No. | Particulars   | No. of Shares   | % of total shares of the company  |
|--------|---|---|---|
|        | Karam Chand Thapar & Bros (Coal Sales) Ltd  |   |   |
| 1.     | At the beginning of the year  | 1,80,10,541   | 46.66   |
| 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): | <div>Date of acquisition</div> <div>No of shares acquired</div> <div>Reason</div> | <div>28<sup>th</sup>, 30<sup>th</sup> &amp; 31<sup>st</sup> March, 2016</div> <div>19,10,500</div> <div>Creeping acquisition of shares under SEBI Takeover Regulations.</div> |
| 3.     | At the end of the year  | 1,99,21,041   | 51.60   |

**Note:** The acquisition of shares by the Promoter, Karam Chand Thapar & Bros (Coal Sales) Limited (KCT) on 28<sup>th</sup>, 30<sup>th</sup> and 31<sup>st</sup> March, 2016 was not reflected in the Shareholding of KCT as the shares were in the process of getting transferred to the name of KCT as on 31<sup>st</sup> March, 2016. The details of shares acquired were extracted from the disclosure to the Company made by KCT under SEBI (Prohibition of Insider Trading) Regulations, 2015.

#### 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      | Indo Oceanic Investments Ltd       | 2475000                                   | 6.4114                           | 2475000                             | 6.4114                           |
| 2      | DJE-Agrar & Ernaehrung             | 608000                                    | 1.5750                           | 608000                              | 1.5750                           |
| 3      | Nishita Kirit Shah                 | 775761                                    | 2.0000                           | 562592                              | 1.4574                           |
| 4      | Nead Trading & Investments Limited | 520000                                    | 1.3470                           | 520000                              | 1.3470                           |
| 5      | Anil Thadani                       | 494000                                    | 1.2797                           | 494000                              | 1.2797                           |
| 6      | Hitesh Ramji Javeri                | 300000                                    | 0.7771                           | 300000                              | 0.7771                           |
| 7      | Flash Rise Limited                 | 247000                                    | 0.6398                           | 247000                              | 0.6398                           |
| 8      | Trans Scan Securities Pvt. Ltd.    | 0   | 0.0000                           | 246454                              | 0.6384                           |
| 9      | Harsha Hitesh Javeri               | 200192                                    | 0.5182                           | 200192                              | 0.5182                           |
| 10     | Lincoln P Coelho                   | 0   | 0.0000                           | 200000                              | 0.5181                           |

\*On 31<sup>st</sup> March 2016 the company received an intimation from M/s. Indo Oceanic Investments Limited regarding the sale of 24,75,000 shares through physical mode on 30<sup>th</sup> March, 2016.

**Note:** The change in the shareholding in the above shareholders was due to buying/selling of shares by the shareholders on various dates. The Company has not allotted any shares, issued bonus/sweat equity during the year

#### 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      | S. Giridhari             | 1791                                      | 0.0045                           | 1591                                    | 0.0040                           |
| 2      | G. Venkatram             | -   | -                                | -                                       | -                                |
| 3      | Ramakanth V. Akula       | -   | -                                | -                                       | -                                |

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

(in ₹ Lakhs)

## 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:**

[illegible]

• Remuneration to Key Managerial Personnel Other than MD/Manager/WTD:

| S. No. | Particulars of Remuneration   | Key Managerial Personnel    |                       |                        |                    |
|--------|---|-----------------------------|-----------------------|------------------------|--------------------|
|        |   | Mr. Ramakanth V Akula (CEO) | Mr. G. Venkatram (CS) | Mr. S. Giridhari (CFO) | Total              |
| 1      | Gross salary  |                             |                       |                        |                    |
|        | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 1,46,94,813                 | 14,81,572             | 49,46,006              | 2,11,22,391        |
|        | (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>1,46,94,813</b>          | <b>14,81,572</b>      | <b>49,46,006</b>       | <b>2,11,22,391</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

**Varun Aditya Thapar**

Director

Delhi, 12<sup>th</sup> August 2016

**Lt. Gen. Deepak Summanwar**

Director

## ANNEXURE – E

### Particulars of contracts / arrangements with related parties

[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014]

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

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2016, which were not at arm's length basis.

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

The Company has a material contract with Pinnae Feeds Limited. Details of the contract and the transactions thereunder with Pinnae Feeds Limited for the year ended 31<sup>st</sup> March, 2016 is as below:

| 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  |
|---------------------------|--------------------------------------|--|--|--------------------------------------|---|
| Pinnae Feeds Limited      | Entity under control of the Promoter | The Agreement with Pinnae Feeds Limited is valid for a period of 5 years from 29 <sup>th</sup> March, 2014 | Pinnae Feeds Limited to supply finished feeds to the Company on arms length basis based on Purchase Order of the Company.<br><br>Company to provide manpower assistance to PFL by way of deputation of personnel based on requirements. Actual cost incurred by the Company shall be reimbursed by PFL | 30.09.2015                           | For Purchase of Finished Feeds – ₹113.01 Crores<br><br>For Deputation of manpower at actual cost – ₹0.94 Crores |

For and on behalf of the Board of Directors

**Varun Aditya Thapar**

Director

Delhi, 12<sup>th</sup> August 2016

**Lt. Gen. Deepak Summanwar**

Director

## 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, 2016, the Board constitutes of eight members comprising of three Non-Executive Directors belonging to Promoter/ Promoter Group (including one women Director), One Non – Executive Director and four Independent Directors. The composition of the Board is in compliance with the Clause 49 of the Listing Agreement/ SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also the provisions of the Companies Act, 2013. Mr. Vikramaditya Mohan Thapar is the Chairman of the Company. The Independent Directors on the Board are competent and highly respected persons from their respective fields.

##### B. Scheduling of Board Meetings and Agenda

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

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

- a) Business plan/ budget and any updates thereon.
- b) Capital Expenditure proposals/ budget and any updates thereon.
- c) Quarterly Results.
- d) Minutes of the meetings of Audit Committee and other committees of the Board.
- e) The information on recruitment and remuneration of senior personnel just below the Board level, including the appointment of Chief Financial Officer and the company secretary.

- f) Non – Compliance of any regulatory, statutory nature or listing requirements and shareholder's services such as delay in the share transfer etc.
- g) Show cause, demand prosecution notices and penalty notices which are materially important.
- h) Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- i) Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- j) Significant labor problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- k) Risk assessment and minimization procedures and periodical review of the Risk Management framework.
- l) Confirmation on adherence to the Company's Code of Conduct & Business Ethics.
- m) General notice of interest of Directors.
- n) Terms of reference of Board Committees.
- o) Any material events that would impact the performance of the company.

During FY16, the Board of Directors met five times on 21<sup>st</sup> May 2015, 12<sup>th</sup> August 2015, 26<sup>th</sup> August 2015, 29<sup>th</sup> October 2015 and 5<sup>th</sup> February, 2016. 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 | Directorship in other Companies* |
|--------|--|--------------------------------|----------------------------|--------------------------------|----------------------------------|
|        | <b>Non-Executive Directors belonging to Promoter/ Promoter Group</b> |                                |                            |                                |                                  |
| 1.     | Mr. Vikramaditya Mohan Thapar  | 5                              | No                         | 00030967                       | 7                                |
| 2.     | Mrs. Jyoti Thapar  | 2                              | No                         | 00031035                       | 2                                |
| 3.     | Mr. Varun Aditya Thapar  | 4                              | No                         | 02322660                       | 8                                |
|        | <b>Non-Executive Director</b>  |                                |                            |                                |                                  |
| 4.     | Mr. Rahul Kapur  | 2                              | No                         | 00020624                       | 7                                |
|        | <b>Independent Directors</b>   |                                |                            |                                |                                  |
| 5.     | Lt. Gen. Deepak Summanwar  | 4                              | Yes                        | 02017830                       | 1                                |
| 6.     | Mr. Nakul Kamani   | 5                              | No                         | 00891344                       | 5                                |
| 7.     | Mr. Anil Kumar Bhandari  | 5                              | Yes                        | 00031194                       | 6                                |
| 8.     | Mr. Ranjit Mehta   | 5                              | No                         | 03172264                       | 1                                |

\*Includes private limited companies

### C. Detail of Directorship in other Companies:

The details of Directorships of the Company's Directors in other companies as on 31<sup>st</sup> March, 2016 is given below:

| Name of the Director          | Directorship in other Companies  |
|-------------------------------|--|
| Mr. Vikramaditya Mohan Thapar | Karam Chand Thapar & Bros (Coal Sales) Limited<br>The Silkbase Company Limited<br>Indian City Properties Limited<br>Indicon Westfalia Limited<br>Thapar Infra Construction India Limited<br>Bharat Westfalia Engineering Limited<br>KCT Holdings Private Limited   |
| Mrs. Jyoti Thapar             | Gourmet Delicatessens Limited<br>Towerbase Services Private Limited  |
| Mr. Varun Aditya Thapar       | Karam Chand Thapar & Bros (Coal Sales) Limited<br>Indian City Properties Limited<br>Handy - Waterbase India Private Limited<br>Indicon Westfalia Limited<br>Thapar Infra Construction India Limited<br>Bharat Westfalia Engineering Limited<br>Honeybird Realcon Private Limited<br>KCT Holdings Private Limited |
| Mr. Rahul Kapur               | Immunetic Lifesciences Private Limited<br>PML Mercantile Limited<br>JMK Mercantile Limited<br>Keggfarms Private Limited<br>Indovax Private Limited<br>Avitech Nutrition Private Limited<br>Avitech Trading Private Limited   |
| Lt. Gen. Deepak Summanwar     | Peninsula Land Limited   |
| Mr. Nakul Kamani              | Steel City Press Limited<br>Samarth Engineering Co Private Limited<br>Rushabh Investments Private Limited<br>Brosco Designs Private Limited<br>Sparx Technologies Private Limited  |
| Mr. Anil Kumar Bhandari       | Kirloskar Electric Company Limited<br>Bhoruka Park Private Limited<br>Karnataka Coffee Brokers Private Limited<br>Sporturf Construction (India) Private Limited<br>Fish-N-Chips Hotels Private Limited<br>Pinnae Feeds Limited   |
| Mr. Ranjit Mehta              | Pinnae Feeds Limited   |

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

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

| S. No. | Name of the Director          | Name of the Indian Public Limited Company   | Name of the Committee*                        | Member/ Chairman |
|--------|-------------------------------|---|---|------------------|
| 1.     | Mr. Vikramaditya Mohan Thapar | Karam Chand Thapar & Bros. (Coal Sales) Ltd | Share Transfer & Investor Grievance Committee | Member           |
|        |                               | Karam Chand Thapar & Bros. (Coal Sales) Ltd | Corporate Social Responsibility Committee     | Member           |
|        |                               | Karam Chand Thapar & Bros. (Coal Sales) Ltd | Nomination And Remuneration Committee         | Member           |
|        |                               | Indian City Properties Limited              | Corporate Social Responsibility Committee     | Member           |
|        |                               | Indian City Properties Limited              | Nomination And Remuneration Committee         | Member           |
|        |                               | Indicon Enterprises Limited                 | Audit Committee                               | Member           |
| 2.     | Mrs. Jyoti Thapar             | NIL   |   |                  |
| 3.     | Mr. Varun Aditya Thapar       | Karam Chand Thapar & Bros. (Coal Sales) Ltd | Stakeholders Relationship Committee           | Member           |
|        |                               | Karam Chand Thapar & Bros. (Coal Sales) Ltd | Audit Committee                               | Member           |
|        |                               | Karam Chand Thapar & Bros. (Coal Sales) Ltd | Corporate Social Responsibility Committee     | Member           |
|        |                               | Indian City Properties Limited              | Audit Committee                               | Member           |
|        |                               | Indian City Properties Limited              | Corporate Social Responsibility Committee     | Member           |
| 4.     | Mr. Rahul Kapur               | NIL   |   |                  |
| 5.     | Lt. Gen. Deepak Summanwar     | Peninsula Land Limited                      | Audit Committee                               | Member           |
|        |                               | Peninsula Land Limited                      | Stakeholders Relationship Committee           | Member           |
|        |                               | Peninsula Land Limited                      | Remuneration Committee                        | Member           |
| 6.     | Mr. Nakul Kamani              | NIL   |   |                  |
| 7.     | Mr. Anil Kumar Bhandari       | Kirloskar Electric Company Limited          | Audit Committee                               | Member           |
|        |                               | Kirloskar Electric Company Limited          | Remuneration Committee                        | Member           |
| 8.     | Mr. Ranjit Mehta              | NIL   |   |                  |

## E. Shareholding of Directors

| Name of the Director          | Nature of Directorship | No. of shares held as at March 31, 2016 |
|-------------------------------|------------------------|---|
| Mr. Vikramaditya Mohan Thapar | Non-Executive Director | 53750                                   |
| Mrs. Jyoti Thapar             | Non-Executive Director | 73500                                   |
| Mr. Varun Aditya Thapar       | Non-Executive Director | 169800                                  |
| Mr. Rahul Kapur               | Non-Executive Director | NIL                                     |
| Lt. Gen. Deepak Summanwar     | Independent Director   | NIL                                     |
| Mr. Nakul Kamani              | Independent Director   | 23201                                   |
| Mr. Anil Kumar Bhandari       | Independent Director   | NIL                                     |
| Mr. Ranjit Mehta              | Independent Director   | NIL                                     |

## F. Appointment/ Re-appointment of Directors

Mr. Rahul Kapur was appointed as an additional director on the Board at the Board Meeting held on 29<sup>th</sup> October, 2015. Mr. Adarsh Saran, who was a Director belonging to Promoter/ Promoter Group, resigned from Directorship with effect from the said date. The Company is in receipt of a notice in writing from Mr Rahul Kapur, proposing his candidature for the office of Director retiring by rotation at the forthcoming Annual General meeting of the Company and a suitable item has been included in the Notice convening the 29<sup>th</sup> Annual General Meeting of the Company. Further details and the profile of Mr Rahul Kapur is mentioned in the Explanatory Statement to the Notice of Annual General Meeting

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

## G. Board Evaluation Mechanism

The Board, based on recommendation of the Nomination and Remuneration Committee, had adopted an evaluation framework for evaluating the performance of the Board as a whole, individual Director and the Board Committees. The

evaluation framework envisages a three stage evaluation process wherein the Independent Directors, Nomination and Remuneration Committee and the Board are involved. During FY16, the annual evaluation process was kick started at the meeting of Independent Directors held on 05<sup>th</sup> February, 2016. Thereafter, the Nomination and Remuneration Committee and the Board completed the annual evaluation process at the meeting held on 24<sup>th</sup> May, 2016.

The Directors individually were evaluated on the following parameters:

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

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

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

## H. Familiarization Programme

The Company takes all steps necessary to keep the Directors apprised of key developments in the business and Industry and to familiarize them for enabling their contribution and good governance. Since the Independent Directors are the critical link in any successful Corporate Governance program, a detailed appointment letter incorporating the role, duties and expectations, remuneration, insurance cover, code of conduct, etc., is issued for the acceptance of the Independent Directors. Presentations made to analysts and any Corporate Presentations are circulated to them. Annual Reports, product information brochures etc are also given for reference. Further, as part of the Board/

Committee Meetings, the Independent Directors are briefed about the developments impacting the Industry, various strategic initiatives of the Company, update on operations etc. Senior Executives regularly make presentations by audio visual means to the Board.

The overview of Company's familiarization programme is available on the website of the Company at [http://www.waterbaseindia.com/pdf/Independent\\_Directors\\_Familiarisation\\_Programme.pdf](http://www.waterbaseindia.com/pdf/Independent_Directors_Familiarisation_Programme.pdf)

#### I. Disclosure of relationship between Directors Inter se

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

#### J. Remuneration of Directors

Based on performance evaluation, the Directors are paid a commission of up to 1% of net profits as approved by the Shareholders apart from Sitting fee for attending Board and Audit Committee meetings. The Independent Directors were appointed for a term of 5 years from 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 all 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 Clause 49 of the Listing Agreement and 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, Clause 49 of the Listing Agreement/ 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, 2016, composition of the committee is as follows:

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

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

### C. Attendance of Directors

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

## Nomination and Remuneration Committee

### A. Terms of Reference

The Committee was constituted in terms of the requirement of Clause 49 of the Listing Agreement entered with Stock Exchange/SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015 and as per 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 is given as annexure to the Directors' Report.

### B. Composition & Meetings

The committee comprises of four Independent Directors

and it met 2 times during the year. As on 31<sup>st</sup> March, 2016, the committee comprised:

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

### C. Attendance of Directors:

| Name                    | No. of meetings held | No. of meetings attended |
|-------------------------|----------------------|--------------------------|
| Mr. Anil Kumar Bhandari | 2                    | 2                        |
| LT.Gen.Deepak Summanwar | 2                    | 2                        |
| Mr. Nakul Kamani        | 2                    | 2                        |
| Mr. Ranjit Mehta        | 2                    | 2                        |

## Stakeholders Relationship Committee

### A. Terms of Reference

The Committee was constituted in terms of the requirement of Clause 49 of the Listing Agreement, 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, dematerialisation 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 Sixteen complaints from the Shareholders which have been resolved

to their satisfaction. There were no investor complaints pending as at 31st March, 2016.

### B. Composition & Meetings

During the year, the Committee was reconstituted to comprise of Mr Vikramaditya Mohan Thapar, Chairman and Mr Varun Aditya Thapar, Director. Earlier, the Committee comprised of Mr. Anil Kumar Bhandari, Lt. Gen. Deepak Summanwar (Retd.) and Mr. Ranjit Mehta. This reconstitution was approved by the Board at the meeting held on 21<sup>st</sup> May, 2015 and was carried out with a view to facilitate quicker resolution of the grievances of Shareholders and to smoothen the administrative process. During the year, the committee held sixteen meetings.

## Corporate Social Responsibility Committee

### A. Terms of Reference

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

- Formulating and recommending to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII, including any revision/amendment/alteration thereof from time to time, as and when required.
- Making recommendations on the following to the Board:-
  - a. To identify the Projects/Programmes to be undertaken by the Company from time to time.
  - b. To recommend the amount of expenditure to be incurred on such Projects/Programmes/activities.
  - c. To recommend to build CSR capacity of the Company's personnel as well as those of the implanting agencies, if any.
- Identifying and appointing/engaging agencies/ organizations, if required, to implement the CSR Projects/Programmes/activities of the Company, to carry on base line studies for implementation of such activities and also to carry on impact assessment studies of such Projects/Programmes/activities on the target area/group/population.

- Ensuring that the Company spends, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of the CSR Policy.
- Reviewing the annual report of the CSR activities and ensure that it forms part of the Company's Annual Report and displayed on the Company's website.

The CSR policy permits the Company to collaborate with other companies, including Group Companies, Subsidiaries, Associates, affiliates etc. for undertaking CSR Projects/ programmes in such a manner that the CSR Committees of respective Companies are in a position to report separately on such projects or programmes. CSR provisions under the Companies Act, 2013 is applicable for three other Companies belonging to KCT Group vis-à-vis Karam Chand Thapar & Bros (Coal Sales) Limited, Towerbase 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 said Trust will become operational in FY17. The Committee will oversee the implementation of CSR programmes/ projects by the Trust.

The Company Secretary serves as the Secretary to the Committee.

### B. Composition & Meetings

The committee comprises of five Directors. Following are the members of the Committee:

- |                                 |  |
|---------------------------------|--|
| • Mr. Vikramaditya Mohan Thapar | - Non-Executive Promoter Director & Chairman                   |
| • Mr. Varun Aditya Thapar       | - Non-Executive Director belonging to Promoter/ Promoter Group |
| • Lt. Gen. Deepak Summanwar     | - Independent Director   |
| • Mr. Nakul Kamani              | - Independent Director   |
| • Mr. Ranjit Mehta              | - Independent Director   |

The Committee met for 2 times during the year. The outline of the CSR policy, the amount spent during the year on CSR and other details are given as Annexure B to the Directors' Report.

## Compliance Report

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

## Compliance with Insider Trading Code

To curb Insider Trading, the Company ensures Compliance with the disclosure requirements of the Directors, the Key Managerial and Senior Management Personnel under the Company's Code of Conduct for Prevention of Insider Trading. The Code inter alia requires Designated Persons to pre-clear trades in the securities of the Company beyond

a set threshold limit and prohibits trading in the securities of the company while in possession of unpublished price sensitive information and during the period when the trading window is closed. The Company follows a policy of sharing Unpublished Price Sensitive Information (UPSI) strictly on "need to know" basis, i.e., such Information will be disclosed only to those within the company 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 Annual General Meetings are as below:

| Year    | Date and Time   | Venue  | Special Resolution Passed   |
|---------|---|--|---|
| 2011-12 | Date: 28 <sup>th</sup> September 2012<br>Time: 12:15 p.m. | Registered Office – Ananthapuram Village, Nellore, Andhra Pradesh – 524344 | NIL   |
| 2012-13 | Date: 29 <sup>th</sup> July 2013<br>Time: 12:15 p.m.      | Registered Office – Ananthapuram Village, Nellore, Andhra Pradesh – 524344 | NIL   |
| 2013-14 | Date: 29 <sup>th</sup> September 2014<br>Time: 12:15 p.m. | Registered Office – Ananthapuram Village, Nellore, Andhra Pradesh – 524344 | a) Payment of commission to Directors<br>b) Approval of Borrowing Limits under section 180(1)(c) of the Companies Act, 2013.  |
| 2014-15 | Date: 30 <sup>th</sup> September 2015<br>Time: 12:15 p.m. | Registered Office – Ananthapuram Village, Nellore, Andhra Pradesh – 524344 | a) Approval of Material Related Party Transaction with Pinnae Feeds Limited.<br>b) Modification of the Borrowing powers of the Board.<br>c) Creation of charges on the assets of the Company. |

## CEO/CFO Certification

Mr. Ramakanth V Akula, Chief Executive Officer and Mr. S.Giridhari, Chief Financial Officer have given a certificate to the Board with regard to Financial Statements, Compliance

and Internal Control Systems as contemplated under clause 49 of the Listing Agreement / 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, 2016, M/s. ARUB & Associates, Practising Company Secretaries, Chennai have conducted the secretarial audit and the certificate was placed before the board and attached to this report.

## Disclosures

### a. Related Party Transactions

The details of Related Party Transactions has been disclosed in form AOC - 2 as an annexure to the Director's Report. 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 Listing Agreement/SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015. The policy provides for access to the Audit Committee in case of following:

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

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

### d. Compliance with mandatory requirements

The Company complies with all the mandatory requirements of Clause 49 of the Listing Agreement/as per the relevant provisions 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 (Clause 49) requirements of the Listing Agreement/ 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. The material related party transaction with Pinnae Feeds Limited has been approved by the Shareholders at their meeting held on 30<sup>th</sup> September, 2015.
- 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 of Board members and Senior Management Personnel under the following heads:

- Compliance of Laws
- Fiduciary Role
- Honest & Ethical conduct
- Confidentiality
- Protection and proper use of Company's assets
- Transparency & fair dealing
- Conflict of interest
- Corporate Opportunity
- Delegation and assignment
- Fair competition

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 are 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 on 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 in the month of September 2015 and June 2016 and the same has been hosted in the Company's website at the following links:  
[http://www.waterbaseindia.com/pdf/investor\\_presentation/The-Waterbase-Limited-Investor-Presentation-June-2016.pdf](http://www.waterbaseindia.com/pdf/investor_presentation/The-Waterbase-Limited-Investor-Presentation-June-2016.pdf)  
[http://www.waterbaseindia.com/pdf/investor\\_presentation/Investor\\_Presentation.pdf](http://www.waterbaseindia.com/pdf/investor_presentation/Investor_Presentation.pdf)

## General Shareholders' Information

### a. Annual General Meeting:

| Date                             | Time       | Venue  |
|----------------------------------|------------|--|
| 29 <sup>th</sup> September, 2016 | 12:15 P.M. | Registered Office – Ananthapuram Village, Nellore, Andhra Pradesh – 524344 |

### b. Financial Year & Financial Calendar:

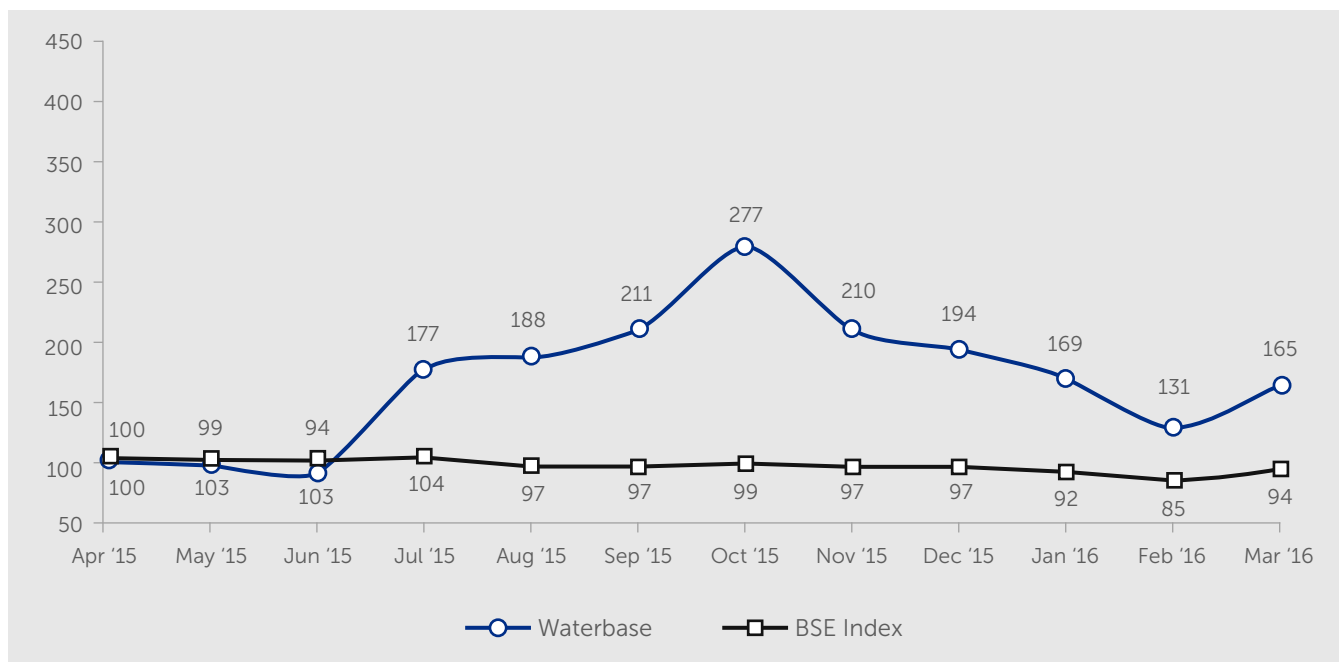
| S. No. | Item                              | Details   |
|--------|-----------------------------------|---|
| 1      | Financial Year                    | Financial Year of the Company is from 1 <sup>st</sup> April of every calendar year to 31 <sup>st</sup> March of the subsequent calendar year  |
| 2      | Financial Calendar (tentative)    | <ul style="list-style-type: none"> <li>First Quarter Results – By 15<sup>th</sup> August, 2016.</li> <li>Second Quarter / Half Year Results - By 15<sup>th</sup> November, 2016</li> <li>Third Quarter / Nine Months Results - By 15<sup>th</sup> February, 2017</li> <li>Fourth Quarter / Year end Results - By 30<sup>th</sup> May, 2017</li> </ul> |
| 3      | Date of Book Closure/cut-off date | There is no Book Closure during the year. The cut-off date will be 22 <sup>nd</sup> September 2016 for the purpose of Annual General Meeting.   |
| 4      | Dividend Payment Date             | No dividend is proposed for the current year  |
| 5      | Listing on Stock Exchange         | The Company's Shares are listed on BSE Limited. The address of the exchange is as follows:<br>BSE Limited - Floor 25, Phiroze Jheejeebhoy Towers Dalal Street, Mumbai – 400 001.  |
| 6      | Stock Code                        | 523660  |
| 7      | ISIN                              | INE054C01015  |

### c. Share Price Data:

The Company's monthly high and low quotations for the Financial Year 2015-16 at the BSE are given herein:

| Date   | BSE    |        |
|--------|--------|--------|
|        | Time   | Venue  |
| Apr-15 | 63.75  | 49.20  |
| May-15 | 63.40  | 45.10  |
| Jun-15 | 59.65  | 48.00  |
| Jul-15 | 113.00 | 54.30  |
| Aug-15 | 119.90 | 81.00  |
| Sep-15 | 134.80 | 83.00  |
| Oct-15 | 176.90 | 119.90 |
| Nov-15 | 133.80 | 109.20 |
| Dec-15 | 123.50 | 98.40  |
| Jan-16 | 107.80 | 70.70  |
| Feb-16 | 83.20  | 60.60  |
| Mar-16 | 104.90 | 65.15  |

d. Share price performance in comparison to BSE Sensex is as under (Price Movement compared to BSE Index keeping the base as 100):



#### 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 Ltd  
Subramanyam Building  
1, Club House Road, Chennai - 600 002  
Phone: 044-28460390 / 391/ 392 / 393 / 394  
Fax: 044-28460129  
Email: investor@cameoindia.com

#### f. Share Transfer System

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

transfer/ transmission work regularly and reports to the Stakeholders Committee on quarterly basis regarding the share transfer/ transmission.

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

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

Quarterly audit was conducted by M/s. VMACS & 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 5,829,880 shares constituting 15.10% of the paid up share capital of the Company as at 31<sup>st</sup> March, 2016. Trading in the equity shares of the company is compulsory in dematerialized form for all investors.

#### h. Distribution of Shareholding

| Category          | No. of shareholders | % to shareholders | Total Shares    | % to paid up Capital |
|-------------------|---------------------|-------------------|-----------------|----------------------|
| 1 - 100           | 16623               | 61.97             | 1458103         | 3.78                 |
| 101 - 500         | 6783                | 25.29             | 1912267         | 4.95                 |
| 501 - 1000        | 1700                | 6.33              | 1406957         | 3.64                 |
| 1001 - 2000       | 829                 | 3.09              | 1310960         | 3.39                 |
| 2001 - 3000       | 303                 | 1.13              | 782053          | 2.03                 |
| 3001 - 4000       | 138                 | 0.51              | 501623          | 1.30                 |
| 4001 - 5000       | 129                 | 0.48              | 613717          | 1.59                 |
| 5001 - 10000      | 179                 | 0.67              | 1347414         | 3.50                 |
| 10001 - And Above | 142                 | 0.53              | 29270156        | 75.82                |
| <b>Total</b>      | <b>26826</b>        | <b>100.00</b>     | <b>38603250</b> | <b>100.00</b>        |

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

**j. Plant Location:**

The Waterbase Limited

Ananthapuram Village, 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. G. Venkatram

Company Secretary & Compliance Officer

Phone: + 91 44 3012 7000

Fax: + 91 44 3012 7001

Email: investor@waterbaseindia.com

For and on behalf of the Board of Directors

**Varun Aditya Thapar**

Director

Delhi, 12<sup>th</sup> August 2016

**Lt. Gen. Deepak Summanwar**

Director

## Declaration on adherence to the 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 31<sup>st</sup> March, 2016, as envisaged in Clause 49 of the Listing Agreement and as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Delhi, 12<sup>th</sup> August 2016

**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 S Giridhari, Chief Financial Officer, do hereby affirm the following, pursuant to provisions of Clause 49 (IX) of the Listing Agreement and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in relation to Financial Reporting during the year ended 31<sup>st</sup> March, 2016;

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  
Delhi, 12<sup>th</sup> August 2016

**S. Giridhari**  
Chief Financial Officer

## Secretarial Auditors' Certificate on Compliance with Corporate Governance provisions

To  
The Members of  
**The Waterbase Limited**

1. We M/s. ARUB & Associates, Practising Company Secretaries (Firm's Registration No.: P2015TN044500), as Secretarial Auditors of The Waterbase Limited ("the Company"), having its Registered Office at Ananthapuram Village, T.P. Gudur, Mandal, Nellore – 524 344, Andhra Pradesh have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31<sup>st</sup> March, 2016 as stipulated in Clause 49 of the Listing Agreement and relevant provisions of 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 Clause 49 of the Listing Agreement and relevant 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 stipulated in Clause 49 of the above mentioned Listing Agreement and relevant provisions of the regulation 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 and on behalf of

For **ARUB & Associates**  
Practising Company Secretary  
(Firm's Registration No.: P2015TN044500)

**A. Rengarajan**  
Partner  
(FCS No.: F6725)  
CP: 13437

Date: 11/08/2016  
Place: Chennai



## ANNEXURE – G Secretarial Audit Report

### Form No. MR-3

[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: 31.03.2016**

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, 2016 (the audit period) 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 and Overseas Direct Investment;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
  - a. The 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, 1992 (upto 14<sup>th</sup> May, 2015) and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15<sup>th</sup> May 2015);
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company during the Audit Period);
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable to the Company during the Audit Period);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period);
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not Applicable to the Company during the Audit Period);

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period); and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit Period);
6. The Company has identified the following laws specifically applicable to the Company:
- i. Indian Fisheries Act, 1897
  - ii. Marine Products Export Development Authority Act, 1972 and rules made thereunder.
  - iii. Coastal Aquaculture Authority Act, 2005 and rules made thereunder
  - iv. The Prevention and Control of Infectious and Contagious Diseases in Animals Act, 2009 and rules made thereunder.
  - v. Guidelines for Sustainable Development and Management of Brackish Water Aquaculture, 1995
  - vi. Marine Products (Quality Marking) Scheme, 2010
  - vii. The Factories Act, 1948
  - viii. The Payment of Wages Act, 1936
  - ix. The Minimum Wages Act, 1948
  - x. The Payment of Bonus Act, 1965
  - xi. Payment of Gratuity Act, 1972
  - xii. Employers State Insurance Act, 1948
  - xiii. Interstate Migrant Workmen Regulation of Employment and conditions of Service Act 1979 and Rules thereunder.
  - xiv. Employees Compensation Act 1923 and rules thereunder
  - xv. Water (Prevention & Control of Pollution) Act 1974 and rules thereunder
  - xvi. Air (Prevention & Control of Pollution) Act 1981 and rules thereunder
  - xvii. 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 issued by the Institute of Company Secretaries of India under the provisions of the Companies Act, 2013
2. The Listing Agreements entered into by the Company with BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from 1<sup>st</sup> December, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above subject to the following observation:-

The Company has received a notice dated 30<sup>th</sup> April 2015 from Ministry of Corporate Affairs, New Delhi for non-filing of Cost Audit Report under Section 233B of the Companies Act, 1956. Further Company has received show cause notice under Section 233B (11) of the Companies Act, 1956 dated 6<sup>th</sup> October 2015. Based on the information and explanations given by the Company and its officers, it is noted that the Company is taking effective steps to ensure the compliance.

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 and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.



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 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 unanimous and no dissenting views have been recorded.

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

We further report that during the financial year under review:-

the Company has obtained the approval of members under Section 180(1) (c) of the Companies Act, 2013 by way of special resolution for borrowings up to ₹100 Crores over and above the aggregate paid-up share capital and free reserves of the Company.

the Company has obtained the approval of members under Section 180(1)(a) of the Companies Act, 2013 by way of special resolution to mortgage, charge and hypothecate as may be necessary on such of the undertakings of the Company, both present and future in favour of Lending Agencies to secure loans, debentures, bonds and other instruments of an outstanding aggregate value not exceeding ₹100 Crores together with interest and other costs and expenses.

For **ARUB & Associates**  
Practising Company Secretary  
(Firm's Registration No.: P2015TN044500)

**A. Rengarajan**  
Partner  
(FCS No.: F6725)  
CP: 13437

Date: 11/08/2016

Place: Chennai

To  
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 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. Where ever 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**  
Practising Company Secretary  
(Firm's Registration No.: P2015TN044500)

**A. Rengarajan**

Partner

(FCS No.: F6725)

CP: 13437

Date: 11/08/2016

Place: Chennai



# Independent Auditor's Report for the year ended 31st March, 2016

*To the members of*

**The Waterbase Limited**

## **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of The Waterbase Limited ('the Company'), which comprise the balance sheet as at 31st March 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibility**

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2016 and its profit and its cash flows for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, 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 and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

- (e) on the basis of the written representations received from the directors as on 31st March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016 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 B"; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 31(1)(i) to the financial statements;

- ii. the Company does 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.

**For Mitra Kundu & Basu**  
Chartered Accountants  
F R No. 302061E

**(S. Das)**

Partner

M. No. 051391

New Delhi  
May 24, 2016

## Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The physical verification of inventory has been conducted at reasonable intervals by the management. The loss of inventory during the year has been properly dealt with in the books of accounts.
- (iii) In our opinion and 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 section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However,

according to information and explanations given to us, the following dues of duty of customs, sales tax, service tax and value added tax have not been deposited by the Company on account of disputes:

| Name of the statute                 | Nature of dues                              | Amount (in ₹) | Period to which the amount relates | Forum where dispute is pending                               |
|-------------------------------------|---|---------------|------------------------------------|--|
| Custom Duty                         | Import Duty on Raw Materials                | 535.36 Lakhs  | 1995-96                            | Chennai – High Court   |
| Custom-Central Excise & Service Tax | Service tax on Commission to Foreign Agents | 63.86 Lakhs   | 2006-07                            | CESTAT - Bangalore   |
| - Do -                              | Disallowance of Cenvat Credit               | 49.48 Lakhs   | February 2007 to March 2009        | A.P. High Court  |
| Sales tax                           | Interest on Deferred Sales Tax              | 35.56 Lakhs   | April 2009 to March 2010           | Dy. Commissioner (C.T.) Commercial Tax Deptt. Andhra Pradesh |

(viii) The company has not defaulted in repayment of loans or borrowing to a financial institution or bank during the year. The Company has not raised any monies against issue of debentures.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, Clause (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company and hence reporting under Clause (xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in

compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, Clause (xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Mitra Kundu & Basu**  
Chartered Accountants  
F R No. 302061E

**(S. Das)**  
Partner  
M. No. 051391

New Delhi  
May 24, 2016

## Annexure - B to the Auditors' Report

**Report on the Internal Financial Controls 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 31st March 2016 in conjunction with our audit of the standalone 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 ('ICAI'). 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgment, 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, 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 31 March 2016, 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.

**For Mitra Kundu & Basu**  
Chartered Accountants  
F R No. 302061E

**(S. Das)**  
Partner

New Delhi  
May 24, 2016

M. No. 051391



# Balance Sheet as at 31st March, 2016

(₹ Lakhs)

| Particulars   | Note    | As at 31.03.2016 | As at 31.03.2015 |
|---|---------|------------------|------------------|
| <b>EQUITY AND LIABILITIES</b>   |         |                  |                  |
| <b>Shareholders' Funds</b>  |         |                  |                  |
| (a) Share Capital   | 02      | 3,860.33         | 3,860.33         |
| (b) Reserves and Surplus  | 03      | 6,125.38         | 6,056.97         |
|   |         | 9,985.71         | 9,917.30         |
| <b>Non-Current Liabilities</b>  |         |                  |                  |
| (a) Long-Term Borrowings  | 04      | 8.10             | 32.06            |
| (b) Deferred Tax Liabilities (Net)  | 05      | 36.95            | 105.02           |
| (c) Long-Term Provisions  | 06      | 177.14           | 129.60           |
|   |         | 222.19           | 266.68           |
| <b>Current Liabilities</b>  |         |                  |                  |
| (a) Short-Term Borrowings   | 07      | 999.35           | 1,184.16         |
| (b) Trade Payables  | 08      | 2,253.58         | 3,145.23         |
| (c) Other Current Liabilities   | 09      | 1,127.51         | 271.10           |
| (d) Short-Term Provisions   | 10      | 1,768.39         | 1,797.96         |
|   |         | 6,148.83         | 6,398.45         |
| <b>TOTAL</b>  |         | <b>16,356.73</b> | <b>16,582.43</b> |
| <b>ASSETS</b>   |         |                  |                  |
| <b>Non-Current Assets</b>   |         |                  |                  |
| (a) Fixed Assets  |         |                  |                  |
| (i) Tangible Assets   | 11      | 1,848.85         | 1,696.94         |
| (ii) Capital Work-in-Progress   | 11      | 98.31            | 92.45            |
| (iii) Intangible Assets under Development   | 11      | 171.46           | -                |
|   |         | 2,118.62         | 1,789.39         |
| (b) Non-Current Investments   | 12      | -                | -                |
| (c) Long-Term Loans and Advances  | 13      | 196.68           | 170.52           |
|   |         | 2,315.30         | 1,959.91         |
| <b>Current Assets</b>   |         |                  |                  |
| (a) Current Investments   | 14      | 2.00             | 7.00             |
| (b) Inventories   | 15      | 1,595.82         | 3,914.81         |
| (c) Trade Receivables   | 16      | 7,550.09         | 5,696.79         |
| (d) Cash and Cash Equivalents   | 17      | 2,144.99         | 2,947.82         |
| (e) Short-Term Loans and Advances   | 18      | 240.97           | 345.78           |
| (f) Other Current Assets  | 19      | 2,507.56         | 1,710.32         |
|   |         | 14,041.43        | 14,622.52        |
| <b>TOTAL</b>  |         | <b>16,356.73</b> | <b>16,582.43</b> |
| Significant Accounting Policies and Notes form an Integral Part of the Financial Statements | 1 to 37 |                  |                  |

As per our Report of even date

For and on behalf of the Board

For **Mitra Kundu & Basu**

Chartered Accountants

(F.R.No.302061E)

**S. Das**

Partner

(Membership No.051391)

New Delhi

May 24, 2016

**Vikramadithya Mohan Thapar**

Chairman

**Ramakanth V Akula**

Chief Executive Officer

**G Venkatram**

Company Secretary

**Anil Kumar Bhandari**

Director

**S. Giridhari**

Chief Financial Officer

## Statement of Profit and Loss for the year ended 31st March, 2016

(₹ Lakhs)

| Particulars   | Note    | Year ended 31.03.2016 | Year ended 31.03.2015 |
|---|---------|-----------------------|-----------------------|
| <b>INCOME</b>   |         |                       |                       |
| Revenue from Operations   | 20      | 31,863.45             | 27,755.83             |
| Other Income  | 21      | 134.92                | 194.03                |
| <b>Total Revenue</b>  |         | <b>31,998.37</b>      | <b>27,949.86</b>      |
| <b>EXPENSES</b>   |         |                       |                       |
| (a) Cost of Materials Consumed  | 22      | 11,969.57             | 16,208.07             |
| (b) Purchases of Stock-in-Trade   | 23      | 12,022.43             | 3,635.28              |
| (c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade           | 24      | 433.75                | 113.32                |
|   |         | 24,425.75             | 19,956.67             |
| (d) Employee Benefits Expense   | 25      | 1,414.46              | 1,086.41              |
| (e) Finance Costs   | 26      | 103.27                | 121.44                |
| (f) Depreciation and Amortisation Expense   | 27      | 173.21                | 142.63                |
| (g) Other Expenses  | 28      | 3,638.93              | 3,618.54              |
| <b>Total Expenses</b>   |         | <b>29,755.62</b>      | <b>24,925.69</b>      |
| <b>Profit before Exceptional and Extraordinary Items and Tax</b>                            |         | <b>2,242.75</b>       | <b>3,024.17</b>       |
| Exceptional Items   | 29      | 346.30                | -                     |
| <b>Profit before Extraordinary Items and Tax</b>  |         | <b>1,896.45</b>       | <b>3,024.17</b>       |
| Extraordinary Item  | 30      | 1,745.85              | -                     |
| <b>Profit before Tax</b>  |         | <b>150.60</b>         | <b>3,024.17</b>       |
| Tax Expense   |         |                       |                       |
| (1) Current Tax   |         |                       |                       |
| (i) Current tax   |         | 150.27                | 925.00                |
| (ii) Current tax relating to earlier years  |         | -                     | -                     |
| (2) Deferred Tax  |         | (68.08)               | 147.73                |
| <b>Total Tax Expense</b>  |         | <b>82.19</b>          | <b>1,072.73</b>       |
| <b>Profit After Tax</b>   |         | <b>68.41</b>          | <b>1,951.45</b>       |
| Earnings per equity share :   |         |                       |                       |
| (1) Basic   |         | 0.18                  | 5.06                  |
| (2) Diluted   |         | 0.18                  | 5.06                  |
| Significant Accounting Policies and Notes form an Integral Part of the Financial Statements | 1 to 37 |                       |                       |

As per our Report of even date

For and on behalf of the Board

For **Mitra Kundu & Basu**Chartered Accountants  
(F.R.No.302061E)**S. Das**

Partner

(Membership No.051391)

New Delhi

May 24, 2016

**Vikramadithya Mohan Thapar**

Chairman

**Ramakanth V Akula**

Chief Executive Officer

**G Venkatram**

Company Secretary

**Anil Kumar Bhandari**

Director

**S. Giridhari**

Chief Financial Officer



## Cash Flow Statement for the year ended 31st March, 2016

(₹ Lakhs)

| Particulars   | Year ended 31.03.2016 |                 | Year ended 31.03.2015 |                 |
|---|-----------------------|-----------------|-----------------------|-----------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                 |                       |                 |                       |                 |
| Net Profit before exceptional and extraordinary items and tax |                       | 2,242.75        |                       | 3,024.17        |
| <i>Adjustments for:</i>                                       |                       |                 |                       |                 |
| Depreciation  | 173.21                |                 | 142.63                |                 |
| Profit on Sale / Discard of Capital Assets                    | (0.03)                |                 | -                     |                 |
| Profit on Sale of Investments                                 | (2.15)                |                 | -                     |                 |
| Provision for Bad and Doubtful Debts                          | 230.00                |                 | -                     |                 |
| Interest Income   | (132.56)              |                 | (193.73)              |                 |
| Dividend Income   | (0.20)                |                 | (0.30)                |                 |
| Finance Costs   | 28.94                 |                 | 29.78                 |                 |
|   |                       | 297.21          |                       | (21.62)         |
| <b>Operating profit before working capital changes</b>        |                       | <b>2,539.96</b> |                       | <b>3,002.55</b> |
| <i>Adjustments for:</i>                                       |                       |                 |                       |                 |
| Inventories   | 2,318.99              |                 | 971.37                |                 |
| Trade and other receivables                                   | (2,083.29)            |                 | (858.79)              |                 |
| Short term Loans and advances                                 | 104.81                |                 | 685.65                |                 |
| Long term Loans and advances                                  | (26.16)               |                 | -                     |                 |
| Other Current Assets  | (85.57)               |                 | (864.45)              |                 |
| Trade and other payables                                      | (891.65)              |                 | (1,801.17)            |                 |
| Short term Borrowings   | -                     |                 | 53.19                 |                 |
| Other Current Liabilities                                     | 856.41                |                 | (88.12)               |                 |
| Provisions  | 99.30                 |                 | 1,019.44              |                 |
|   |                       | 292.84          |                       | (882.87)        |
| <b>Cash Generated From Operations</b>                         |                       | <b>2,832.80</b> |                       | <b>2,119.68</b> |
| Exceptional Items   |                       | (346.30)        |                       | -               |
|   |                       | 2,486.50        |                       | 2,119.68        |
| Extraordinary Item  |                       | (1,745.85)      |                       | -               |
|   |                       | 740.65          |                       | 2,119.68        |
| Direct Taxes Paid   |                       | (729.07)        |                       | (882.74)        |
| <b>NET CASH FROM OPERATING ACTIVITIES (A)</b>                 |                       | <b>11.58</b>    |                       | <b>1,236.94</b> |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>                |                       |                 |                       |                 |
| Purchase of Fixed Assets                                      |                       | (507.80)        |                       | (497.94)        |
| Sale of Fixed Assets  |                       | 5.39            |                       | 0.22            |
| Sale/(Purchase) of Mutual Fund Investment (Net) - Long Term   |                       | 6.65            |                       | -               |
| Sale/(Purchase) of Mutual Fund Investments (Net) - Short Term |                       | 0.50            |                       | -               |
| Fixed/Restricted deposits with banks (placed)/realised        |                       | (79.99)         |                       | (67.50)         |
| Interest received   |                       | 149.95          |                       | 199.59          |
| Dividend received   |                       | 0.20            |                       | 0.30            |
| <b>NET CASH FROM INVESTING ACTIVITIES (B)</b>                 |                       | <b>(425.10)</b> |                       | <b>(365.33)</b> |

## Cash Flow Statement for the year ended 31st March, 2016

(₹ Lakhs)

| Particulars   | Year ended 31.03.2016 | Year ended 31.03.2015 |
|---|-----------------------|-----------------------|
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>                    |                       |                       |
| Loans and advances  | -                     | 51.70                 |
| Repayment of borrowings from Group Companies                      | -                     | -                     |
| Repayment of borrowings from Bank - Long Term                     | (23.95)               | (98.25)               |
| Repayment of borrowings from Bank - Short Term                    | (184.81)              | -                     |
| Interest paid   | (28.93)               | (29.84)               |
| Dividend paid   | (193.02)              | (339.19)              |
| Tax on dividend paid  | (38.59)               | (65.61)               |
| <b>NET CASH FROM FINANCING ACTIVITIES (C)</b>                     | <b>(469.30)</b>       | <b>(481.19)</b>       |
| <b>NET INCREASE OR DECREASE IN CASH OR CASH EQUIVALENTS A+B+C</b> | <b>(882.82)</b>       | <b>390.42</b>         |
| Cash & Cash equivalents as at 1st April                           | 2,274.50              | 1,884.08              |
| Cash & Cash equivalents as at 31st March                          | 1,391.68              | 2,274.50              |
| <b>Net increase/(decrease) in cash &amp; cash equivalents</b>     | <b>(882.82)</b>       | <b>390.42</b>         |

As per our Report of even date

For **Mitra Kundu & Basu**Chartered Accountants  
(F.R.No.302061E)**S. Das**

Partner

(Membership No.051391)

New Delhi

May 24, 2016

For and on behalf of the Board

**Vikramadithya Mohan Thapar**

Chairman

**Ramakanth V Akula**

Chief Executive Officer

**G Venkatram**

Company Secretary

**Anil Kumar Bhandari**

Director

**S. Giridhari**

Chief Financial Officer



## Notes to Financial Statements for the year ended 31st March, 2016

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Basis of Preparation

The financial statements of the company have been prepared under the historical cost convention and in accordance with the provisions of the Companies Act, 2013 and Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. Accounting policies unless specifically stated to be otherwise, are consistent and in consonance with Generally Accepted Accounting Principles in India (Indian GAAP) on accrual basis.

#### 1.2 Use of Estimates

The preparation of financial statements require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities and assets as at the Balance Sheet date and the reported amounts of income and expenses during the year.

#### 1.3 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured when all the significant risks and rewards of ownership of the goods have been passed to the buyer.

Revenues from services are recognized as per the terms of the contract as and when services are rendered.

The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis except in case of significant uncertainties.

Export sales and domestic sales are net of taxes.

#### 1.4 Fixed Assets

Fixed Assets are stated at cost of acquisition / revaluation less accumulated depreciation and impairment losses. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Financing cost relating to construction of assets are also included to the extent they relate to the period till such assets are ready to be put to use. Financing cost not relating to construction of assets are charged to the income statements.

Intangible assets acquired separately are measured on initial recognition at cost. Costs incurred towards purchase of computer software are depreciated using the straight-line method over a period of ten years based on management's estimate of useful lives of such software, or over the license period of the software, whichever is shorter.

#### 1.5 Research & Development

Research costs are expensed as incurred.

#### 1.6 Depreciation

Depreciation has been provided on straight line method based on useful life specified in Schedule II of the Companies Act, 2013 after retaining residual value of 5% of the original cost of the assets.

#### 1.7 Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying cost of an asset / cash generating unit exceeds its recoverable amount and is charged to Statement of Profit & Loss in the year in which the same is identified.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

#### 1.8 Borrowing Cost

Borrowing cost incurred on construction or acquiring a qualifying asset, which takes a substantial period of time for construction, is capitalised as cost of that asset. All other borrowing cost is recognised as an expense in the period in which they are incurred.

#### 1.9 Inventories

##### **(a) Raw Materials, components, stores and spares -**

Lower of cost and net realisable value. However, materials and other items held for use in the production of inventories

## Notes to Financial Statements for the year ended 31st March, 2016

are not written below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis and includes relevant cost of bringing those materials at their present location and condition.

### **(b) Work-in-Progress and Finished Goods -**

Lower of cost and net realisable value. Cost includes direct materials, labour and a portion of manufacturing overheads based on normal operating capacity or actual production whichever is less.

### **1.10 Foreign Currency Transactions**

#### **(a) Initial recognition**

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency, at the date of transaction.

#### **(b) Conversion**

Foreign currency monetary items are reported using the closing rate

#### **(c) Exchange Difference**

Exchange difference arising on the settlement of monetary items of the company at rates different from those at which they are initially recognized during the year or reported in previous financial statements are recognized as income or expenses in the year in which they arise.

### **1.11 Provisions, Contingencies and Contingent Assets**

Liabilities which can be measured only by using a substantial degree of estimation and in respect of which a reliable estimate can be made of the probable outflow of resources are recognized as provisions.

Contingent liabilities in the nature of possible obligations that arise from past events and the existence of which will be confirmed only by the occurrence or otherwise of future events not wholly within the control of the Company and in respect of present obligation arising from the past events for which a reliable estimate of the possible future outflow cannot be made are disclosed by way of Notes to Accounts.

Contingent Assets are neither recognized nor disclosed in the financial statements.

### **1.12 Investments:**

Long-term investments are carried at cost less provision, if any for permanent diminution in value of such investments.

### **1.13 Employee Benefits:**

- (1) In the case of defined contribution plans such as Provident Fund etc., the Company's contribution to these plans are charged to statement of Profit and Loss.
- (2) Liability for defined benefit plans is provided on the basis of valuations as at the Balance Sheet date, carried out by an actuary using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognised immediately in the Statement of Profit and Loss.

### **1.14 Taxes On Income:**

Taxes On income for the current period are determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognized for all timing differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

### **1.15 Segment Reporting:**

The Company is engaged in the nature of an integrated system of functioning and thus considered to constitute one single primary segment. However, information about secondary segment that is geographical revenue by geographical markets is being recorded.

### **1.16 Provision:**

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not



## Notes to Financial Statements for the year ended 31st March, 2016

discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet and adjusted to reflect the current best estimates.

### 1.17 Events Occurring after Balance Sheet Date:

Material events occurring after the date of balance sheet are recognized and are dealt with appropriately in accordance with generally accepted accounting principles and as provided in Accounting Standard -4 issued by the Institute of Chartered Accountants of India.

### 1.18 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares if any.

## 02 - SHARE CAPITAL

(₹ Lakhs)

|  | As at<br>31.03.2016 | As at<br>31.03.2015 |
|--|---------------------|---------------------|
| <b>Authorised Share Capital:</b>                                 |                     |                     |
| 45,000,000 (Previous Year: 45,000,000) Equity shares of ₹10 each | 4,500.00            | 4,500.00            |
| 500,000 (Previous Year: 500,000) Preference shares of ₹100 each  | 500.00              | 500.00              |
|  | <b>5,000.00</b>     | <b>5,000.00</b>     |
| <b>Issued:</b>   |                     |                     |
| 38,603,250 (Previous Year: 38,603,250) Equity shares of ₹10 each | 3,860.33            | 3,860.33            |
| <b>Subscribed and fully paid-up:</b>                             |                     |                     |
| 38,603,250 (Previous Year: 38,603,250) Equity shares of ₹10 each | 3,860.33            | 3,860.33            |
|  | <b>3,860.33</b>     | <b>3,860.33</b>     |

### Notes:

#### 1 Reconciliation of number of Equity shares outstanding at the beginning and end of the reporting period:

|  | 2016              | 2015              |
|--|-------------------|-------------------|
| Balance at the beginning of the period | 38,603,250        | 38,603,250        |
| Add: Shares issued during the year     | -                 | -                 |
| Balance at the end of the period       | <b>38,603,250</b> | <b>38,603,250</b> |

#### 2 Shares issued in preceding 5 years

- The Company had issued and allotted 128,67,750 equity shares of ₹ 10 each aggregating to ₹ 1286.78 Lakhs in the ratio of 1:2 during the Financial Year 2013-14.
- The Company had issued and allotted 10,00,000 equity shares of ₹ 10 each aggregating to ₹ 100 Lakhs on preferential basis to M/s. Towerbase Services Private Limited during the Financial Year 2011-12.

#### 3 Details of Shareholder(s) holding more than 5% of Equity Shares in the Company as on 31st March 2016

| Name of the Shareholders       | Relationship | As at 31.03.2016 |                           | As at 31.03.2015 |                           |
|--------------------------------|--------------|------------------|---------------------------|------------------|---------------------------|
|                                |              | No of<br>Shares  | % holding in<br>the class | No of<br>Shares  | % holding in<br>the class |
| K C T & Bros. (Coal Sales) Ltd | Promoter     | 18,010,541       | 46.66                     | 18,010,541       | 46.66                     |
| Indo Oceanic Investments Ltd   | -            | 2,475,000        | 6.41                      | 2,475,000        | 6.41                      |

- Karam Chand Thapar & Bros (Coal Sales) Limited acquired 19,10,500 shares during 28th to 31st March 2016 for which the share registration is pending as on 31st March 2016.

## Notes to Financial Statements for the year ended 31st March, 2016

### 03 - RESERVES AND SURPLUS

(₹ Lakhs)

|   | As at 31.03.2016 |                 | As at 31.03.2015 |                 |
|---|------------------|-----------------|------------------|-----------------|
| <b>Securities Premium Account</b>                           |                  |                 |                  |                 |
| Balance at the beginning and at the end of the year         |                  | 1,173.49        |                  | 1,173.49        |
| <b>Revaluation Reserve</b>                                  |                  |                 |                  |                 |
| Balance at the beginning and at the end of the year         |                  | 108.45          |                  | 108.45          |
| <b>General Reserve</b>                                      |                  |                 |                  |                 |
| Balance at the beginning of the year                        | 1,315.07         |                 | 1,297.26         |                 |
| Add : Transferred from Statement of Profit and Loss         | -                |                 | 37.46            |                 |
| Less : Adjustment relating to Fixed Assets (Refer Note. 11) | -                |                 | (19.65)          |                 |
| Balance at the end of the year                              |                  | 1,315.07        |                  | 1,315.07        |
| <b>Surplus in Statement of Profit and Loss</b>              |                  |                 |                  |                 |
| Balance at the beginning of the year                        | 3,459.96         |                 | 2,229.22         |                 |
| Add : Profit for the year                                   | 68.41            |                 | 1,951.45         |                 |
| Less : Transfer to General Reserve                          | -                |                 | (37.46)          |                 |
| Interim Dividend  | -                |                 | (386.03)         |                 |
| Income Tax on Interim Dividend                              | -                |                 | (65.61)          |                 |
| Proposed Final Dividend                                     | -                |                 | (193.02)         |                 |
| Income Tax on proposed Final dividend                       | -                |                 | (38.59)          |                 |
| Balance at the end of the year                              |                  | 3,528.37        |                  | 3,459.96        |
| <b>TOTAL</b>  |                  | <b>6,125.38</b> |                  | <b>6,056.97</b> |

### 04 - LONG TERM BORROWINGS

(₹ Lakhs)

|                          | As at 31.03.2016 |             | As at 31.03.2015 |              |
|--------------------------|------------------|-------------|------------------|--------------|
| <b>Secured</b>           |                  |             |                  |              |
| (i) Term Loan from Banks |                  | 8.10        |                  | 32.06        |
| <b>TOTAL</b>             |                  | <b>8.10</b> |                  | <b>32.06</b> |

|                  | As at 31.03.2016       |                    |              | As at 31.03.2015       |                    |              |
|------------------|------------------------|--------------------|--------------|------------------------|--------------------|--------------|
|                  | Non-Current Maturities | Current Maturities | Total        | Non-Current Maturities | Current Maturities | Total        |
| (a) Vehicle Loan | 8.10                   | 13.66              | 21.76        | 32.06                  | 22.21              | 54.27        |
| <b>TOTAL</b>     | <b>8.10</b>            | <b>13.66</b>       | <b>21.76</b> | <b>32.06</b>           | <b>22.21</b>       | <b>54.27</b> |

**Note:**

(a) Term Loan availed from Bank is secured by vehicles

### 05 - DEFERRED TAX LIABILITIES (NET)

(₹ Lakhs)

|   | As at 31.03.2016 |              | As at 31.03.2015 |               |
|---|------------------|--------------|------------------|---------------|
| <b>Deferred Tax Liability</b>                   |                  |              |                  |               |
| (a) Related to depreciation timing difference   |                  | 185.67       |                  | 173.60        |
| <b>Deferred Tax Asset</b>                       |                  |              |                  |               |
| (a) Related to Employee Benefits and Provisions |                  | 148.72       |                  | 68.58         |
| <b>TOTAL</b>                                    |                  | <b>36.95</b> |                  | <b>105.02</b> |



## Notes to Financial Statements for the year ended 31st March, 2016

### 06 - LONG TERM PROVISIONS

(₹ Lakhs)

|  | As at 31.03.2016 | As at 31.03.2015 |
|--|------------------|------------------|
| <b>Provision for Employee Benefits</b> |                  |                  |
| (a) Compensated absences               | 41.71            | 14.62            |
| (b) Post retirement benefits           | 135.43           | 114.98           |
| <b>TOTAL</b>                           | <b>177.14</b>    | <b>129.60</b>    |

### 07 - SHORT TERM BORROWINGS

(₹ Lakhs)

|  | As at 31.03.2016 | As at 31.03.2015 |
|--|------------------|------------------|
| <b>Secured</b>                                   |                  |                  |
| (a) Loan from Banks (Including Cash Credit, etc) | 999.35           | 1,093.16         |
| (b) Loan from Related Parties                    | -                | 91.00            |
| <b>TOTAL</b>                                     | <b>999.35</b>    | <b>1,184.16</b>  |

#### Notes:

- ₹999.35 Lakhs (Previous Year : ₹1093.16 Lakhs) are secured by hypothecation of present and future stock of raw materials, work-in-progress, finished goods, stores and spares including consumables on fixed assets ranking pari-pasu with term loan lenders.
- ₹ Nil (Previous Year: ₹ 91 Lakhs) Loan repayable on demand from related parties is secured by first charge on all immovable assets of the company both present and future, ranking pari-pasu with charge created in favour of banks.

### 08 - TRADE PAYABLES

(₹ Lakhs)

|                           | As at 31.03.2016 | As at 31.03.2015 |
|---------------------------|------------------|------------------|
| <b>Trade Payables</b>     |                  |                  |
| (a) For Goods             | 1,827.22         | 1,206.28         |
| (b) For Services & Others | 426.36           | 1,379.78         |
| (c) For Acceptance        | -                | 559.17           |
| <b>TOTAL</b>              | <b>2,253.58</b>  | <b>3,145.23</b>  |

#### Note:

- Amount outstanding for more than 30 days payable to small and ancillary undertakings is NIL

### 09 - OTHER CURRENT LIABILITIES

(₹ Lakhs)

|  | As at 31.03.2016 | As at 31.03.2015 |
|--|------------------|------------------|
| <b>Other Current Liabilities</b>           |                  |                  |
| (a) Current maturities of long-term debt   | 13.66            | 22.21            |
| (b) Interest accrued and due on borrowings | 50.86            | 50.86            |
| (c) Unclaimed Dividend                     | 25.35            | 46.84            |
| (d) Other Payables                         |                  |                  |
| (i) Statutory dues                         | 50.84            | 78.83            |
| (ii) Advance from customers                | 42.60            | 72.36            |
| (iii) Others                               | 944.20           | -                |
|  | 1,037.64         | 151.19           |
| <b>TOTAL</b>                               | <b>1,127.51</b>  | <b>271.10</b>    |

#### Note:

- Details of Security and terms of repayment in respect of Current Maturity of long term debt are detailed in Note 4(a) of the Financial Statements.

## Notes to Financial Statements for the year ended 31st March, 2016

### 10 - SHORT TERM PROVISIONS

(₹ Lakhs)

|   | As at 31.03.2016 | As at 31.03.2015 |
|---|------------------|------------------|
| <b>Provision for Employee Benefits</b>                |                  |                  |
| (a) Compensated absences                              | 7.89             | 25.31            |
| (b) Post retirement benefits                          | 26.28            | 9.14             |
| (c) Other Benefits                                    | 52.05            | -                |
|   | 86.22            | 34.45            |
| <b>Other Provisions</b>                               |                  |                  |
| (a) Income tax  | 1,682.17         | 1,531.90         |
| (b) Proposed Final Dividend                           | -                | 193.02           |
| (c) Corporate dividend tax on Final proposed dividend | -                | 38.59            |
|   | 1,682.17         | 1,763.51         |
| <b>TOTAL</b>  | <b>1,768.39</b>  | <b>1,797.96</b>  |

### 11 - FIXED ASSETS

(₹ Lakhs)

|                                 | Gross Block        |                         |                          |                     | Depreciation / Amortisation / Depletion |               |                          |                     | Net Block           |                     |
|---------------------------------|--------------------|-------------------------|--------------------------|---------------------|---|---------------|--------------------------|---------------------|---------------------|---------------------|
|                                 | As at 1st Apr 2015 | Additions / Adjustments | Deductions / Adjustments | As at 31st Mar 2016 | As at 1st Apr 2015                      | For the Year  | Deductions / Adjustments | As at 31st Mar 2016 | As at 31st Mar 2016 | As at 31st Mar 2015 |
| <b>Tangible Assets:</b>         |                    |                         |                          |                     |   |               |                          |                     |                     |                     |
| (a) Freehold Land               | 118.18             | 114.11                  | -                        | 232.29              | -                                       | -             | -                        | -                   | 232.29              | 118.18              |
| (b) Building                    | 1,306.65           | 34.04                   | -                        | 1,340.69            | 641.56                                  | 46.47         | -                        | 688.03              | 652.66              | 665.09              |
| (c) Plant & Equipments          | 4,338.04           | 145.34                  | 3.14                     | 4,480.24            | 3,610.64                                | 91.23         | -                        | 3,701.87            | 778.37              | 727.40              |
| (d) Furniture & Fixtures        | 123.21             | 21.45                   | -                        | 144.66              | 103.91                                  | 4.64          | -                        | 108.55              | 36.11               | 19.30               |
| (e) Vehicles                    | 178.84             | 4.32                    | 23.05                    | 160.11              | 53.52                                   | 22.95         | 7.27                     | 69.20               | 90.91               | 125.32              |
| (f) Office equipments           | 102.67             | 24.90                   | 0.37                     | 127.20              | 61.02                                   | 7.92          | 0.25                     | 68.69               | 58.51               | 41.65               |
| <b>TOTAL</b>                    | <b>6,167.59</b>    | <b>344.16</b>           | <b>26.56</b>             | <b>6,485.19</b>     | <b>4,470.65</b>                         | <b>173.21</b> | <b>7.52</b>              | <b>4,636.34</b>     | <b>1,848.85</b>     | <b>1,696.94</b>     |
| <b>Previous Year</b>            | <b>5,749.35</b>    | <b>418.58</b>           | <b>0.33</b>              | <b>6,167.59</b>     | <b>4,298.38</b>                         | <b>142.63</b> | <b>29.65</b>             | <b>4,470.65</b>     | <b>1,696.94</b>     |                     |
| <b>Capital Work-in-Progress</b> |                    |                         |                          |                     |   |               |                          |                     | <b>98.30</b>        | <b>92.45</b>        |

### 12 - NON-CURRENT INVESTMENTS

(₹ Lakhs)

|   | As at 31.03.2016      | As at 31.03.2015    |
|---|-----------------------|---------------------|
| <b>Unquoted - Trade Investments</b>   |                       |                     |
| (Valued at cost less other temporary diminution in value, if any)                             |                       |                     |
| <b>In Equity Shares of 100 each</b>   |                       |                     |
| (a) Moana Technologies India Pvt Ltd<br>12,704 Shares (Previous Year : 12,704 Shares)         | 12.70                 | 12.70               |
| <b>In Equity Shares of 10 each</b>  |                       |                     |
| (a) Gourmet Delicatessens Limited<br>2,50,000 Shares (Previous Year : 2,50,000 Shares)        | 25.00<br>37.70        | 25.00<br>37.70      |
| <b>Less:</b> Investments written off during the year  | (37.70)               | -                   |
| <b>SUB-TOTAL</b>  | -                     | <b>37.70</b>        |
| <b>Less:</b> Provision for diminution in value towards  |                       |                     |
| (a) Moana Technologies India Pvt Ltd<br>Less: Provision utilised during the year<br>Total - A | 12.70<br>(12.70)<br>- | 12.70<br>-<br>12.70 |
| (b) Gourmet Delicatessens Limited<br>Less: Provision utilised during the year<br>Total - B    | 25.00<br>(25.00)<br>- | 25.00<br>-<br>25.00 |
| Aggregate provision for diminution in value of Trade Investments (Total - A+B)                | -                     | 37.70               |
| <b>TOTAL</b>  | -                     | -                   |



## Notes to Financial Statements for the year ended 31st March, 2016

### 13 - LONG TERM LOANS AND ADVANCES

(₹ Lakhs)

|                                   | As at 31.03.2016 |               | As at 31.03.2015 |               |
|-----------------------------------|------------------|---------------|------------------|---------------|
| <b>Capital Advances</b>           |                  |               |                  |               |
| (a) Unsecured and Considered Good |                  | 29.51         |                  | 14.72         |
| <b>Security Deposits</b>          |                  |               |                  |               |
| (a) Revenue authorities           | 65.09            |               | 59.25            |               |
| (b) Others                        | 102.08           |               | 96.55            |               |
|                                   |                  | 167.17        |                  | 155.80        |
| <b>TOTAL</b>                      |                  | <b>196.68</b> |                  | <b>170.52</b> |

### 14 - CURRENT INVESTMENT

(₹ Lakhs)

|  | As at 31.03.2016 |             | As at 31.03.2015 |             |
|--|------------------|-------------|------------------|-------------|
| <b>In Mutual Fund (at Cost)</b>                          |                  |             |                  |             |
| (a) Union KBC Tax Saver Fund                             |                  | 2.00        |                  | 2.00        |
| 20000 Units (Previous Year : 20000 Units) of ₹ 10/- each |                  |             |                  |             |
| (b) Union KBC Capital Protection Oriented Fund           |                  | -           |                  | 5.00        |
| 0 Units (Previous Year : 50000 Units) of ₹ 10/- each     |                  |             |                  |             |
| <b>TOTAL</b>   |                  | <b>2.00</b> |                  | <b>7.00</b> |

### 15 - INVENTORIES

(₹ Lakhs)

|                                    | As at 31.03.2016 |                 | As at 31.03.2015 |                 |
|------------------------------------|------------------|-----------------|------------------|-----------------|
| (a) Raw materials                  |                  | 1,150.32        |                  | 2,727.64        |
| (b) Work-in-progress               |                  | 164.00          |                  | 11.72           |
| (c) Finished goods                 |                  | 24.39           |                  | 773.73          |
| (d) Stock-in-trade                 |                  |                 |                  |                 |
| (i) Feeds                          |                  | -               |                  | 83.89           |
| (ii) Shrimp                        |                  | 1.17            |                  | -               |
| (e) Stores, spares and consumables |                  | 255.94          |                  | 317.83          |
| <b>TOTAL</b>                       |                  | <b>1,595.82</b> |                  | <b>3,914.81</b> |

#### Note:

1 Inventories are valued at cost or realisation price which ever is lower

### 16 - TRADE RECEIVABLES

(₹ Lakhs)

|  | As at 31.03.2016 |                 | As at 31.03.2015 |                 |
|--|------------------|-----------------|------------------|-----------------|
| <b>Trade Receivables - Unsecured &amp; Considered Good</b> |                  |                 |                  |                 |
| (a) Outstanding for more than six months                   | 2,702.21         |                 | 1,349.16         |                 |
| (b) Others   | 5,077.88         |                 | 4,347.63         |                 |
|  |                  | 7,780.09        |                  | 5,696.79        |
| Less: Provision for doubtful debts                         |                  | (230.00)        |                  | -               |
| <b>TOTAL</b>   |                  | <b>7,550.09</b> |                  | <b>5,696.79</b> |

## Notes to Financial Statements for the year ended 31st March, 2016

### 17 - CASH AND CASH EQUIVALENTS

(₹ Lakhs)

|   | As at 31.03.2016 |                 | As at 31.03.2015 |                 |
|---|------------------|-----------------|------------------|-----------------|
| <b>Cash and Cash Equivalents</b>          |                  |                 |                  |                 |
| (a) Balance with Banks in Current account | 591.35           |                 | 537.30           |                 |
| (b) Cash on hand                          | 3.40             |                 | 4.90             |                 |
| (c) In Deposit accounts *                 | 796.93           |                 | 705.89           |                 |
|   |                  | 1,391.68        |                  | 1,248.09        |
| <b>Earmarked accounts</b>                 |                  |                 |                  |                 |
| (a) Unclaimed Dividend account            | 25.35            |                 | 46.84            |                 |
| (b) In Deposit accounts                   | 727.96           |                 | 626.48           |                 |
|   |                  | 753.31          |                  | 673.32          |
| <b>Other bank balances</b>                |                  |                 |                  |                 |
| (a) In Deposit accounts #                 |                  | -               |                  | 1,026.41        |
| <b>TOTAL</b>                              |                  | <b>2,144.99</b> |                  | <b>2,947.82</b> |

**Note:**

\* This represents deposits with original maturity of less than or equal to 3 months

# This represents deposits with original maturity of more than 3 months

### 18 - SHORT-TERM LOANS AND ADVANCES

(₹ Lakhs)

|                                   | As at 31.03.2016 |               | As at 31.03.2015 |               |
|-----------------------------------|------------------|---------------|------------------|---------------|
| <b>Unsecured, Considered Good</b> |                  |               |                  |               |
| (a) Material advances             |                  | 162.93        |                  | 193.29        |
| (b) Employee advances             |                  | 5.21          |                  | 4.74          |
| (c) Others                        |                  | 72.83         |                  | 147.75        |
| <b>TOTAL</b>                      |                  | <b>240.97</b> |                  | <b>345.78</b> |

### 19 - OTHER CURRENT ASSETS

(₹ Lakhs)

|  | As at 31.03.2016 |                 | As at 31.03.2015 |                 |
|--|------------------|-----------------|------------------|-----------------|
| (a) Interest accrued                   |                  | 30.12           |                  | 47.51           |
| (b) Insurance Claims receivable        |                  | 5.74            |                  | 2.09            |
| (c) Tax Deduction at Source Receivable |                  | 76.87           |                  | 63.96           |
| (d) Advance Income tax paid            |                  | 2,285.10        |                  | 1,568.94        |
| (e) Prepaid Expenses                   |                  | 50.49           |                  | 20.99           |
| (f) Drawback Receivable                |                  | 55.19           |                  | -               |
| (g) Others                             |                  | 4.05            |                  | 6.83            |
| <b>TOTAL</b>                           |                  | <b>2,507.56</b> |                  | <b>1,710.32</b> |



## Notes to Financial Statements for the year ended 31st March, 2016

### 20 - REVENUE FROM OPERATIONS

(₹ Lakhs)

|                                 | Year ended 31.03.2016 |                  | Year ended 31.03.2015 |                  |
|---------------------------------|-----------------------|------------------|-----------------------|------------------|
| <b>Sale of Shrimp Feeds</b>     |                       |                  |                       |                  |
| (a) Manufactured                | 17,132.25             |                  | 23,497.52             |                  |
| (b) Traded                      | 13,986.15             |                  | 4,056.89              |                  |
|                                 |                       | 31,118.40        |                       | 27,554.41        |
| <b>Revenue from services</b>    |                       |                  |                       |                  |
| (a) Processing of Shrimps       | 632.39                |                  | 165.73                |                  |
|                                 |                       | 632.39           |                       | 165.73           |
| <b>SUB-TOTAL</b>                |                       | <b>31,750.79</b> |                       | <b>27,720.14</b> |
| <b>Other operating revenues</b> |                       |                  |                       |                  |
| (a) Consultancy Service         | 9.77                  |                  | 6.21                  |                  |
| (b) Export Incentives           | 86.27                 |                  | -                     |                  |
| (c) Scrap sales                 | 16.60                 |                  | 29.29                 |                  |
| (d) Others                      | 0.03                  |                  | 0.19                  |                  |
|                                 |                       | 112.67           |                       | 35.69            |
| <b>SUB-TOTAL</b>                |                       | <b>112.67</b>    |                       | <b>35.69</b>     |
| <b>TOTAL</b>                    |                       | <b>31,863.45</b> |                       | <b>27,755.83</b> |

### 21 - OTHER INCOME

(₹ Lakhs)

|                                      | Year ended 31.03.2016 |               | Year ended 31.03.2015 |               |
|--------------------------------------|-----------------------|---------------|-----------------------|---------------|
| <b>Interest Income</b>               |                       |               |                       |               |
| (a) on Short-term deposits           |                       | 132.57        |                       | 193.73        |
| <b>Dividend Income</b>               |                       |               |                       |               |
| (a) from Current Investment          |                       | 0.20          |                       | 0.30          |
| <b>Profit on Sale of Investments</b> |                       |               |                       |               |
| (a) Capital Appreciation             |                       | 2.15          |                       | -             |
| <b>TOTAL</b>                         |                       | <b>134.92</b> |                       | <b>194.03</b> |

### 22 - COST OF MATERIALS CONSUMED

(₹ Lakhs)

|   | Year ended 31.03.2016 |                  | Year ended 31.03.2015 |                  |
|---|-----------------------|------------------|-----------------------|------------------|
| (a) Soya DOC  |                       | 2,819.29         |                       | 5,691.55         |
| (b) Fish Meal   |                       | 2,805.58         |                       | 3,485.77         |
| (c) Raw and Processed shrimps                                 |                       | 923.56           |                       | 1,347.30         |
| (d) Other Sundry Items *                                      |                       | 5,391.70         |                       | 5,620.65         |
| <b>SUB-TOTAL</b>  |                       | <b>11,940.13</b> |                       | <b>16,145.27</b> |
| <b>Direct Expenses attributable to raw materials consumed</b> |                       |                  |                       |                  |
| (a) Freight Inward  |                       | 29.44            |                       | 62.80            |
| <b>TOTAL</b>  |                       | <b>11,969.57</b> |                       | <b>16,208.07</b> |

**Note:**

\* Other Sundry Items includes items of less than 10% of the total and therefore not considered for individual classification

## Notes to Financial Statements for the year ended 31st March, 2016

### 23 - PURCHASE OF STOCK-IN-TRADE - TRADED GOODS

(₹ Lakhs)

|                  | Year ended 31.03.2016 | Year ended 31.03.2015 |
|------------------|-----------------------|-----------------------|
| (a) Shrimp Feeds | 12,022.43             | 3,635.28              |
| <b>TOTAL</b>     | <b>12,022.43</b>      | <b>3,635.28</b>       |

### 24 - CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE

(₹ Lakhs)

|  | Year ended 31.03.2016 | Year ended 31.03.2015 |
|--|-----------------------|-----------------------|
| <b>A Inventories (at close)</b>        |                       |                       |
| (a) Finished Goods / Stock-in-Trade    | 25.56                 | 857.62                |
| (b) Stock-in-Process                   | 164.00                | 11.72                 |
|  | 189.56                | 869.34                |
| <b>B Inventories (at commencement)</b> |                       |                       |
| (a) Finished Goods / Stock-in-Trade    | 857.62                | 625.28                |
| (b) Stock-in-Process                   | 11.72                 | 357.38                |
|  | 869.34                | 982.66                |
| <b>C Stock Loss</b>                    |                       |                       |
| (a) Finished Goods / Stock-in-Trade    | 238.46                | -                     |
| (b) Stock-in-Process                   | 7.57                  | -                     |
| <b>NET CHANGE (B - A - C)</b>          | <b>433.75</b>         | <b>113.32</b>         |

### 25 - EMPLOYEE BENEFIT EXPENSES

(₹ Lakhs)

|   | Year ended 31.03.2016 | Year ended 31.03.2015 |
|---|-----------------------|-----------------------|
| (a) Salaries, wages and bonus                           | 1,151.61              | 861.51                |
| (b) Contribution to provident, gratuity and other funds | 133.79                | 121.95                |
| (c) Staff welfare expenses                              | 129.06                | 102.95                |
| <b>TOTAL</b>  | <b>1,414.46</b>       | <b>1,086.41</b>       |

### 26 - FINANCE COSTS

(₹ Lakhs)

|  | Year ended 31.03.2016 | Year ended 31.03.2015 |
|--|-----------------------|-----------------------|
| (a) Interest Expenses  | 28.94                 | 29.78                 |
| (b) Other Borrowing Costs  | 75.70                 | 91.66                 |
| (c) Applicable Net Gain or Loss on Foreign Currency transactions and translation | (1.37)                | -                     |
| <b>TOTAL</b>   | <b>103.27</b>         | <b>121.44</b>         |

### 27 - DEPRECIATION

(₹ Lakhs)

|                          | Year ended 31.03.2016 | Year ended 31.03.2015 |
|--------------------------|-----------------------|-----------------------|
| <b>Tangible Assets</b>   |                       |                       |
| (a) Building             | 46.47                 | 43.36                 |
| (b) Plant & Equipments   | 91.23                 | 72.20                 |
| (c) Furniture & Fixtures | 4.64                  | 3.23                  |
| (d) Vehicles             | 22.95                 | 19.10                 |
| (e) Office equipments    | 7.92                  | 4.74                  |
| <b>TOTAL</b>             | <b>173.21</b>         | <b>142.63</b>         |



## Notes to Financial Statements for the year ended 31st March, 2016

### 28 - OTHER EXPENSES

(₹ Lakhs)

|   | Year ended 31.03.2016 |                 | Year ended 31.03.2015 |                 |
|---|-----------------------|-----------------|-----------------------|-----------------|
| (a) Consumption of stores and spare parts                 |                       | 436.68          |                       | 653.01          |
| (b) Power and fuel  |                       | 338.18          |                       | 473.77          |
| (c) Rent  |                       | 49.75           |                       | 71.03           |
| (d) Repairs and Maintenance                               |                       |                 |                       |                 |
| (i) Building  | 17.65                 |                 | 60.49                 |                 |
| (ii) Plant and machinery                                  | 1.68                  |                 | 0.97                  |                 |
| (iii) Others  | 95.99                 |                 | 49.79                 |                 |
|   |                       | 115.32          |                       | 111.25          |
| (e) Insurance   |                       | 25.03           |                       | 30.53           |
| (f) Rates and taxes, excluding taxes on Income            |                       | 24.01           |                       | 5.59            |
| (g) Freight Outward                                       |                       | 43.11           |                       | 8.76            |
| (h) Selling Expenses                                      |                       | 253.89          |                       | 162.17          |
| (i) Vehicle Maintenance                                   |                       | 24.96           |                       | 66.32           |
| (j) Travelling Expenses                                   |                       | 142.50          |                       | 142.56          |
| (k) Secretarial Expenses                                  |                       | 26.56           |                       | 17.99           |
| (l) Professional and Consultancy Charges                  |                       | 235.29          |                       | 71.29           |
| (m) Business Communication expenses                       |                       | 14.45           |                       | 17.21           |
| (n) Miscellaneous Expenses                                |                       | 102.36          |                       | 85.93           |
| (o) Payment to Auditors                                   |                       |                 |                       |                 |
| (i) as Auditor  | 2.00                  |                 | 1.69                  |                 |
| (ii) for Taxation matters                                 | 0.28                  |                 | 0.28                  |                 |
| (iii) for Management services                             | 0.95                  |                 | -                     |                 |
| (iv) Reimbursements of expenses                           | 2.18                  |                 | 1.36                  |                 |
|   |                       | 5.41            |                       | 3.33            |
| (p) Corporate Social Responsibility Expenses              |                       | 39.09           |                       | 23.41           |
| (q) Directors' Commission                                 |                       | 1.93            |                       | 30.37           |
| (r) Directors' Sitting Fees                               |                       | 7.95            |                       | 6.45            |
| (s) Processing charges                                    |                       | 145.96          |                       | 176.25          |
| (t) Provisions / write off relating to investing activity |                       | -               |                       | 12.70           |
| (u) Provision for doubtful debts                          |                       | 230.00          |                       |                 |
| (v) Schemes & Rebates                                     |                       | 1,376.50        |                       | 1,448.62        |
| (w) Written off of Investments                            | 37.70                 |                 | -                     |                 |
| Provision for Investment                                  | (37.70)               |                 | -                     |                 |
|   |                       | -               |                       | -               |
| <b>TOTAL</b>  |                       | <b>3,638.93</b> |                       | <b>3,618.54</b> |

### 29 - EXCEPTIONAL ITEMS

(₹ Lakhs)

|   | Year ended 31.03.2016 |               | Year ended 31.03.2015 |          |
|---|-----------------------|---------------|-----------------------|----------|
| (a) Loss on sale of Fixed Assets                |                       | 3.76          |                       | -        |
| (b) Obsolete Stock of Raw Materials written off |                       | 19.43         |                       | -        |
| (c) Interest on One Time Settlement             |                       | 323.11        |                       | -        |
| <b>TOTAL</b>                                    |                       | <b>346.30</b> |                       | <b>-</b> |

## Notes to Financial Statements for the year ended 31st March, 2016

### 30 - EXTRAORDINARY ITEM

(₹ Lakhs)

|   | Year ended 31.03.2016 | Year ended 31.03.2015 |
|---|-----------------------|-----------------------|
| (a) Loss of Raw Materials, WIP and Finished Goods | 1,745.85              | -                     |
| <b>TOTAL</b>                                      | <b>1,745.85</b>       | <b>-</b>              |

### 31 - CONTINGENT LIABILITIES AND COMMITMENTS

(₹ Lakhs)

|  | Year ended 31.03.2016 | Year ended 31.03.2015 |
|--|-----------------------|-----------------------|
| <b>(1) Contingent Liabilities</b>  |                       |                       |
| <b>(i) Claims against the company not acknowledged as debts (net)</b>  |                       |                       |
| (a) Custom duty  | 535.36                | 535.36                |
| (b) Excise duty  | 49.48                 | 49.48                 |
| (c) Service tax  | 63.86                 | 63.86                 |
| (d) Sales tax  | 35.56                 | 33.89                 |
| (e) To a Bank  | -                     | 670.94                |
| (e) Others   | 72.63                 | 77.19                 |
|  | 756.89                | 1,430.71              |
| <b>(ii) Bank Guarantee</b>   |                       |                       |
| (a) To various parties   | 417.89                | 372.02                |
| <b>(2) Commitments</b>   |                       |                       |
| (a) Capital commitments (net of advances) not provided for in respect of tangible assets   | -                     | 21.65                 |
| (b) Export obligation under EPCG Scheme to be fulfilled.<br>The Company is confident of meeting its obligation under the Schemes with in the Stipulated Period | -                     | 238.78                |

### 32 - OTHER INFORMATIONS (Including Foreign currency transactions)

(₹ Lakhs)

|   | Year ended 31.03.2016 | Year ended 31.03.2015 |
|---|-----------------------|-----------------------|
| <b>(1) Information regarding imports (C.I.F)</b>    |                       |                       |
| (a) Raw material                                    | 535.43                | 405.97                |
| (b) Spares and tools                                | 96.23                 | 95.37                 |
| (c) Capital Goods                                   | 60.36                 | -                     |
|   | 692.02                | 501.34                |
| <b>(2) Expenditure incurred in foreign currency</b> |                       |                       |
| (a) Travelling expenses                             | -                     | 14.28                 |
| (b) Subscription                                    | 0.07                  | 0.12                  |
| (c) Insurance                                       | -                     | 0.38                  |
| (d) Consultancy Services                            | 2.33                  | -                     |
| (e) Trade Mark, Inspection and Others               | 11.53                 | 7.85                  |
| (f) Dividend  | -                     | 2.47                  |
| (g) Anti-Dumping Duty                               | 36.74                 | 50.67                 |
|   | 50.67                 | 25.10                 |
| <b>(3) Earnings in foreign currency</b>             |                       |                       |
| (a) Export of goods - FOB value                     | 1,157.78              | -                     |
| (b) Export of service                               | 6.57                  | -                     |
| <b>(4) Cost of materials consumed</b>               |                       |                       |
| (a) Imported  | 591.73                | 503.34                |
| (b) Indigenous                                      | 11,348.40             | 15,641.93             |



# Notes to Financial Statements for the year ended 31st March, 2016

## 32 - OTHER INFORMATION (Contd...)

(₹ Lakhs)

|   | Year ended 31.03.2016 | Year ended 31.03.2015 |
|---|-----------------------|-----------------------|
| <b>(5) Dividend remitted in foreign currency</b>                    |                       |                       |
| (a) Number of non-resident shareholders                             | 3 Nos.                | 4 Nos.                |
| (b) Number of shares on which dividend was remitted                 | 3242000<br>Nos.       | 3489000<br>Nos.       |
| (c) Dividend remitted during the year relating to the previous year | 16.21                 | 34.89                 |
| (d) Year to which dividend relates                                  | 2014-15               | 2014-15               |
| <b>(6) Auditors' remuneration</b>                                   |                       |                       |
| (a) For Financial Audit   | 2.00                  | 1.69                  |
| (b) For Taxation matters  | 0.28                  | 0.28                  |
| (c) For Management Services   | 0.95                  | -                     |
| (d) For reimbursement of expenses                                   | 2.18                  | 1.36                  |

## 32 - EMPLOYEE BENEFITS

As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below

|   | Current Year<br>₹ Lakhs | Previous Year          | Current Year<br>₹ Lakhs               | Previous Year                         |
|---|-------------------------|------------------------|---------------------------------------|---------------------------------------|
|   | Gratuity<br>(Unfunded)  | Gratuity<br>(Unfunded) | Compensated<br>Absences<br>(Unfunded) | Compensated<br>Absences<br>(Unfunded) |
| <b>Defined Benefit Plan</b>                                 |                         |                        |                                       |                                       |
| (a) Defined benefit Obligation at the beginning of the year | 124.12                  | 127.73                 | 39.93                                 | 56.32                                 |
| (b) Current service Cost                                    | 16.80                   | 11.98                  | 6.73                                  | 9.61                                  |
| (c) Interest Cost   | 8.43                    | 8.24                   | 2.85                                  | 4.42                                  |
| (e) Actuarial (Gain) / Loss                                 | 49.82                   | 37.86                  | 8.62                                  | (21.78)                               |
| (f) Benefits Paid   | 37.47                   | 61.69                  | 8.53                                  | 8.64                                  |
| (g) Defined benefit Obligation at the end of the year       | 161.71                  | 124.12                 | 49.60                                 | 39.93                                 |

|  | Current Year<br>₹ Lakhs | Previous Year          | Current Year<br>₹ Lakhs               | Previous Year                         |
|--|-------------------------|------------------------|---------------------------------------|---------------------------------------|
|  | Gratuity<br>(Unfunded)  | Gratuity<br>(Unfunded) | Compensated<br>Absences<br>(Unfunded) | Compensated<br>Absences<br>(Unfunded) |
| <b>Expenses recognised during the year</b> |                         |                        |                                       |                                       |
| (a) Current service cost                   | 16.80                   | 11.98                  | 6.73                                  | 9.61                                  |
| (b) Interest Cost                          | 8.43                    | 8.24                   | 2.85                                  | 4.42                                  |
| (c) Actuarial (Gain) / Loss                | 49.82                   | 37.86                  | 8.62                                  | (21.78)                               |

|  | Current Year<br>Percentage | Previous Year          | Current Year<br>Percentage            | Previous Year                         |
|--|----------------------------|------------------------|---------------------------------------|---------------------------------------|
|  | Gratuity<br>(Unfunded)     | Gratuity<br>(Unfunded) | Compensated<br>Absences<br>(Unfunded) | Compensated<br>Absences<br>(Unfunded) |
| <b>Actuarial Assumptions</b>                 |                            |                        |                                       |                                       |
| (a) Discount rate (per annum)                | 7.50                       | 7.80                   | 7.50                                  | 7.80                                  |
| (b) Rate of escalation in Salary (per annum) | 5.50                       | 5.50                   | 5.50                                  | 5.50                                  |

## Notes to Financial Statements for the year ended 31st March, 2016

### 33 - SEGMENT REPORTING

(₹ Lakhs)

|   | Year ended 31.03.2016 | Year ended 31.03.2015 |
|---|-----------------------|-----------------------|
| <b>Information about secondary segments</b> |                       |                       |
| (a) Within India                            | 29,960.62             | 27,554.41             |
| (b) Outside India                           | 1,157.78              | -                     |

**Note:**

The Company's primary segment is identified as business segment based on nature of product, risk and the internal business reporting system and secondary segment is identified based on geographical location of the customer as per Accounting Standard 17. The Company principally engaged in two business segments viz., Shrimp Feed Manufacturing and Processed Shrimp Exports.

### 34 - RELATED PARTY DISCLOSURES

As per Accounting Standard 18, disclosure of transactions with related parties are given below:

| Sr. No | Name of the Related Party                    | Relationship                        |
|--------|--|-------------------------------------|
| (a)    | Indian City Properties Ltd                   | Subsidiary of Promoter              |
| (b)    | Towerbase Services Private Limited           | Common Directorship                 |
| (c)    | Karam Chand Thapar & Bros. (Coal Sales) Ltd. | Promoter                            |
| (d)    | Pinnae Feeds Ltd                             | Wholly Owned Subsidiary of Promoter |
| (e)    | Avitech Nutrition Private Limited            | Common Directorship                 |

### 35 - RELATED PARTY TRANSACTIONS

(₹ Lakhs)

|  | Relationship                        | 31st Mar 2016 | 31st Mar 2015 |
|--|-------------------------------------|---------------|---------------|
| <b>1 Balances during the year end</b>                    |                                     |               |               |
| <b>Investment</b>  |                                     |               |               |
| (a) Gourmet Delicatessens Limited                        | Common Directorship                 | -             | 25.00         |
| <b>Receivable</b>  |                                     |               |               |
| (a) Indian City Properties Ltd                           | Subsidiary of Promoter              | -             | 135.00        |
| <b>Payables</b>  |                                     |               |               |
| (a) Karam Chand Thapar & Bros. (Coal Sales) Ltd.         | Promoter                            | 7.34          | 3.78          |
| (b) Pinnae Feeds Ltd                                     | Wholly Owned Subsidiary of Promoter | 1,479.00      | 694.57        |
| (c) Towerbase Services Private Limited                   | Common Directorship                 | 323.73        | 323.73        |
| (d) Indian City Properties Ltd                           | Subsidiary of Promoter              | -             | 29.01         |
| <b>Net Loans and Advances</b>                            |                                     |               |               |
| (a) Indian City Properties Ltd                           | Subsidiary of Promoter              | -             | 91.00         |
| <b>2 Transaction during the year</b>                     |                                     |               |               |
| <b>Remuneration to Key management personnel</b>          |                                     |               |               |
| (a) Mr. Ramakanth V Akula (from 1st August, 2014)        | CEO                                 | 146.95        | 75.07         |
| (b) Mr. Ashok Nanjapa (upto 31st July, 2014)             | CEO                                 | -             | 34.93         |
| (c) Mr. S.Giridhari                                      | CFO                                 | 49.46         | 37.39         |
| (d) Mr. G.Venkatram (from 17th February, 2015)           | Company Secretary                   | 14.82         | 1.70          |
| (e) Ms. Suguna Krishnamurthy (Upto 30th September, 2014) | Company Secretary                   | -             | 4.85          |
| <b>Purchase of Goods</b>                                 |                                     |               |               |
| (a) Pinnae Feeds Limited                                 | Wholly Owned Subsidiary of Promoter | 11,301.09     | 3,635.28      |
| (b) Avitech Nutrition Private Limited                    | Common Directorship                 | 127.89        | -             |
| <b>Reimbursement of Expenses</b>                         |                                     |               |               |
| (a) Towerbase Services Private Limited                   | Common Directorship                 | -             | 5.88          |
| (b) Pinnae Feeds Ltd                                     | Wholly Owned Subsidiary of Promoter | 94.28         | 58.44         |
| (c) Karam Chand Thapar & Bros. (Coal Sales) Ltd.         | Promoter                            | (10.80)       | -             |
| <b>Receipt of Service</b>                                |                                     |               |               |
| (a) Karam Chand Thapar & Bros. (Coal Sales) Ltd.         | Promoter                            | 19.88         | -             |



## Notes to Financial Statements for the year ended 31st March, 2016

### 36 - EARNINGS PER SHARE

(₹ Lakhs)

|   | Year ended 31.03.2016 | Year ended 31.03.2015 |
|---|-----------------------|-----------------------|
| Profit after tax as per Statement of Profit and loss (in ₹ lakhs) | 68.41                 | 1,951.45              |
| Weighted average number of equity shares outstanding              | 38,603,250            | 38,603,250            |
| Basic and Diluted earnings per share (Face value ₹ 10) (in ₹)     | 0.18                  | 5.06                  |

### 37 - PREVIOUS YEAR FIGURES

Previous year figures have been regrouped and reclassified where necessary to confirm to current year's classification.

As per our Report of even date

For **Mitra Kundu & Basu**

*Chartered Accountants*

(F.R.No.302061E)

**S. Das**

*Partner*

(Membership No.051391)

New Delhi

May 24, 2016

For and on behalf of the Board

**Vikramadithya Mohan Thapar**

*Chairman*

**Ramakanth V Akula**

*Chief Executive Officer*

**G Venkatram**

*Company Secretary*

**Anil Kumar Bhandari**

*Director*

**S. Giridhari**

*Chief Financial Officer*

## The Waterbase Limited

CIN: L05005AP1987PLC018436,

Registered office: Ananthapuram Village, Nellore, Andhra Pradesh – 524 344

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

Website: www.waterbaseindia.com

# Notice of the 29<sup>th</sup> Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE TWENTY NINTH ANNUAL GENERAL MEETING OF THE WATERBASE LIMITED WILL BE HELD AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT ANANTHAPURAM VILLAGE, NELLORE, ANDHRA PRADESH – 524 344 ON THURSDAY THE 29<sup>th</sup> OF SEPTEMBER 2016 AT 12:15 P.M. TO TRANSACT THE FOLLOWING BUSINESS:

### Ordinary Business:

#### 1. Consideration of Financial Statements and Reports:

To receive, consider and adopt the Audited Statement of Profit & Loss Account for the Financial Year ended on 31<sup>st</sup> March, 2016 and the Balance Sheet as on that date and the Reports of the Directors and Auditors thereon.

#### 2. Re-appointment of Mr. Varun Aditya Thapar who retires by rotation:

To appoint a Director in place of Mr. Varun Aditya Thapar (DIN: 02322660), who retires by rotation in accordance with section 152 of the Companies Act 2013 and being eligible, offers himself for re-appointment.

#### 3. Ratification of Appointment of Auditors:

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

**"RESOLVED THAT** in terms of the provisions of Sections 139-142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and any other provisions as may be applicable and pursuant to the resolution of the Members at the Twenty Seventh Annual General Meeting held on 29<sup>th</sup> September, 2014, the appointment of M/s. Mithra Kundu & Basu, Chartered Accountants, (Firm Regn. No. 302061E), as statutory auditors of the Company, to hold office from the conclusion of this Meeting until the conclusion of the Thirtieth Annual General Meeting

(AGM) of the Company, be ratified by the Members on a remuneration inclusive of service tax and such other tax(es) (as may be applicable) and reimbursement of all out-of pocket expenses in connection with the audit of the accounts of the Company (including terms of payment) to be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee."

### Special Business:

#### 4. Appointment of Mr. Rahul Kapur (DIN: 00020624) as Director:

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 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force), Mr. Rahul Kapur (DIN 00020624) who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 29<sup>th</sup> October, 2015 and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from him along with the deposit of requisite amount under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation"

By the Order of the Board

**Varun Aditya Thapar**  
Director

**Lt. Gen. Deepak Summanwar**  
Director

Delhi, 12<sup>th</sup> August 2016

## 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/re-appointment, as required in terms of the Secretarial Standard on General Meetings, SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and the is annexed hereto.
2. Only registered Equity Shareholders of the Company as on the cut-off date i.e. 22<sup>nd</sup> September, 2016 may attend and vote (either in person or by proxy or by Authorised 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 Equity Shareholder of the Company may attend and vote at the Equity Shareholders' 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 Equity Shareholder(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. Electronic copy of the Notice for the Annual General Meeting and the Annual Report for 2015-16 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.
6. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant rules, Companies can serve Annual Reports and other communications through electric mode to those members who have registered their e-mail address either with the Company or with the depository. Members who have not registered their e-mail address with the Company are requested to submit their request with the valid e-mail address to M/s. Cameo Corporate Services Ltd. Members holding shares in demat forms are requested to register / update their e-mail address.
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, bonds 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  
1, Club House Road, Chennai 600 002  
Phone: 044-28460390 / 391/ 392 / 393 / 394  
Fax: 044-284601

## 12. Voting Options:

### A. E-VOTING:

Pursuant to Section 108 and the corresponding Rules of Companies Act, 2013, the Company has provided 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 instructions for shareholders voting electronically are as under:

The voting period begins on 26<sup>th</sup> September, 2016 at 10.00 a.m. and ends on 28<sup>th</sup> September, 2016 at 5.00 p.m. During this period Shareholders of the Company,

holding shares either in physical form or in dematerialized form, as on the cut-off date of 22<sup>nd</sup> September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Shareholders 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 shareholders 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.

- (vi) If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form |  |
|--|--|
| PAN  | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <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 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 Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul> |
| Dividend Bank Details OR Date of Birth (DOB)               | <p>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.</p> <ul style="list-style-type: none"> <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 (v).</li> </ul>  |

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will reach directly the Company selection screen. However Members holding shares in demat form will now reach 'Set Password' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for The Waterbase Limited.
- (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 Resolutions.
- (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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If a demat account holder has forgotten the login 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) Additional instructions for non-individual shareholders and custodians
  - a. Non-individual shareholders (i.e. other than individuals, HUF, NRI etc.) and custodians voting

for the first time are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as corporates and custodians already registered with CDSL should use their existing login details.

- b. After registering online, 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).
- c. The admin login details will be sent by CDSL. After receiving these details, create a compliance user. The compliance user would be able to link the account(s) for which they wish to vote on.
- d. The list of accounts 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.
- e. A scanned copy of the Board Resolution and Power of Attorney which they have issued in favour of the custodian/ authorized person, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xviii) 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 date, i.e. 22<sup>nd</sup> September, 2016, 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](mailto:investor@cameoindia.com) to obtain sequence number.

15. The Company has appointed Mr. Prabakar, BP & Associates, Practicing Company Secretaries, to act as the Scrutinizer. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer s

report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same

16. The Results shall be declared at or after the Annual General Meeting. The results declared along with the Scrutinizer's Report shall be placed on the company's website [www.waterbaseindia.com](http://www.waterbaseindia.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) within two (2) days of passing of the resolution at the Annual General Meeting and the same shall also be communicated to BSE Limited where the shares of the Company are listed.

## ANNEXURE I TO THE NOTICE

### Explanatory Statement in Respect of the Special Business Pursuant to Section 102 of the Companies Act, 2013

#### ITEM 4:

On recommendation of the Nomination and Remuneration committee, the Board of Directors had appointed Mr. Rahul Kapur (DIN: 00020624) as additional director of the company with effect from 29<sup>th</sup> October, 2015, in terms of the provisions of Section 161 of the Companies Act, 2013. Mr. Rahul Kapur holds office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from Mr. Rahul Kapur proposing his candidature for appointment as Director in the forth coming Annual General Meeting along with a deposit of ₹1 Lakh as per the provisions of Section 160 of the Companies Act, 2013.

Mr. Rahul Kapur (53 years) is a Management post graduate from U.K., and owns businesses that are into production of feed premixes and additives for the animal feed sector. Starting his career in 1984, Mr. Rahul Kapur has gained experience in diverse sectors as Animal Genetics and Vaccines before becoming an entrepreneur in the year 1997. With over two decades of experience in the animal production industry, Mr. Rahul Kapur is a leading and well recognised member of the animal production industry.

Except Mr. Rahul Kapur, being the appointee, none of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution in any way. The Directors recommend the resolution for appointment of Mr. Rahul Kapur as director for approval of the shareholders.

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

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

## ANNEXURE II TO THE NOTICE

Details of Mr. Varun Aditya Thapar (DIN: 02322660), as per the requirement of Secretarial Standard – 2 and SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 is given below:

| Sl. No. | Particulars   | Details  |
|---------|---|--|
| 1       | Date of birth   | 5 <sup>th</sup> March, 1985  |
| 2       | Nationality   | Indian   |
| 3       | Relationship with Directors   | Son of Mr. Vikramaditya Mohan Thapar, Chairman and Mrs. Jyoti Thapar, Director |
| 4       | Date of appointment on the board  | 05 <sup>th</sup> February, 2014  |
| 5       | Expertise in specific functional area   | General Management   |
| 6       | Number of shares held in the company  | 1,69,800   |
| 7       | List of the directorships held in other companies                                     |  |
| a)      | Karam Chand Thapar & Bros (Coal Sales) Limited  | Whole Time Director  |
| b)      | Indian City Properties Limited  | Whole Time Director  |
| c)      | Handy – Waterbase India Private Limited   | Director   |
| d)      | Indicon Enterprises Limited   | Director   |
| e)      | Thapar Infra Construction India Limited   | Director   |
| f)      | Bharat Westfalia Engineering Limited  | Director   |
| g)      | Honeybird Realcon Private Limited   | Director   |
| h)      | Pinnae Feeds Limited  | Director   |
| 8       | Chairman/ member in the committees of the boards of companies in which he is Director | NIL  |





## The Waterbase Limited

CIN: L05005AP1987PLC018436,

Registered office: Ananthapuram Village, Nellore, Andhra Pradesh – 524 344

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

Website: www.waterbaseindia.com

### 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]

#### 29<sup>th</sup> Annual General Meeting – 29<sup>th</sup> September, 2016

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

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

Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him.

Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him.

Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29<sup>th</sup> Annual General Meeting of the Company, to be held on Thursday, the 29<sup>th</sup> day of September 2016 at 12:15 P.M. at the Registered Office of the Company situated at Ananthapuram Village, Nellore, Andhra Pradesh – 524344 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Sl. No.           | Resolutions   | Optional* |         |
|-------------------|---|-----------|---------|
|                   |   | For       | Against |
| Ordinary Business |   |           |         |
| 1.                | Consideration of Financial Statements and Reports                       |           |         |
| 2.                | Re-appointment of Mr. Varun Aditya Thapar who retires by rotation       |           |         |
| 3.                | Ratification of Appointment of Auditors                                 |           |         |
| Special Business  |   |           |         |
| 4.                | Appointment of Mr. Rahul Kapur as Director liable to retire by rotation |           |         |

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

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 29<sup>th</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,

Registered office: Ananthapuram Village, Nellore, Andhra Pradesh – 524 344

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

Website: www.waterbaseindia.com

### Attendance Slip

29<sup>th</sup> Annual General Meeting – 29<sup>th</sup> September, 2016

|                            |  |
|----------------------------|--|
| Name of the member         |  |
| Name of the Proxy          |  |
| Folio No/ DPID / Client ID |  |
| Number of shares           |  |

I/We hereby record my/our presence at the Twenty Ninth Annual General Meeting of the Company to be held on Thursday the 29<sup>th</sup> day of September, 2016 at 12:15 P.M. at the Registered Office of the Company situated at Ananthapuram Village, Nellore, Andhra Pradesh – 524344

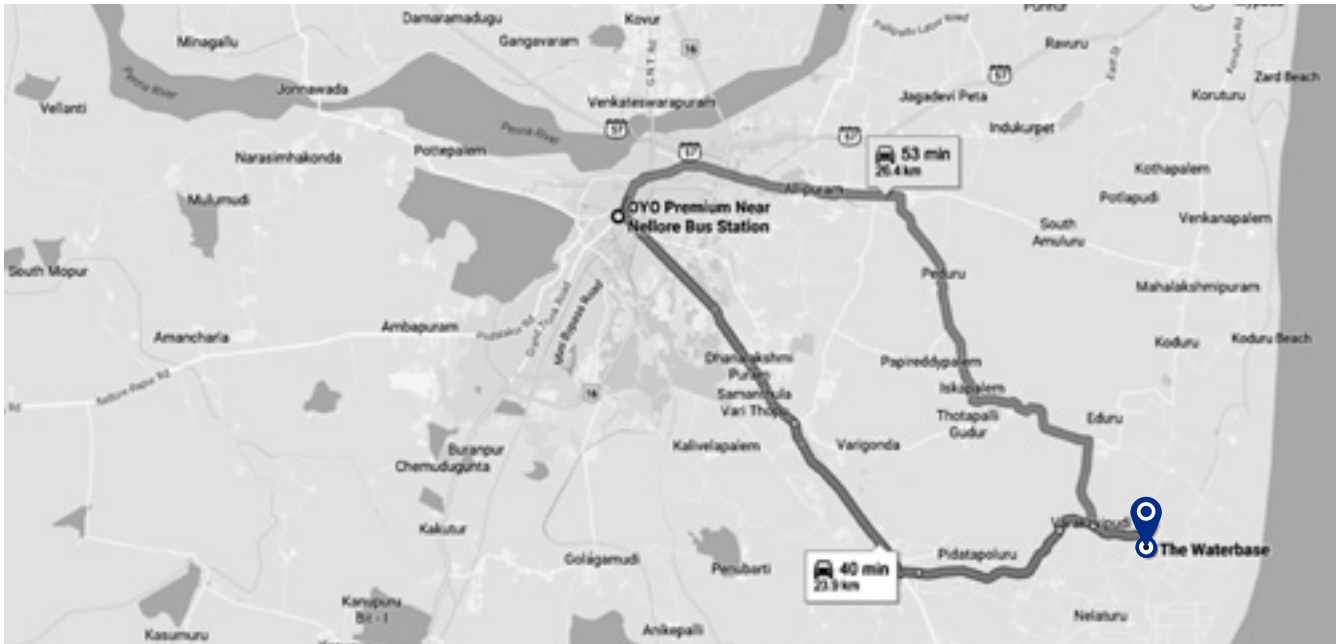
-----  
Name of the member/proxy  
(in BLOCK letters)

-----  
Signature of member/proxy

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

## Route Map of AGM Venue

From Nellore Railway Bus Stand to the Registered Office of the company



**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.



**Registered Office & Factory**

Ananthapuram Village, Nellore District

Andhra Pradesh, 524 344, India

Phone: 0861-216 5009 / 216 5021 / 216 5022 / 216 5023

Email: [info@waterbaseindia.com](mailto:info@waterbaseindia.com)

**Corporate Office**

Thapar House, No. 37, Montieth Road,

Egmore, Chennai - 600 008, India

Phone: 91 44 3012 7000

Fax: +91 44 3012 7001

Email: [info@waterbaseindia.com](mailto:info@waterbaseindia.com)

[www.waterbaseindia.com](http://www.waterbaseindia.com)