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CHAIRMAN'S MESSAGE

Dear Shareholders,

It gives me immense pleasure to present to you the performance of your Company in Financial Year (FY) 15. Your Company continued its strong performance as it reported revenues of Rs. 279.50 crores for the FY 15, representing growth of 22% compared to the previous year. Your Company has recorded its highest ever profits during this year. The profit after tax stood at Rs. 19.51 crore compared to Rs. 13.57 crore last year, registering a year-on-year increase of 44%.

“In FY 15, Your Company has reported the highest turnover and profits in its history”

Major regions around the world are yet to fully emerge from the after-effects of the financial crisis that shook the global economy at the end of the last decade. While some regions have rebounded faster than others, the sustainability of the recovery is still to be fully assessed as the impact of subsidies, monetary easing and management of currency exchange rates plays out. Interestingly, for a country like India the impact of these factors is not all encompassing as the impact of political stability, implementation of reforms and development of infrastructure will have equal, if not greater, bearing on its economic progress.

India is recognized as one of the leading seafood suppliers in the world and has successfully exported a record 1 million tonnes of sea food fetching a foreign exchange of \$5.5 billion during FY 15. The exports of marine products reached an all-time high of ₹ 33,442 crore crossing all previous records in quantity, rupee value and US dollar terms. Frozen shrimps continued to be the flagship product in the seafood exports accounting for a share of 34 % in quantity and 67 % of the total exports.

“Frozen Shrimps continue to be the flagship product in the high growth marine products industry in India.”

Your Company has benefitted from the increase in acreage under shrimp farming resulting in immense growth of the shrimp feed industry over the last several years. In order to drive further growth and enable widespread availability of its shrimp feed in more farming regions across the country, significant expansion plans are being implemented. On 21st May, 2015, the Board of your Company had accorded in-principle approval for the scheme of amalgamation of Pinnae Feeds Limited with the Company. This will enable Your Company to increase its shrimp feed manufacturing capacity from

35,000 metric tonnes per annum (MTPA) to 1,10,000 MTPA and will pave the way for continued volume growth going forward.

In over Twenty Five years of existence, your Company has continually strived to encourage the development of the aquaculture industry in India in a responsible, efficient and sustainable manner. In line with this approach, your Company proposes to set up hatcheries in key farming regions across the country. The focus will be to ensure that quality Vannamei seeds are made available to farmers.

“Our focus is steady: Invest, innovate, bring a smarter, more efficient approach to how we operate and be the partner that helps customers and stakeholders thrive”

In order to participate in the next wave of growth, Your Company has implemented several strategic initiatives during the year. This includes augmenting the management team to enhance the delivery of key functions, strengthening of the distribution network, and focus on the engagement with customers.

Overall, your Company is confident about the future as it is richly endowed with the requisite resources, experience, knowhow and the ambition to champion sustainable growth of the aquaculture industry.

I would like to take this opportunity to acknowledge the contribution of our employees, their dedication and commitment in making TWL a preferred name in this industry. I would also like to thank our customers, business partners, bankers, vendors and other business associates, without whose contributions we would not have enjoyed the achievements that we have shared with all of you. I would like to express my gratitude to various Central and State Government Authorities and Industry Bodies for their contribution in shaping the Industry. Finally, I thank all our stakeholders for their unstinted interest, support, faith and encouragement. I look forward to a continued partnership with all shareholders for further value creation in the coming years.

Warm Regards,

Vikramaditya Mohan Thapar
Chairman

COMPANY OVERVIEW



The Waterbase Limited (TWL) is the pioneer in the Indian Aquaculture Industry. We operate India's first ISO 9001:2008 Certified Shrimp Feed Manufacturing Facility which is located near Nellore in Andhra Pradesh.

Part of the Karam Chand Thapar Group, TWL owns several popular brands of shrimp feed that enjoys widespread acceptance among the shrimp farming community in India. TWL's products are held in high esteem due to their high performance, quality, freshness and nutrient-rich composition.

Over the last two decades, TWL has been instrumental in inculcating a scientific approach to shrimp farming in India. It has provided training and support in farming techniques to several thousand farmers across the country. It has served as a training ground for some of the best talent in the industry and enjoys unparalleled technical expertise as it is staffed by well qualified personnel with rich industry experience. TWL's products, processes and practices are viewed as gold standard by the industry. TWL is currently focussed on manufacture of shrimp feed and processing of shrimp for exporters. It has robust manufacturing processes and stringent quality control systems.

TWL was the first to recognise the strategic advantage and potential for value creation from R&D. It has worked with renowned institutions in India and overseas. It has been at the forefront of innovation in the industry across areas such as feed manufacture, farm practices and shrimp processing.

TWL has registered a robust track record over the last few years with steady growth in Revenues and Profitability. It enjoys a strong financial performance. It is well placed to capitalise on the growth potential of the industry in the coming financial years.



SHRIMP FEED

Our shrimp feed manufacturing facility is located in Nellore, Andhra Pradesh. It has a capacity of 35,000 metric tonnes per annum (MTPA). The feed manufactured at our plant are specifically formulated to meet the nutrition requirements for each type of shrimp at all stages of its growth.

We are the first Company to launch 'Vannamei' shrimp feed in India. We work with internationally renowned nutritionists to ensure that farmers get quality feed to suit a variety of farming practices.



SHRIMP PROCESSING

We have a 4,000 MTPA processing facility where the shrimps are processed for exports. The processing facility is FDA and Best Aquaculture Practices (BAP) approved, EU listed and Hazard Analysis Critical Control Points (HACCP) certified. The shrimps processed at our facility are marketed in the quality conscious markets such as USA, Europe etc.

The Company plants to re-enter exports from FY16 onwards in a phased manner.



KEY DIFFERENTIATORS



R&D

We have a strong focus on R&D. Our world class R&D program and thrust on technology has enabled the Company to introduce innovative shrimp feeds. One such result of R&D is the introduction of functional feeds that travel much beyond just meeting the nutritional requirements of shrimps.

The Company's proven competence in research and unparalleled technical expertise in the industry continues to provide it with a competitive advantage.

TECHNICAL EXPERTISE

TWL enjoys unparalleled technical expertise due to the wealth of it's human resources. The team consists of professionally qualified personnel with rich industry experience.



TRUST AND BRAND EQUITY

The Company's brands of shrimp feed command respect and enjoy the trust of farmers across the country. TWL's products are appreciated for their quality, high performance and nutrient-rich composition.



PRODUCT PORTFOLIO

SHRIMP FEED



PROCESSED SHRIMP



FINANCIAL HIGHLIGHTS FOR THE LAST FIVE YEARS

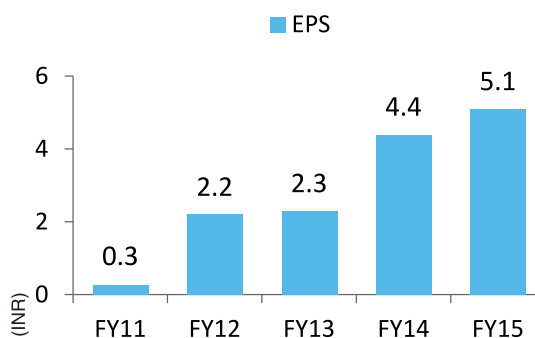
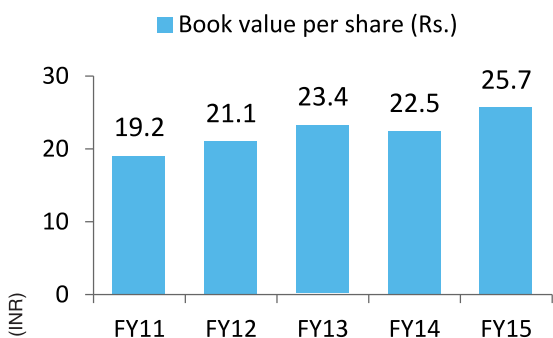
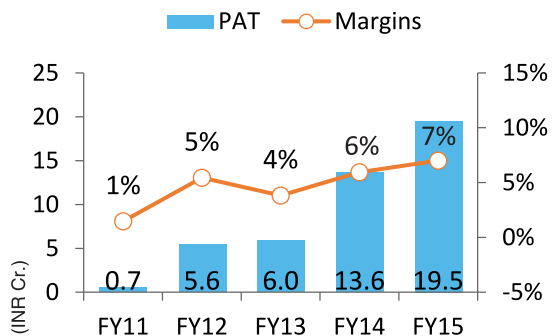
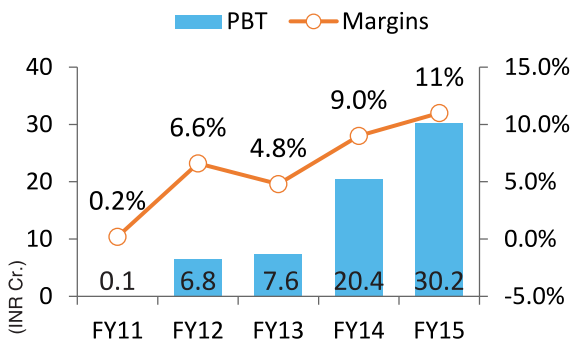
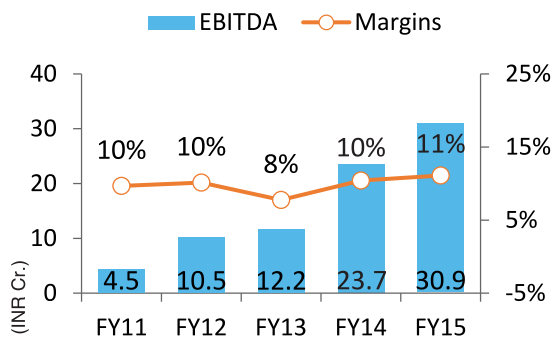
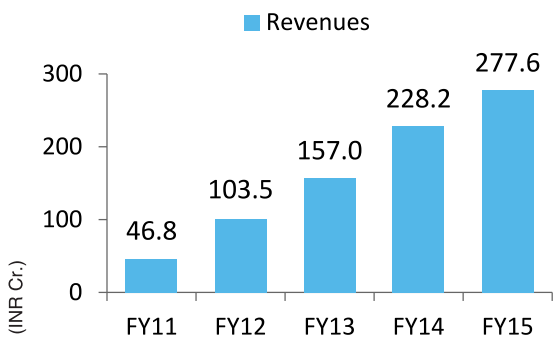
(₹ Crore)

| Particulars | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 |
|-------------------------------|---------|---------|---------|---------|---------|
| Revenue from Operations | 277.56 | 228.21 | 157.02 | 103.47 | 46.78 |
| Total Income | 279.50 | 229.59 | 157.60 | 104.13 | 47.15 |
| EBITDA | 31.97 | 23.28 | 11.61 | 10.54 | 4.35 |
| Depreciation and Amortisation | 1.43 | 1.80 | 2.81 | 2.46 | 2.34 |
| Profit before tax | 30.24 | 20.44 | 7.61 | 6.85 | 0.14 |
| Profit after tax | 19.51 | 13.57 | 6.01 | 5.63 | 0.69 |
| Equity Dividend rate (%) | 0.15 | - | - | - | - |
| Equity Share Capital | 38.60 | 38.60 | 25.74 | 25.74 | 24.74 |
| Reserves and Surplus | 60.57 | 48.08 | 34.51 | 28.51 | 22.87 |
| Current Liabilities | 62.73 | 68.01 | 61.46 | 46.99 | 48.80 |
| Total Equity & Liabilities | 165.82 | 158.13 | 132.99 | 112.60 | 108.04 |
| Net Worth | 0.99 | 0.87 | 0.60 | 0.54 | 0.48 |
| Gross Fixed Assets | 61.68 | 57.49 | 56.49 | 54.21 | 53.27 |
| Net Fixed Assets | 16.97 | 14.51 | 15.22 | 15.64 | 16.10 |
| Current Assets | 146.23 | 140.82 | 113.49 | 90.20 | 85.40 |
| Total Assets | 165.82 | 158.13 | 132.99 | 112.60 | 108.04 |

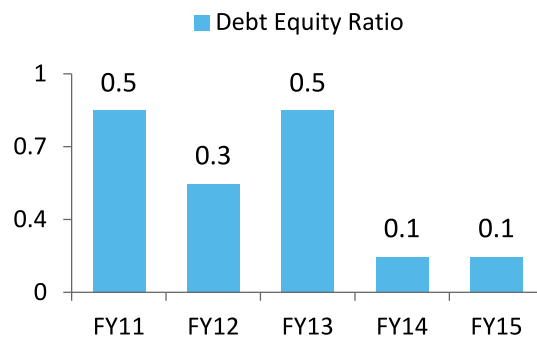
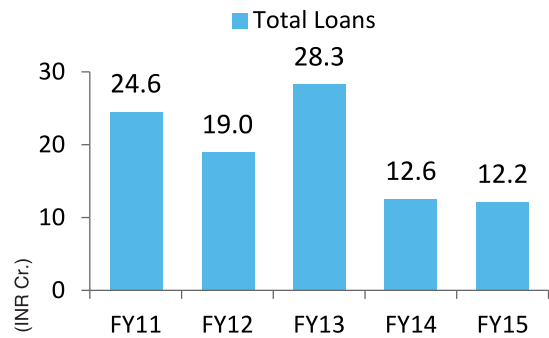
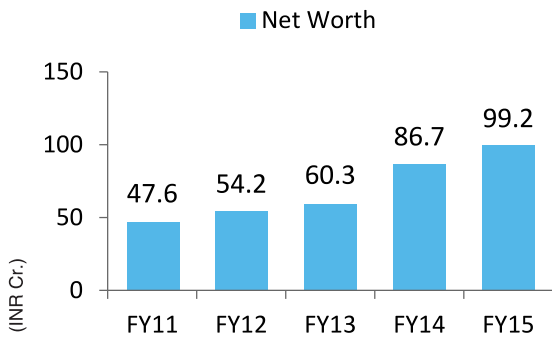
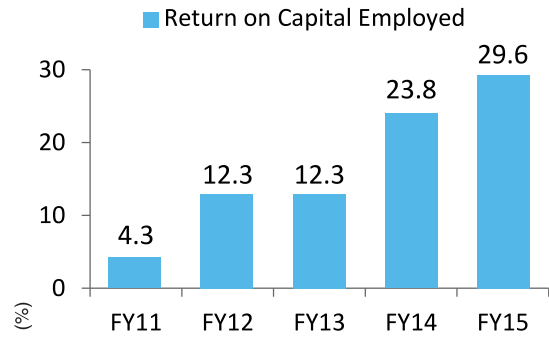
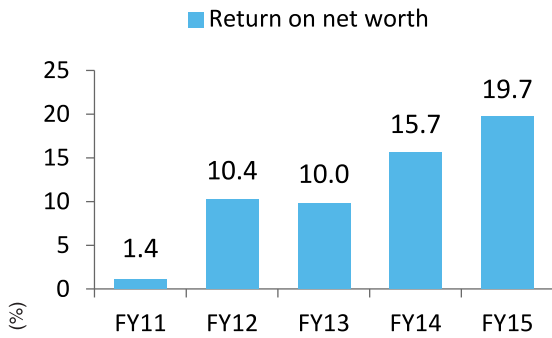
KEY PERFORMANCE INDICATORS

| Particulars | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 |
|-----------------------------|---------|---------|---------|---------|---------|
| Earnings Per Share - in ₹ | 5.1 | 4.4 | 2.3 | 2.2 | 0.3 |
| Book Value Per Share - in ₹ | 25.7 | 22.5 | 23.4 | 21.1 | 19.2 |
| Debt: Equity Ratio | 0.1 | 0.1 | 0.5 | 0.3 | 0.5 |
| EBDITA / Gross Turnover | 11.4% | 10.1% | 7.4% | 10.1% | 9.2% |
| Net Profit Margin | 10.8% | 8.9% | 4.8% | 6.6% | 0.3% |
| RONW | 19.7% | 15.7% | 10.0% | 10.4% | 1.4% |
| ROCE | 29.6% | 23.8% | 12.3% | 12.3% | 4.3% |

KEY PERFORMANCE INDICATORS



KEY PERFORMANCE INDICATORS



CORPORATE INFORMATION

| | |
|--|---|
| Corporate Identification Number (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. Adarsh Saran - Non-Executive Director Mr. Anil Kumar Bhandari - Independent Director Lt. Gen.Deepak Summanwar(Retd.) - Independent Director Mr. Nakul Kamani - Independent Director Mr. Ranjit Mehta - Independent Director |
| Key Managerial Personnel | : Mr. Ramakanth V Akula - Chief Executive Officer : Mr. S. Giridhari - Chief Financial Officer : Mr. G. Venkatram - Company Secretary |
| Stock Exchange | : BSE Limited Phiroze Jheejeebhoy Towers Dalal Street Mumbai- 400001 |
| Auditors | : 1. Statutory Auditors: M/s. Mitra Kundu & Basu, Kolkata 2. Secretarial Auditor: Mr. B. Ravi - Practicing Company Secretary, 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 Canara Bank, Overseas Branch, Chennai - 600 002 |
| Registrars & Share Transfer Agent | : M/s. Cameo Corporate Services Ltd Subramanian 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,

Your Directors have pleasure in presenting the 28th Annual Report together with the Audited Financial Statements of the company for the year ended 31st March, 2015.

FINANCIAL HIGHLIGHTS

| Particulars | ₹ Crore) | |
|---|----------|--------|
| | FY15 | FY14 |
| Total Revenue | 279.50 | 229.59 |
| Total Expenses | 249.26 | 209.14 |
| Profit Before Tax and Exceptional Items | 30.24 | 20.45 |
| Exceptional Items | - | 0.01 |
| Profit Before Tax (PBT) | 30.24 | 20.44 |
| Income Tax | 10.73 | 6.87 |
| Profit After Tax (PAT) | 19.51 | 13.57 |
| EPS (in ₹) | 5.06 | 4.37 |

FINANCIAL STATEMENTS

The Financial Statements have been prepared in accordance with Accounting Standards notified under section 133 of the Companies Act, 2013 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 together with the Auditor's report is annexed and forms part of this report.

PERFORMANCE OVERVIEW

FY15 has been an exciting year for the Company as it achieved the highest ever Revenues and Profitability in its history. Additionally, there has been significant progress on strategic initiatives and rollout of business expansion plans. Your Company reported revenues of ₹ 279.50 crore in FY15 compared to ₹ 229.59 crore last year, registering growth of 22%. Revenue growth was achieved by steady growth in volumes of shrimp feed due to continued robust demand from farmers and stable realizations as well as sustained contribution from shrimp processing.

While there was some firming up in the price of agri-based raw materials, the Company was able to mitigate the impact through proactive sourcing and efficient production which helped to contain the rise in expenditure in line with revenue growth thereby preserving margins.

During the year the Company provided ₹ 10.73 crore for taxation as against ₹ 6.87 crore for last year. Profit after Tax for the year was ₹ 19.51 crore compared to ₹ 13.57 crore in FY14, registering a year-on-year increase of 44%. This was the highest ever PAT reported by the Company in its history. The earnings per share (EPS) for the year stood at ₹ 5.06, an increase of 16% compared to ₹ 4.37 in the previous year.

DIVIDEND AND APPROPRIATIONS

Based on the Company's financial performance and considering the profitability and cash flow, the Board had declared an interim dividend of 10% (₹ 1 per equity share) during FY15 at the meeting held on 31st July, 2014. This was subsequently paid to all the eligible shareholders. Further, the Board has recommended a final dividend of 5% (i.e. 50 Paise per equity share) at the meeting held on 21st May 2015. The same is payable on obtaining the Shareholders' approval in the ensuing Twenty Eighth Annual General Meeting. This would entail a total outflow of ₹ 6.83 Crore on account of dividend including dividend tax for FY15.

Further, ₹ 0.37 Crore was transferred to reserves during FY15.

MATERIAL CHANGES AND COMMITMENTS

At present, Pinnae Feeds Limited (PFL), which is a wholly owned Subsidiary of Karam Chand Thapar & Bros. (Coal Sales) Limited (Promoter of the Company) is manufacturing feed for your Company at their state-of-the-art plant located near Nellore, Andhra Pradesh. Their feed manufacturing capacity is 75,000 MTPA. At the meeting held on 21st May, 2015, the Board of Directors of both PFL and the Company had in-principally sanctioned the amalgamation of PFL with the Company. Pursuant to this, on consummation of the amalgamation, the feed manufacturing capacity is expected to increase from 35,000 MTPA to 1,10,000 MTPA.

Apart from the increase in capacity, this amalgamation is expected to lead to higher efficiencies due to economies of scale, enable better negotiation in sourcing of raw material and improve the availability of the Company's Products in the domestic market. The Company will also leverage the increased capacity to enhance its presence in high growth markets.

DIVERSIFICATION

The Company is undertaking steps to diversify its revenue streams and is implementing initiatives to drive sustained growth. In the meeting held on 21st May, 2015, the Board has approved setting up of Hatcheries which will ensure availability of quality seeds to farmers and elevate the sustainability of the industry. The first unit is expected to be commissioned in the current financial year. Your Company is also planning to revive export of processed shrimps in the ensuing financial year in a phased manner.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The members at their Meeting held on 29th September, 2014, had appointed Mr. Anil Kumar Bhandari, Lt. Gen. Deepak Summanwar (Retd.), Mr. Nakul Kamani and Mr. Ranjit Mehta as Independent Directors of the Company for a term of 5 years i.e. up to 31st March, 2019. The Company has received declarations from all the above Independent Directors that they meet the criteria of independence as laid down under Section 149(6) of the Act and Clause 49 of the Listing Agreement.

Mrs. Jyoti Thapar retires at the forthcoming AGM and has offered herself for re-appointment. Necessary resolution for re-appointment of Mrs. Jyoti Thapar has been included in the Notice convening the ensuing Annual General Meeting and details of the proposal for re-appointment are mentioned in the Explanatory Statement to the Notice.

Pursuant to the provisions of Section 203 of the Act read with the rules made thereunder, the following employees were/are designated as whole-time key managerial personnel of the Company:

1. Mr. Ashok Nanjapa - Chief Executive Officer – Till 31st July, 2014
2. Mr. Ramakanth V Akula - Chief Executive Officer – With effect from 1st August, 2014

3. Mr. S.Giridhari, Chief Financial Officer
4. Ms. Suguna Krishnamurthy, Company Secretary – Till 30th September, 2014
5. Mr. G.Venkatram, Company Secretary – With effect from 17th February, 2015

BOARD EVALUATION AND FAMILIARIZATION

The Company believes that stakeholder value is created through strong Board Governance which requires a robust evaluation mechanism. In line with this, the Board has established a formal annual evaluation framework for measuring the performance of itself, the Directors and 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 FY15, the annual evaluation process was kick started at the meeting of Independent Directors held on 21st February, 2015. Thereafter, the Nomination and Remuneration Committee and the Board completed the annual evaluation process at the meeting held on 21st May, 2015.

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 proactively keeps its Directors informed of the activities of the Company, its management and operations and provides an overall industry perspective as well as issues being faced by the industry.

MEETINGS OF THE BOARD

The meetings of the Board are scheduled at regular intervals to decide and discuss business performance, policies, strategies and other matters of significance. The Board of Directors of the Company met four times during the financial year. The details of various Board Meetings are provided in the Corporate Governance Report.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Board consists of 8 (eight) members, of which 4 (four) are independent and non-executive. The remaining 4 (four) members are non-executive Promoter Directors. The policy of the Company on Director's appointment and remuneration, including criteria for determining qualifications, independence and other matters as provided under subsection (3) of Section 178 of the Companies Act, 2013 and the details of employees as per Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given as Annexure A, which forms part of this report.

CORPORATE SOCIAL RESPONSIBILITY

Since inception, the Company had cultivated a value system that business enterprises are economic organs of society and thrive on societal resources; hence it is the moral obligation and duty of an enterprise to reward the society. Long before the advent of CSR on the Indian Corporate scene, the Company has been contributing immensely for the cause of Education, Sports and Medicare in India, with an aim to benefit the disadvantaged/underprivileged sections of society. The Company follows a system of Triple Bottom Line accountability to measure the Company's performance and its impact on inclusive and equitable growth of the marginalized sections of society.

In continuation of that approach and to meet the requirements of the Companies Act, 2013, the Board has formed a Corporate Social Responsibility Committee, which monitors and oversees various CSR initiatives and activities of the Company. The Board has also adopted a policy on CSR which lays down the parameters to deepen the social impact significantly. The CSR policy of the Company can be accessed at http://www.waterbaseindia.com/pdf/code_of_conduct/Corporate_Social_Responsibility_Policy.pdf. A detailed report regarding Corporate Social Responsibility is given as Annexure B, which 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 given as Annexure C, which 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 as Annexure D, which forms part of this report.

RELATED PARTY TRANSACTIONS

All contracts and arrangements with related parties entered prior to the commencement of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement was considered and ratified by the Audit Committee during FY15. All the contracts and arrangements with the related parties were on arm's length basis and in ordinary course of business. There were no materially significant contracts and arrangements with related parties which may have a potential conflict with the interest of the Company at large. To deal with Related Party Transactions in a transparent manner, the Board had approved the policy on dealing with Related Party Transactions the text of which could be accessed at http://www.waterbaseindia.com/pdf/code_of_conduct/Related_Party_Transaction_Policy.pdf.

The Audit Committee had granted omnibus approval for certain contracts and arrangements with Related Parties as per the provisions contained in the Listing Agreement and in line with the policy adopted for dealing with Related party Transactions. All transactions arising out of such approved contract and arrangements with Related Parties were placed before the Audit Committee for consideration on a quarterly basis.

During FY15, the Audit Committee had approved a contract for purchase of finished shrimp feed and reimbursement & deputation of manpower entered into with Pinnae Feeds Limited which is an entity wholly owned by Karam Chand Thapar & Bros. (Coal Sales) Limited (Promoter of the Company). As the value of transactions arising out of the contract with Pinnae Feeds Limited exceeded the threshold limit of materiality i.e. 10% of the turnover of the Company, in FY15, approval of the Shareholders is being sought in the forthcoming Annual General Meeting. Suitable resolution in this regard has been added in the notice convening the 28th Annual General Meeting. Further, the details of transactions with PFL were submitted with the Stock Exchanges on Quarterly basis along with the Quarterly report on Compliance with Corporate Governance requirements of the Stock Exchange.

The details of the contract with Pinnae Feeds Limited as required under Section 13(3) (h) read with Rule 8 of the Companies (Accounts) Rules, 2014, is given in form AOC-2 as Annexure E, which 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 with the Stock Exchange. A separate section on Corporate Governance containing the details as required to be provided under Clause 49 of the Listing Agreement along with a certificate from the Statutory Auditors is given as Annexure F which forms part of this report.

LOANS, GUARANTEES OR INVESTMENTS

The Company has no outstanding Inter-Corporate Guarantees. The details of changes in the Loans and Investments covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Directors affirm that:

- a) The Financial Statements have been prepared in conformity with the applicable accounting standards and requirements of the Companies Act, 2013 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 as 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 Clause 49 (VII) (D) (I) of the Listing Agreement 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 FY15.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Company has implemented a Whistle Blower Policy, whereby employees can report matters such as corruption, misconduct, fraud, misappropriation of assets, non-compliance to code of conduct etc. to the Audit

Committee. The policy provides for confidential and anonymous reporting to the Audit Committee and adequate safeguards to the reporting party against retaliation. The policy also provides direct access to the Chairman of the Audit Committee.

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. Further details of the Whistle Blower Policy is given as part of the Corporate Governance Report.

FIXED DEPOSITS

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

AUDITORS

Statutory Audit

At the Annual General Meeting held on 29th September, 2014, M/s Mitra Kundu & Basu, Chartered Accountants were appointed as Statutory Auditors, for a period of three years, to hold office till the conclusion of the 30th Annual General Meeting i.e. AGM for FY17. As per the provisions of the Act, the appointment of Statutory Auditors 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 Auditors for FY16 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.

Further, the report of the Statutory Auditors for FY15 is given along with the Financial Statements which forms part of this report.

Secretarial Audit

The Board had appointed Mr. B. Ravi, Practising Company Secretary for conducting Secretarial Audit of the Company for FY15 as required by Section 204 of the Act. The report of the Secretarial Auditor is given as Annexure G, which forms part of this report.

The Secretarial Audit report contains a qualification regarding non-submission of Annual Return on Foreign Liabilities and Assets for FY14 under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 read with the relevant Master Circulars issued by the Reserve Bank of India in this regard. The Board would like to clarify that the Company had received investments from certain foreign entities under the then extant Foreign Exchange Regulation Act (FERA) and the rules/regulations laid down thereunder. The same was subject to approval of the Reserve Bank of India. However, these entities were later classified as Overseas Corporate Bodies (OCBs) which are now not recognized for investment in India. These OCBs continue to hold shares in the Company. All other foreign holdings in the Company were not under the Foreign Direct Investment route. Hence, the Board would approach the Reserve Bank of India to ascertain the requirement to file the return under the Foreign Exchange Management Regulations and would take steps to file the return, if required.

RISK MANAGEMENT / INTERNAL CONTROLS

The Company has adopted a Risk Management Plan for implementation of Enterprise Risk Management (ERM) framework. As per the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board shall establish a Risk Management Plan/ Policy and the Audit Committee shall evaluate the Risk Management systems periodically.

In line with this requirement, the Board is responsible for initiating and instituting the ERM framework and setting the requisite tone at the top for implementation of the ERM framework. Further, the Board shall be responsible for overseeing measures for managing risk. The Plan also envisages a key role for the Audit Committee which shall periodically (at least annually) review the adequacy of Risk Management Systems, recommend improvements if needed, discuss with external consultants, Internal Auditors to test the adequacy and effectiveness of the Risk Management System.

A strong and independent Internal Audit function carries out risk focused audits across the Company and enables identification of areas where risk management processes may need to be improved.

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.

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 clients, vendors, investors, bankers and other business associates for their continued support and encouragement during the year.

We also thank the Government of India, Governments 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

Chennai, 12th August, 2015

Vikramaditya Mohan Thapar
Chairman

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, 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.

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 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 a maximum of 5 years each, and 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 Independent Director, and in case such person is serving as a Whole-time Director of a listed company, three listed companies or such other number as may be prescribed under the Companies Act, 2013.
- 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 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 Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the NRC and approved by the Board of Directors.
- b) The remuneration of the Non-Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the NRC and approved by the Board of Directors or shareholders, as the case may be.
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - i) The Services are rendered by such Director in his capacity as the professional; and
 - ii) In the opinion of the Committee, the Director possesses the requisite qualification for the practice of that profession.
- e) The Board in consultation with the NRC will from time to time determine the Commission payable to

Non-Executive Directors. Such Commission shall be within the limits specified by the Act/ approved by Shareholders. The actual commission will be determined according to industry standards, relevant laws and regulations, labour market conditions and scale of the Company's business relating to the position.

3) Remuneration to Key Managerial and Senior Management Personnel:

- a) The remuneration to Key Managerial and Senior Management Personnel shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time. The Board in consultation with the NRC, will from time to time, determine the fixed remuneration level. Such remuneration levels will be determined according to industry standards, market conditions and other factors.
- c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial and Senior Management Personnel, to be decided annually or at such intervals as may be considered appropriate by the Board in consultation with the NRC.

4) Remuneration to Other Employees:

The Chief Executive Officer will approve the form of remuneration which may include Fixed Remuneration, Termination payments and Employee Entitlement for other employees of the Company.

B. Details of Remuneration

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

Details of sitting fee paid to Directors and Commission approved during the year ended 31st March, 2015.

(In ₹)

| Name of Director | Title | Commission* | Sitting fees |
|-----------------------------------|------------------------|------------------|-----------------|
| Mr. Vikramaditya Mohan Thapar | Non-Executive Chairman | 3,79,609 | 1,00,000 |
| Mrs. Jyoti Thapar | Non-Executive Director | 3,79,609 | 90,000 |
| Mr. Varun Aditya Thapar | Non-Executive Director | 3,79,609 | 45,000 |
| Mr. Adarsh Saran | Non-Executive Director | 3,79,609 | 30,000 |
| Mr. Anil Kumar Bhandari | Independent Director | 3,79,609 | 90,000 |
| Lt. Gen. Deepak Summanwar (Retd.) | Independent Director | 3,79,609 | 60,000 |
| Mr. Nakul Kamani | Independent Director | 3,79,609 | 1,15,000 |
| Mr. Ranjit Mehta | Independent Director | 3,79,609 | 1,15,000 |
| Total | | 30,36,873 | 6,45,000 |

- *Note:**
1. Commission is payable to the Directors upon adoption of Annual Accounts by the shareholders in the forthcoming Annual General Meeting
 2. Remuneration for FY15 of KMPs is given as 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 are given below:

| SI 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 | 1.52X | | | | | | | | | | | | |
| 2. | Percentage increase in remuneration of Director and KMP during the financial year* | Commission to Directors | 100.00% | | | | | | | | | | | | |
| | | Chief Executive Officer | -10.31% | | | | | | | | | | | | |
| | | Chief Financial Officer | 0.43% | | | | | | | | | | | | |
| | | Company Secretary | - 6.25% | | | | | | | | | | | | |
| 3. | Percentage increase / (decrease) in median remuneration of employees in the financial year | The median remuneration of employees increased to ₹ 2.60 Lakhs from ₹ 2.31 Lakhs representing an increase of 12.55%. While computing the increase in median remuneration, we have considered employees as at 31 st March, 2015 and as at 31 st March, 2014 | | | | | | | | | | | | | |
| 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 st March, 2015 | | | | | | | | | | | | | |
| 5. | Relationship between average increase in remuneration and company performance | The increase in Company's revenue for FY 14 over FY 13 was 45%. Similarly, the increase in revenue for FY 15 over FY 14 was 22%. As against this, the average increase given to employees was 20.87%. 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 FY 15 constituted 5.62% of the net profits of the Company as against 8.19% for FY 14. Compared to this, the increase in revenue for FY 15 over FY 14 was 22%. | | | | | | | | | | | | | |
| 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 st March, 2015 was ₹ 190.33 Crore as against ₹ 69.48 Crore as on 31 st March, 2014. The P/E ratio as on 31 st March, 2015 was 10 as against the P/E ratio of 4 as on 31 st March, 2014. The closing price of the Company's equity shares was ₹ 49.35 as on 31 st March, 2015 representing 393% increase over the last public offering (Rights Issue) in August 2013. | | | | | | | | | | | | | |
| 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 6.78% and for Key managerial Personnel it was 7%. 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 enhance stakeholders values. | | | | | | | | | | | | | |
| 9. | Comparison of remuneration of each Key Managerial Personnel against the performance of the Company | <table border="1"> <thead> <tr> <th>KMP</th> <th>Remuneration (in ₹ Lakhs)</th> <th>% of net profit</th> </tr> </thead> <tbody> <tr> <td>CEO</td> <td>110.00</td> <td>5.65%</td> </tr> <tr> <td>CFO</td> <td>37.39</td> <td>1.73%</td> </tr> <tr> <td>CS</td> <td>6.55</td> <td>0.34%</td> </tr> </tbody> </table> | KMP | Remuneration (in ₹ Lakhs) | % of net profit | CEO | 110.00 | 5.65% | CFO | 37.39 | 1.73% | CS | 6.55 | 0.34% | |
| KMP | Remuneration (in ₹ Lakhs) | % of net profit | | | | | | | | | | | | | |
| CEO | 110.00 | 5.65% | | | | | | | | | | | | | |
| CFO | 37.39 | 1.73% | | | | | | | | | | | | | |
| CS | 6.55 | 0.34% | | | | | | | | | | | | | |
| 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. Ashok Nanjapa resigned as Chief Executive Officer with effect from 31st July, 2014. Mr. Ramakanth V Akula was appointed as Chief Executive Officer with effect from 1st August, 2014. Both their remuneration was included as part of remuneration to CEO for the year.
- 2) During the year Ms. Suguna Krishnamurthy resigned as Company Secretary with effect from 30th September 2014. Mr. G. Venkatram was appointed as Company Secretary with effect from 17th February, 2015. Both their remuneration was included as part of remuneration to CS for the year.
- 3) We hereby affirm that the Remuneration paid to Directors and Key Managerial Personnel is in line with the Nomination and Remuneration Policy of the Company.

C. 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 Employee | Total Experience (in Years) | Designation at Previous Employment | Date of joining | Remuneration in ₹ Lakhs for year ended 31 st March, 2015 |
|--------|-----------------------|----------------------------|---------------|----------------|----------------------------|-----------------------------|------------------------------------|------------------------------|---|
| 1. | Mr. Ramakanth V Akula | CEO | MBA, PGCBM | 47 | Nippon Paint India Pvt Ltd | 25 Years | President | 1 st August, 2014 | 75.07 |
| 2. | Mr. Ashok Nanjapa* | CEO | BA | 67 | Steelage Industries Ltd. | 45 Years | President | 1 st July, 1995 | 34.93 |

* Mr. Ashok Nanjapa was superannuated w.e.f. 31st July 2014. The remuneration stated above does not include his retiral benefits, being gratuity & leave encashment.

For and on behalf of the Board of Directors

Chennai, 12th August, 2015

Vikramaditya Mohan Thapar
Chairman

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) Integrating CSR programmes with the Company's business and endeavour to implement the Social Investments/CSR programmes in the vicinity of the Company's operations.
 - 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
- Lt. Gen. Deepak Summanwar (Retd.)
- Mr. Varun Aditya Thapar
- Mr. Ranjit Mehta
- Mr. Nakul Kamani

C. CSR Computation:

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

(In ₹ Lakhs)

| Net Profits as per Section 198 of the Companies Act, 2013 | Amount |
|---|----------------|
| Financial Year 2013-14 | 2068.56 |
| Financial Year 2012-13 | 758.49 |
| Financial Year 2011-12 | 683.17 |
| Total | 3510.22 |
| Average Net profit | 1170.08 |
| 2% on the Average Net Profit (Amount to be contributed towards CSR Activities) | 23.40 |
| Amount Spent during financial year 2014-15 | 23.41 |
| Amount unspent, if any | Nil |

D. Details of contribution towards CSR Activities:

(in ₹ Lakhs)

| Sl. No | CSR project or program name | Sector in which the project was covered | Location of project or program | Amount outlay (Project/Program wise) | Amount spent on the Project/Program | Cumulative expenditure up to reporting period | Amount spent directly or through external agency |
|--------|--|---|----------------------------------|--------------------------------------|-------------------------------------|---|--|
| 1. | LVPEI Rural Eye Centre- Upgradation of Nellore Secondary centre | Healthcare | Nellore District, Andhra Pradesh | 16.00 | 3.00 | 3.00 | Directly |
| 2. | Hyderabad Science Society- Direct contribution made to Support ongoing research and development activities | Education | Hyderabad, Andhra Pradesh | 20.41 | 20.41 | 20.41 | Directly |

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

Ramakanth V Akula
Chief Executive Officer

Vikramaditya Mohan Thapar
Chairman of CSR Committee

Chennai, 12th August, 2015

ANNEXURE – C: ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

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

Particulars required by the Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2015 is given below:

A. CONSERVATION OF ENERGY

- a) The Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.
- b) The Company ensures and takes all the efforts to conserve energy by optimum utilization of resources.
- c) As the impact of measures taken for conservation and optimum utilisation 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 has resulted in formulation of functional feeds that travel beyond just meeting nutritional requirements of shrimps. The benefits arising out of such functional feeds 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) Your 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 - ₹ 1.90 Crore
 2. Capital Expenses - ₹ 0.14 Crore

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(in ₹ Lakhs)

| Particulars | 2014-15 | 2013-14 |
|------------------------------|---------|---------|
| Earnings in Foreign Exchange | - | 130.32 |
| Foreign Exchange Outgo | 526.44 | 648.79 |

For and on behalf of the Board of Directors

Chennai, 12th August, 2015

Vikramaditya Mohan Thapar
Chairman

ANNEXURE – D: EXTRACT OF ANNUAL RETURN**FORM NO. MGT 9
For the Financial Year ended on 31st March, 2015****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 rd November 1987 |
| 3. | Name of the Company | The Waterbase Limited |
| 4. | Category/Sub-category of the Company | Company Limited by Shares/ Indian Non-Government Company |
| 5. | Address of the Registered office & contact details | Ananthapuram Village, Nellore, Andhra Pradesh – 524344; Registered Office Contact -0861 2165009 / 2165021; 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 Subramanian Building 1, Club House Road, Chennai - 600 002 Phone:044-28460390 / 391/ 392 / 393 / 394 , Fax: 044-28460129 Email: investor@cameoindia.com |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated):

| S. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|--------|--|---------------------------------|------------------------------------|
| 1 | Manufacturing and Trading in Shrimp feed | 10809 | 99.40 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sl. 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

| Category code | Category of Shareholder | No. of shares held at the beginning of the year (As at 31st March 2014) | | | No. of shares held at the end of the year (As at 31st March 2015) | | | % Change during the year |
|---------------|---|--|----------|------------|--|----------|------------|--------------------------|
| | | Demat | Physical | Total | Demat | Physical | Total | |
| A. | SHAREHOLDING OF PROMOTER AND PROMOTER GROUP | | | | | | | |
| 1. | Indian | | | | | | | |
| a. | Individuals/Hindu Undivided Family | 414,600 | - | 414,600 | 414,600 | - | 414,600 | 0.00 |
| b. | Central Government/ State Government(s) | - | - | - | - | - | - | 0.00 |
| c. | Bodies Corporate | 19,838,747 | - | 19,838,747 | 19,838,747 | - | 19,838,747 | 0.00 |
| d. | Financial Institutions/ Banks | - | - | - | - | - | - | 0.00 |
| e. | Any Other (Specify) | | | | | | | |
| | SUB - TOTAL (A)(1) | 20,253,347 | - | 20,253,347 | 20,253,347 | - | 20,253,347 | 0.00 |
| 2. | Foreign | | | | | | | |
| a. | Individuals (Non- Resident Individuals/ Foreign Individuals) | - | - | - | - | - | - | 0.00 |
| b. | Bodies Corporate | - | - | - | - | - | - | 0.00 |
| c. | Institutions | - | - | - | - | - | - | 0.00 |
| d. | Qualified Foreign Investor | - | - | - | - | - | - | 0.00 |
| e. | Any other | | | | | | | |
| | SUB - TOTAL (A)(2) | - | - | - | - | - | - | 0.00 |
| | Total Share Holding of Promoter and Promoter Group (A) = (A)(1)+(A)(2) | 20,253,347 | - | 20,253,347 | 20,253,347 | - | 20,253,347 | 0.00 |

| Category code | Category of Shareholder | No. of shares held at the beginning of the year (As at 31st March 2014) | | | | No. of shares held at the end of the year (As at 31st March 2015) | | | | % Change during the year |
|---------------|---|---|--------------|--------------|-------------------|---|--------------|---------------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| B. | PUBLIC SHAREHOLDING | | | | | | | | | |
| 1. | INSTITUTIONS | | | | | | | | | |
| a. | Mutual Funds/UTI | - | 7,000 | 7,000 | 0.02 | - | 7,000 | 7,000 | 0.02 | 0.00 |
| b. | Financial Institutions/ Banks | - | 434 | 434 | 0.00 | - | 434 | 434 | 0.00 | 0.00 |
| c. | Central Government/ State Government(s) | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| d. | Venture Capital Funds | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| e. | Insurance Companies | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| f. | Foreign Institutional Investors | - | 1,600 | 1,600 | 0.00 | 8,282 | 1,600 | 9,882 | 0.02 | 0.02 |
| g. | Foreign Venture Capital Investors | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| h. | Qualified Foreign Investor | - | - | - | 0.00 | - | - | - | 0.00 | 0.00 |
| i. | Any Other | | | | | | | | | |
| | Sub - Total (B)(1) | - | 9,034 | 9,034 | 0.02 | 8,282 | 9,034 | 17,316 | 0.04 | 0.02 |
| 2. | NON-INSTITUTIONS | | | | | | | | | |
| a. | Bodies Corporate | 799,121 | 109,000 | 908,121 | 2.35 | 793,584 | 107,500 | 901,084 | 2.33 | -0.02 |
| b. | Individuals - | | | | | | | | | |
| | Individual Shareholders holding nominal Share Capital upto Rs. 1 lakh | 3,575,999 | 2,096,829 | 5,672,828 | 14.70 | 4,608,219 | 1,969,846 | 6,578,065 | 17.04 | 2.34 |
| | Individual Shareholders holding nominal Share Capital in excess of Rs. 1 lakh | 5,585,328 | 170,900 | 5,756,228 | 14.91 | 4,485,043 | 170,900 | 4,655,943 | 12.06 | -2.85 |

| Category code | Category of Shareholder | No. of shares held at the beginning of the year (As at 31st March 2014) | | | No. of shares held at the end of the year (As at 31st March 2015) | | | % Change during the year |
|---------------|---|---|------------------|-------------------|---|------------------|-------------------|--------------------------|
| | | Demat | Physical | Total | Demat | Physical | Total | |
| c. | Qualified Foreign Investor | - | - | - | - | - | - | 0.00 |
| d. | Any Other | | | | | | | |
| | Clearing Members | 22,490 | - | 22,490 | 61,892 | - | 61,892 | 0.16 |
| | Directors and their relatives | - | - | - | 100 | - | 100 | 0.00 |
| | Hindu Undivided Families | 785,992 | - | 785,992 | 846,400 | - | 846,400 | 2.19 |
| | Non Resident Indians | 953,810 | 996,000 | 1,949,810 | 1,541,703 | 502,000 | 2,043,703 | 5.29 |
| | Overseas Corporate Bodies | - | 3,245,400 | 3,245,400 | - | 3,245,400 | 3,245,400 | 8.41 |
| | | 1,762,292 | 4,241,400 | 6,003,692 | 2,450,095 | 3,747,400 | 6,197,495 | 16.05 |
| | Sub - Total (B)(2) | 11,722,740 | 6,618,129 | 18,340,869 | 12,336,941 | 5,995,646 | 18,332,587 | 47.49 |
| | Total Public Shareholding (B) = (B)(1)+(B)(2) | 11,722,740 | 6,627,163 | 18,349,903 | 12,345,223 | 6,004,680 | 18,349,903 | 47.53 |
| | Total (A)+(B) | 31,976,087 | 6,627,163 | 38,603,250 | 32,598,570 | 6,004,680 | 38,603,250 | 100.00 |
| C. | Shares held by Custodians and against which Depository Receipts have been issued | | | | | | | |
| | Promoter and Promoter Group | - | - | - | - | - | - | 0.00 |
| | Public | - | - | - | - | - | - | 0.00 |
| | Total Custodian (C) | - | - | - | - | - | - | 0.00 |
| | Grand Total (A)+(B)+(C) | 31,976,087 | 6,627,163 | 38,603,250 | 32,598,570 | 6,004,680 | 38,603,250 | 100.00 |

B. Share Holding of Promoters

| Sl 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 | Vikramaditya Mohan Thapar | 53,750 | 0.14 | 0.00 | 53,750 | 0.14 | 0.00 | 0.00 |
| 2 | Karam Chand Thapar & Bros. (Coal Sales) Ltd | 17,953,141 | 46.51 | 0.00 | 18,010,541 | 46.66 | 0.00 | 0.15 |
| Promoter Group | | | | | | | | |
| 3 | Jyoti Thapar | 73,500 | 0.19 | 0.00 | 73,500 | 0.19 | 0.00 | 0.00 |
| 4 | Ayesha Thapar | 51,875 | 0.13 | 0.00 | 51,875 | 0.13 | 0.00 | 0.00 |
| 5 | Nitasha Thapar | 51,875 | 0.13 | 0.00 | 51,875 | 0.13 | 0.00 | 0.00 |
| 6 | Varun Aditya Thapar | 169,800 | 0.44 | 0.00 | 169,800 | 0.44 | 0.00 | 0.00 |
| 7 | Adarsh Saran | 13,800 | 0.04 | 0.00 | 13,800 | 0.04 | 0.00 | 0.00 |
| 8 | Indian City Properties Ltd | 382,470 | 0.99 | 0.00 | 382,470 | 0.99 | 0.00 | 0.00 |
| 9 | The Doaba Industrial And Trading Company Private Limited | 180,000 | 0.47 | 0.00 | 180,000 | 0.47 | 0.00 | 0.00 |
| 10 | The Punjab Business And Supply Company Private Limited | 30,000 | 0.08 | 0.00 | 30,000 | 0.08 | 0.00 | 0.00 |
| 11 | Karam Chand Thapar & Bros. (Jammu And Kashmir) Pvt Ltd | 20,000 | 0.05 | 0.00 | 20,000 | 0.05 | 0.00 | 0.00 |
| 12 | Towerbase Services Pvt Ltd | 1,215,736 | 3.15 | 0.00 | 1,215,736 | 3.15 | 0.00 | 0.00 |
| 13 | Central India Agencies Pvt Ltd | 57,400 | 0.15 | 0.00 | - | 0.00 | 0.00 | -0.15 |

C. Change in Promoters' Shareholding

| Particulars | No. of Shares | % of total shares of the company |
|--|---|----------------------------------|
| Karam Chand Thapar & Bros. (Coal Sales) Ltd | | |
| 1. At the beginning of the year | 17,953,141 | 46.51 |
| 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): | Date of Share Acquisition : 16/01/2015 No. of Shares : 57,400 Reason : Merger of Central India Agencies Pvt Ltd with Karam Chand Thapar & Bros. (Coal Sales) Ltd. | |
| 3. At the end of the year | 18,010,541 | 46.66 |

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

| Sl No | Name of the Shareholder | 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 | 2,475,000 | 6.41 | 2,475,000 | 6.41 |
| 2. | Hitesh Ramji Javeri | 1,160,000 | 3.00 | 300,000 | 0.78 |
| 3. | Nishita Shah | 797,500 | 2.07 | 775,761 | 2.00 |
| 4. | Harsha Hitesh Javeri | 764,167 | 1.98 | 200,192 | 0.52 |
| 5. | Ranga Prasad N | 528,532 | 1.37 | 554,482 | 1.44 |
| 6. | Nead Trading & Investments Limited | 520,000 | 1.35 | 520,000 | 1.35 |
| 7. | Ranga Prasad Nuthakki | 433,099 | 1.12 | 451,569 | 1.17 |
| 8. | Santosh Sitaram Goenka | 283,905 | 0.74 | 239,910 | 0.62 |
| 9. | Anil Thadani | 247,000 | 0.64 | 494,000 | 1.28 |
| 10. | Sunil Chandiramani | 247,000 | 0.64 | 477,684 | 1.24 |

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

| Sl. 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 | 1,791 | 0.00 | 1,641 | 0.00 |
| 2. | G.Venkatram | - | - | - | - |
| 3. | Ramakanth V Akula | - | - | - | - |

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

V. INDEBTEDNESS OF THE COMPANY (INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT)

(₹ Lakhs)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 1,130.97 | 196.04 | - | 1,327.01 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 1,130.97 | 196.04 | - | 1,327.01 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 53.19 | - | - | 53.19 |
| * Reduction | - | 196.04 | - | 196.04 |
| Net Change | 53.19 | (196.04) | - | (142.85) |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 1,184.16 | - | - | 1,184.16 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 1,184.16 | - | - | 1,184.16 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO 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.

B. REMUNERATION TO OTHER DIRECTORS:

(In ₹)

| Sl. No. | Particulars of Remuneration | Name of Directors | | | | | | | |
|---------|---|-------------------------------|-------------------|-------------------------|------------------|-------------------------|-----------------------------------|------------------|------------------|
| | | Mr. Vikramaditya Mohan Thapar | Mrs. Jyoti Thapar | Mr. Varun Aditya Thapar | Mr. Adarsh Saran | Mr. Anil Kumar Bhandari | Lt. Gen. Deepak Summanwar (Retd.) | Mr. Nakul Kamani | Mr. Ranjit Mehta |
| 1. | Independent Directors | | | | | | | | |
| | Fee for attending board committee meetings | - | - | - | - | 90,000 | 90,000 | 1,15,000 | 1,15,000 |
| | Commission | - | - | - | - | 3,79,609 | 3,79,609 | 3,79,609 | 3,79,609 |
| | Others, please specify | - | - | - | - | - | - | - | - |
| | Total (1) | - | - | - | - | 4,69,609 | 4,69,609 | 4,94,609 | 4,94,609 |
| 2. | Other Non-Executive Directors | | | | | | | | |
| | Fee for attending board committee meetings | 1,00,000 | 45,000 | 60,000 | 30,000 | - | - | - | - |
| | Commission | 3,79,609 | 3,79,609 | 3,79,609 | 3,79,609 | - | - | - | - |
| | Others, please specify | - | - | - | - | - | - | - | - |
| | Total (2) | 4,79,609 | 4,24,609 | 4,24,609 | 4,24,609 | - | - | - | - |
| | Total (B)=(1+2) | 4,79,609 | 4,24,609 | 4,24,609 | 4,24,609 | 4,69,609 | 4,69,609 | 4,94,609 | 4,94,609 |
| | Total Managerial Remuneration | | | | | | | | 36,81,872 |
| | Overall Ceiling as per the Act (including the sitting fee which does not form part of remuneration) | | | | | | | | 36,81,872 |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

(₹ Lakhs)

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---------|---|--------------------------|-------------------|--------------|---------------|
| | | CEO (CEO1 & CEO2) | CS (CS1 & CS2) | CFO | Total |
| 1. | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 109.04 | 6.32 | 35.82 | 151.18 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 0.96 | 0.23 | 1.57 | 2.76 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - | - |
| 2. | Stock Option | - | - | - | - |
| 3. | Sweat Equity | - | - | - | - |
| 4. | Commission | - | - | - | - |
| | - as % of profit | - | - | - | - |
| | Others, specify... | - | - | - | - |
| 5. | Others, please specify | - | - | - | - |
| | Total | 110.00 | 6.55 | 37.39 | 153.94 |

Note:

1. CEO 1 - Mr. Ashok Nanjapa
2. CEO 2 - Mr. Ramakanth V Akula
3. CS 1 - Ms. Suguna Krishnamurthy
4. CS 2 - Mr. G. Venkatram

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

Chennai, 12th August, 2015

Vikramaditya Mohan Thapar
Chairman

**ANNEXURE – E: PARTICULARS OF CONTRACTS / ARRANGEMENTS
WITH RELATED PARTIES (AOC-2)**

**[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]**

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 31st March, 2015 which were not at arm's length basis.

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

The Company has only one material contract with Pinnae Feeds Limited (PFL). Details of the contract with PFL for the year ended 31st March, 2015 is as follows:

| Name of the Related Party | Nature of Relationship | Duration of Contract/ Arrangement/ Transaction | Salient Terms of Contract / arrangement / transaction | Date of approval by the Board | Amount |
|---------------------------|--------------------------------------|---|--|--|---|
| PFL | Entity under control of the Promoter | The Agreement with PFL is valid for a period of 5 years from 29 th March, 2014 | PFL to supply finished shrimp feeds to the Company on arms length basis based on Purchase Order of the Company. 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 | The contract was approved by the Audit Committee and Board on 10 th November, 2014. The same shall be subject to approval of Shareholders in the forthcoming Annual General Meeting. | For purchase of finished shrimp feeds – ₹ 36.35 Crore For deputation of manpower at actual cost – ₹ 0.58 Crore |

* PFL is a related party under clause 49 (VII) (B)2 of the listing agreement. However PFL is not a related party as per the definition of the Companies Act, 2013.

For and on behalf of the Board of Directors

Chennai, 12th August, 2015

Vikramaditya Mohan Thapar
Chairman

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. Good Governance responsibilities encompasses the activities of the Board of Directors, who execute their Corporate Governance responsibilities by focusing on the Company's strategic and operational excellence in the best interests of all stakeholders of the Company, in particular Shareholders, Employees and our Customers in a balanced fashion with long term benefits to all.

The Company believes that transparency is the cornerstone of Corporate Governance. In line with this, the Company's Corporate Governance framework ensures that timely disclosures are made and accurate information is shared regarding our financials, performance and other key Corporate events. The Company 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 building long term sustainable relationships with relevant Stakeholders.

Our Corporate Governance philosophy is that Corporate Governance standards should satisfy both the spirit of the law as well as the letter 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 at 31st March, 2015, the Board constitutes of eight members comprising of four non-executive Promoter Directors including one women Director and four Independent Directors. Therefore the composition of the Board is in compliance with Clause 49 of the Listing Agreement as 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.

During FY15, the Board of Directors met four times on 27th May, 2014, 31st July, 2014, 10th November, 2014 and 12th February, 2015. 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:

| Sl.No | Name of the Director | No. of Board meetings attended | Attendance at the last AGM | Director Identification Number | Directorship in other Companies* |
|-------|---|--------------------------------|----------------------------|--------------------------------|----------------------------------|
| | Non-Executive Promoter Directors | | | | |
| 1. | Mr. Vikramaditya Mohan Thapar | 4 | No | 00030967 | 7 |
| 2. | Mrs. Jyoti Thapar | 3 | No | 00031035 | 2 |
| 3. | Mr. Varun Aditya Thapar | 4 | Yes | 02322660 | 7 |
| 4. | Mr. Adarsh Saran | 2 | No | 00031185 | 3 |

| Sl.No | Name of the Director | No. of Board meetings attended | Attendance at the last AGM | Director Identification Number | Directorship in other Companies* |
|-------|-----------------------------------|--------------------------------|----------------------------|--------------------------------|----------------------------------|
| | Independent Directors | | | | |
| 1. | Mr. Anil Kumar Bhandari | 3 | Yes | 00031194 | 6 |
| 2. | Lt. Gen. Deepak Summanwar (Retd.) | 3 | No | 02017830 | 1 |
| 3. | Mr. Nakul Kamani | 4 | Yes | 00891344 | 5 |
| 4. | Mr. Ranjit Mehta | 4 | No | 03172264 | 1 |

* Includes private limited companies

B. Detail of Directorship in other Companies:

The details of Directorships of the Company's Directors in other companies as on 31st March, 2015 is given below:

| Name of the Director | Directorship in other Companies |
|--|---|
| Mr. Vikramadithya Mohan Thapar | <ul style="list-style-type: none"> - Karam Chand Thapar & Bros. (Coal Sales) Limited - The Silkbase Company Limited - Indian City Properties Limited - West Haryana Highways Projects Private Limited - Indicon Enterprises Limited - Thapar Infra Construction India Limited - Bharat Westfalia Engineering Limited |
| Mrs. Jyoti Thapar | <ul style="list-style-type: none"> - Gourmet Delhicatesens Limited - Towerbase Services Private Limited |
| Mr. Varun Aditya Thapar | <ul style="list-style-type: none"> - Karam Chand Thapar & Bros. (Coal Sales) Limited - Indian City Properties Limited - Handy - Waterbase India Private Limited - Indicon Enterprises Limited - Thapar Infra Construction India Limited - Bharat Westfalia Engineering Limited - Honeybird Realcon Private Limited |
| Mr. Adarsh Saran | <ul style="list-style-type: none"> - Krishvidur Services Private Limited - West Haryana Highways Projects Private Limited - Thapar Infra Construction India Limited |
| Mr. Anil Kumar Bhandari | <ul style="list-style-type: none"> - Kirloskar Electric Company Limited - Boruka Park Private Limited - Karnataka Coffee Brokers Private Limited - Sporturf Construction (India) Private Limited - Fish-N-Chips Hotels Private Limited - Pinnae Feeds Limited |
| Lt. Gen. Deepak Summanwar (Retd.) | <ul style="list-style-type: none"> - Peninsula Land Limited |

| Name of the Director | Directorship in other Companies |
|-------------------------|---|
| Mr. Nakul Kamani | <ul style="list-style-type: none"> - Steel City Press Limited - Samarth Engineering Co Private Limited - Rushabh Investments Private Limited - Brosco Designs Private Limited - Sparx Technologies Private Limited |
| Mr. Ranjit Mehta | <ul style="list-style-type: none"> - Pinnae Feeds Limited |

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

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

| Sl. No | Name of the Director | Name of the Indian public Limited Company | Name of the Committee | Member/Chairman |
|--------|-----------------------------------|---|---|-----------------|
| 1. | Mr. Vikramadithya 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 | Share Transfer & Investor Grievance Committee | Member |
| | | Karam Chand Thapar & Bros. (Coal Sales) Ltd | Audit, Risk & Compliance 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. Adarsh Saran | NIL | | |
| 5. | Mr. Anil Kumar Bhandari | Kirloskar Electric Company Limited | Audit Committee | Member |
| | | Kirloskar Electric Company Limited | Remuneration Committee | Member |
| 6. | Lt. Gen. Deepak Summanwar (Retd.) | Peninsula Land Limited | Audit Committee | Member |
| | | Peninsula Land Limited | Stakeholders Relationship Committee | Member |
| | | Peninsula Land Limited | Remuneration Committee | Member |
| 7. | Mr. Nakul Kamani | NIL | | |
| 8. | Mr. Ranjit Mehta | NIL | | |

D. Shareholding of Directors

| Name of the Director | Nature of Directorship | No. of shares held as at 31 st March, 2015 |
|-----------------------------------|------------------------|---|
| Mr. Vikramadithya Mohan Thapar | Non-Executive Director | 53,750 |
| Mrs. Jyoti Thapar | Non-Executive Director | 73,500 |
| Mr. Varun Aditya Thapar | Non-Executive Director | 1,69,800 |
| Mr. Adarsh Saran | Non-Executive Director | 13,800 |
| Lt. Gen. Deepak Summanwar (Retd.) | Independent Director | NIL |
| Mr. Nakul Kamani | Independent Director | 23,201 |
| Mr. Anil Kumar Bhandari | Independent Director | NIL |
| Mr. Ranjit Mehta | Independent Director | NIL |

E. Re-appointment of Directors

Mrs. Jyoti Thapar retires by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment. Details required for re-appointment of Mrs. Jyoti Thapar is included in the notice convening the Annual General Meeting.

F. 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 FY15, the annual evaluation process was initiated at the meeting of Independent Directors held on 21st February, 2015. Thereafter, the Nomination and Remuneration Committee and the Board completed the annual evaluation process at the meeting held on 21st May, 2015.

The Directors individually were evaluated on parameters such as their attendance in Board/ Committee meetings, preparedness for the meetings, understanding of critical issues affecting the Company, keeping abreast of external developments, level of participation in the Board/ Committee meetings etc. 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.

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 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 and adequacy of Internal Financial Controls
- 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 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.

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 at 31st March, 2015, the committee comprised of the following Directors:

| | | |
|-----------------------------------|---|---|
| Mr. Anil Kumar Bhandari | - | Independent Director as the Chairman |
| Lt. Gen. Deepak Summanwar (Retd.) | - | Independent Director as member |
| Mr. Nakul Kamani | - | Independent Director as member |
| Mr. Ranjit Mehta | - | Independent Director as member |
| Mr. Vikramaditya Mohan Thapar | - | Non-executive Promoter Director as member |

During the year, the committee met four times. All members of audit committee have knowledge of financial

management, audit and accounts. The statutory auditors, the internal auditors and senior management were invited to attend all the meetings of the committee.

C. Attendance of Directors

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

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 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 A to the Directors' Report.

B. Composition & Meetings

The committee comprises of four Independent Directors and it met three times during the year. As at 31st March, 2015, the committee comprised:

| | |
|-----------------------------------|------------------------|
| Mr. Anil Kumar Bhandari | - Independent Director |
| Lt. Gen. Deepak Summanwar (Retd.) | - 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 | 3 | 2 |
| Lt. Gen. Deepak Summanwar (Retd.) | 3 | 2 |
| Mr. Nakul Kamani | 3 | 3 |
| Mr. Ranjit Mehta | 3 | 3 |

STAKEHOLDERS RELATIONSHIP 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 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 five complaints from the Shareholders which have been resolved to their satisfaction. There were no investor complaints pending as at 31st March, 2015.

B. Composition & Meetings

As at 31st March, 2015, the committee comprised Mr. Anil Kumar Bhandari, Lt. Gen. Deepak Summanwar (Retd.) and Mr. Ranjit Mehta, Directors as its members. During the year, the committee held nine 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 purpose for the formation of Committee is to consider and formulate a policy on CSR covering the areas specified under Schedule VII of the Companies Act, 2013. 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 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 |
| Mr. Varun Aditya Thapar | - Non-Executive Promoter Director |
| Lt. Gen. Deepak Summanwar (Retd.) | - Independent Director |
| Mr. Nakul Kamani | - Independent Director |
| Mr. Ranjit Mehta | - Independent Director |

The Committee met twice 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 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 bring transparency in the administration, the Company complies with the disclosure requirements by the Directors, Key Managerial and Senior Management Personnel under Company's Code of Conduct for Prevention of Insider Trading. The code inter alia requires pre-clearance for dealing in the securities of the company and prohibits the purchase or sale of securities of the company while in possession of unpublished price sensitive information in relation to the company and during the period when the trading window is closed.

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 Resolutions Passed |
|---------|---|--|--|
| 2011-12 | Date: 28 th September 2012 Time: 12:15 p.m. | Registered Office – Ananthapuram Village, Nellore, Andhra Pradesh – 524344 | NIL |
| 2012-13 | Date: 29 th July 2013 Time: 12:15 p.m. | Registered Office – Ananthapuram Village, Nellore, Andhra Pradesh – 524344 | NIL |
| 2013-14 | Date: 29 th September 2014 Time: 12:15 p.m. | Registered Office – Ananthapuram Village, Nellore, Andhra Pradesh – 524344 | a) Payment of commission to Directors b) Approval of Borrowing Limits under section 180(1)(c) of the Companies Act, 2013. |

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. The same is given as part of this report.

SECRETARIAL AUDIT

For the year ended 31st March, 2015, Mr. B. Ravi, Company Secretary in Practice has conducted the Secretarial Audit and the certificate is given as part of this report.

DISCLOSURES

a. Related Party Transactions

The details of Related Party Transactions has been disclosed in form AOC - 2 as Annexure - E 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 in 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. 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 in the Director's Report.

d. Details of Compliance with mandatory requirements and adoption of non-mandatory requirements

The Company complies with all the mandatory requirements of Clause 49 of the Listing Agreement. The same is disclosed to the Stock Exchanges as part of the Quarterly report on Compliance with Corporate Governance (Clause 49) requirements of the Listing Agreement.

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:

- a) Compliance of Laws
- b) Fiduciary Role
- c) Honest & Ethical conduct
- d) Confidentiality
- e) Protection and proper use of Company's assets
- f) Transparency & fair dealing
- g) Conflict of interest
- h) Corporate Opportunity
- i) Delegation and assignment
- j) 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/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 Indian Express 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.
- The Management Discussion and Analysis Report is included elsewhere in this Annual Report.

GENERAL SHAREHOLDERS' INFORMATION

a. Annual General Meeting

| Date | Time | Venue |
|----------------------------------|------------|--|
| 30 th September, 2015 | 12:15 P.M. | Registered Office – Ananthapuram Village, Nellore, Andhra Pradesh – 524344 |

b. Other Information

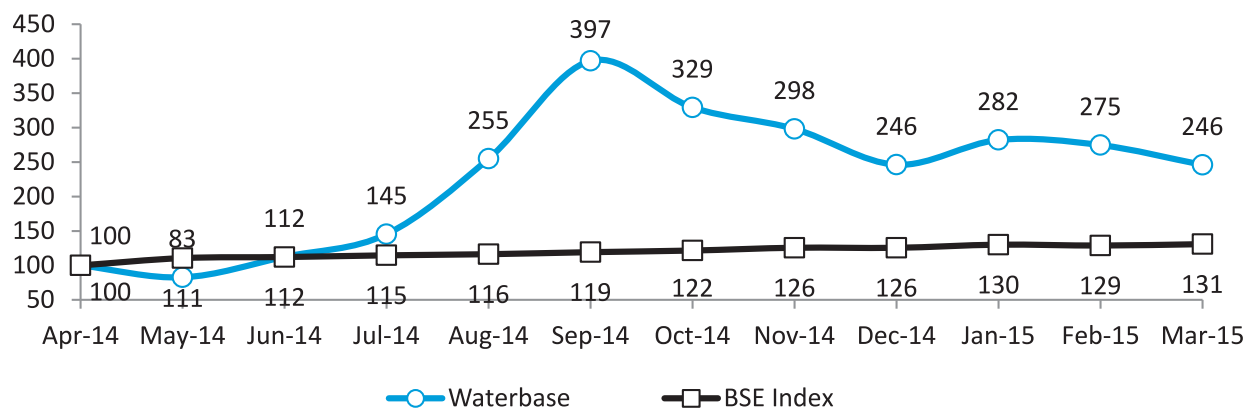
| Sl. No | Item | Details |
|--------|--------------------------------|---|
| 1 | Financial Year | Financial Year of the Company is from 1 st April of every calendar year to 31 st March of the subsequent calendar year |
| 2 | Financial Calendar (tentative) | <ul style="list-style-type: none"> • First Quarter Results – By 15th August, 2015. • Second Quarter / Half Year Results - By 15th November, 2015 • Third Quarter / Nine Months Results - By 15th February, 2016 • Fourth Quarter / Year end Results - By 30th May, 2016 |
| 3 | Date of Book Closure | 24 th September, 2015 to 30 th September, 2015 (both days inclusive) |
| 4 | Dividend Payment Date | <p>The Board had declared an interim dividend of 10% (₹ 1 per equity share), for the year ending 31st March, 2015 and fixed a record date of 13th August, 2014. The dividend warrants had since been dispatched on 26th August, 2014.</p> <p>The Board has also recommended a final dividend of 5% (0.50 Paise per equity share) for the year ending 31st March, 2015. Upon approval of Shareholders, the dividend will be paid within 29th October, 2015.</p> |
| 5 | Listing on Stock Exchanges | <p>The Company's Shares are listed on Bombay Stock Exchange. The address of the exchange is as follows:</p> <p>BSE Limited - Floor 25, Phiroze Jhejeebhoy Towers Dalal Street, Mumbai – 400 001.</p> |
| 6 | Stock Code | 523660 |
| 7 | ISIN | INE054C01015 |

c. Share Price Data

The Company's monthly high and low quotations for the Financial Year 2014-15 at the BSE is given below:

| Month | BSE | |
|--------|----------|---------|
| | High (₹) | Low (₹) |
| Apr-14 | 24.90 | 18.00 |
| May-14 | 20.60 | 14.85 |
| Jun-14 | 28.00 | 20.10 |
| Jul-14 | 36.20 | 23.15 |
| Aug-14 | 63.45 | 38.00 |
| Sep-14 | 98.85 | 54.15 |
| Oct-14 | 82.00 | 61.00 |
| Nov-14 | 74.25 | 50.50 |
| Dec-14 | 61.30 | 44.00 |
| Jan-15 | 70.25 | 50.30 |
| Feb-15 | 68.40 | 49.15 |
| Mar-15 | 61.25 | 45.30 |

d. Share price performance in comparison to BSE Sensex is as below (Price movement compared to BSE Sensex 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
 Subramanian 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.

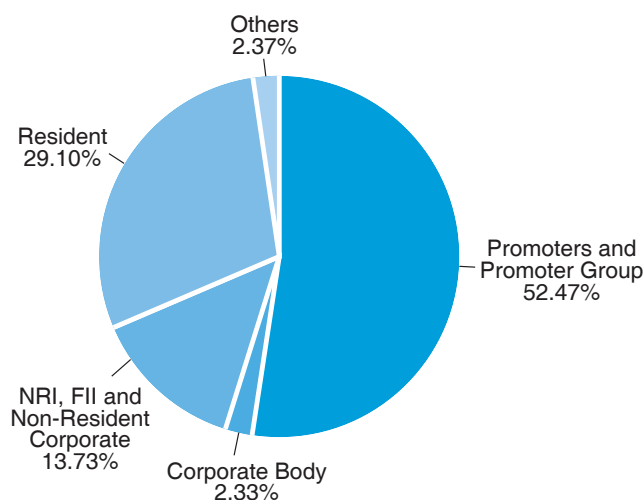
g. Dematerialization of shares and liquidity

As on 31st March, 2015 out of 38,603,250 shares, 84.44% shares were held in dematerialized form and 15.56% shares were held in physical form. Trading in the equity shares of the company is compulsory in dematerialized form for all investors.

h. Shareholding Pattern

| S.No | Category | No of Holders | No of Shares | % Equity |
|------|--------------------------------|---------------|-------------------|---------------|
| 1. | Promoters and Promoter Group | 12 | 20,253,347 | 52.47 |
| 2. | Corporate Body | 363 | 901,084 | 2.33 |
| 3. | Foreign Institutional Investor | 2 | 9,882 | 0.03 |
| 4. | Non-Resident Corporates | 4 | 3,245,400 | 8.41 |
| 5. | NRI | 92 | 2,043,703 | 5.29 |
| 6. | Resident | 20721 | 11,234,008 | 29.10 |
| 7. | Others | 216 | 915,826 | 2.37 |
| | Total | 21,410 | 38,603,250 | 100.00 |

SHAREHOLDING PATTERN



i. Distribution of shareholding by number of shares:

| Category | No. of shareholders | Total Shares | % to shareholders | % to paid up Capital |
|-------------------|---------------------|-------------------|-------------------|----------------------|
| 1 - 100 | 13,986 | 1,328,852 | 65.32 | 3.44 |
| 101 - 500 | 4,885 | 1,418,446 | 22.81 | 3.67 |
| 501 - 1000 | 1,176 | 1,012,068 | 5.49 | 2.62 |
| 1001 - 2000 | 606 | 970,144 | 2.83 | 2.51 |
| 2001 - 3000 | 239 | 623,271 | 1.12 | 1.61 |
| 3001 - 4000 | 104 | 376,404 | 0.49 | 0.97 |
| 4001 - 5000 | 100 | 476,961 | 0.47 | 1.24 |
| 5001 - 10000 | 163 | 1,209,524 | 0.76 | 3.13 |
| 10001 - And Above | 151 | 31,187,580 | 0.71 | 80.79 |
| Total | 21,410 | 38,603,250 | 100.00 | 100.00 |

j. Plant Location:

The Waterbase Limited
Ananthapuram Village, Nellore, Andhra Pradesh - 524344

k. Contact Information

| Correspondence Address | For queries related to shares / dividend / compliance/ Investor Grievance |
|---|---|
| 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 | 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

Chennai, 12th August, 2015

Vikramaditya Mohan Thapar
Chairman

Declaration on adherence to the Code of Conduct under Clause 49(II)E of the Listing Agreement

To
The Board of Directors
 The Waterbase Limited

This is to confirm that the Board has laid down a Code of Conduct for all Board members and Senior Management personnel of the company. The Code of Conduct 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 of the Company for the year ended 31st March, 2015, as envisaged in clause 49 of the Listing Agreement with the Stock Exchange.

Chennai, 12th August, 2015

Ramakanth V Akula
 Chief Executive Officer

CEO /CFO Certification under Clause 49 (IX) of the Listing Agreement

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 with the Stock Exchange, in relation to the Financial Reporting during the year ended 31st March, 2015;

1. We have reviewed financial statements and the cash flow statement for the year and that to the best of their 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 Statements;
- 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

S. Giridhari
Chief Financial Officer

New Delhi, 21st May, 2015

Auditors' Certificate on Compliance with Clause 49 of the Listing Agreement

To

To the Members of The Waterbase Limited

1. We Mitra Kundu & Basu, Chartered Accountants (Firm's Reegistration No.: 302061E), as Statutory Auditors of The Waterbase Limited ("the Company"), having its Registered Office at Ananthapuram Village, T.P. Gudur, Mandal, Nellore – 524 344, Andhra Pradesh. have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement, as amended from time to time, of the Company with the stock exchanges.
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, 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, 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
Mitra Kundu & Basu
Chartered Accountants
(Firm's Registration No.302061E)

Chennai, 12th August, 2015

S. Das
Partner
(Membership No.051391)

ANNEXURE – G

B.RAVI, M.B.A, F.C.S, Ph.D.,
PRACTISING COMPANY SECRETARY
Gur Nilayam, Old 16, New 42, Rathinam Street, Gopalapuram, Chennai – 86.
Telephone – 044-28351055/0517, Email- bravics@gmail.com

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015
[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]

The Members of
THE WATERBASE LIMITED
CIN: L05005AP1987PLC018436
Ananthapuram Village,
T.P. Gudur Mandal
Nellore 524 344, Andhra Pradesh

Dear Members,

Pursuant to the provisions of Section 204 of the Companies Act 2013, the Board of Directors of the Company at their meeting held on 12.02.2015 have appointed me, the undersigned, as Secretarial Auditor to conduct an audit and report on the compliance of applicable statutory provisions and the adherence to good corporate practices by THE WATERBASE LIMITED (CIN: L05005AP1987PLC018436) (hereinafter referred to as 'the Company').

I 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). The secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my 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 authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent and in the manner reported hereinafter.

Corporate information:

The Waterbase Limited (hereinafter referred to as 'Company') with CIN: L05005AP1987PLC018436, is a public listed Company having its shares listed in BSE Limited (BSE). The Registered office of the Company is situated at Ananthapuram Village, T.P. Gudur Mandal, Nellore 524 344, Andhra Pradesh. The Company is engaged in the business of production and export of shrimp feed. The financial year of the Company is April to March. The Authorised Capital of the Company as on 01.04.2014 as well as on 31.03.2015 is ₹ 50,00,00,000/- comprising of 5,00,000 preference shares of ₹ 100 each and 4,50,00,000 equity shares of ₹ 10/- each.

Compliance Reporting:

A. THE COMPANIES ACT

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company on paper or in electronic form for the financial year ended on 31.03.2015 according to the provisions of -

- The Companies Act, 1956, the Companies Act 2013 (to the extent Sections and Schedules notified) and the Rules made there under including amendment, circulars, notifications and removal of difficulties Order issued by the Ministry of Corporate Affairs from time to time.
 - Updated Memorandum and Articles of Association of the Company.
2. I report that the Company has, in my opinion, subject to the observations/qualifications reported hereunder, complied with the provisions of The Companies Act, 1956, the Companies Act 2013 (hereinafter singly and collective referred to as Act), to the extent Sections and Schedules notified and the Rules made there under including amendment, circulars, notifications and removal of difficulties Order issued by the Ministry of Corporate Affairs from time to time with regard to the following:
- (a) The Company has maintained the registers as required to be maintained by them under the Act in the new format.
 - (b) During the year under audit the company has closed its register of members from 24.09.2014 to 29.09.2014 (both days inclusive) and has complied with the requirements relating to publication in the newspapers.
 - (c) The Company is generally regular in filing of forms, returns, documents, resolutions and intimations required to be filed with the Registrar of Companies, Regional Director and the Central Government under the Act except few forms which were filed belatedly along with necessary additional fees.
 - (d) The Company has served required documents on its Members, Auditors, Registrar of Companies and on all those who are entitled to receive the same in accordance with the provisions of the Act.
 - (e) Notice of Board meetings and Committee meetings of Directors were issued in accordance with the provisions of the Act.
 - (f) During the year under audit:
 - The Board of Directors have met four times
 - The Audit Committee has met four times
 - Stakeholders Relationship Committee has met nine times
 - Nomination and Remuneration Committee has met three times and
 - Corporate Social Responsibility Committee has met twice times

The Company has complied with the requirements of the Act read with the Rules framed thereunder in the conduct of the Board and Committee meetings.

Independent Directors on the board had met on 21.02.2015, as required under Schedule IV of the Companies Act 2013 (hereinafter referred to as "Act").

During the year under Audit, no resolutions were passed in circulation.

- (g) The Annual General Meeting to consider and adopt the Accounts for the financial year ended 31.03.2014 besides other items was held on 29th September, 2014. The Company has in line with the requirement of the Act read with the Rules framed there under provided to its members facility to exercise their right to vote at Annual general meeting by electronic means. The procedure contemplated under the Act and the Rules have been duly complied with. No Extra Ordinary General Meeting was held during the year under review.
- (h) Minutes books are maintained as required under Rule 25 of the Companies (Management and Administration) Rules, 2014 for each meeting separately. Minutes of board meeting, committee meeting and general

meetings were entered in the minutes book and signed and dated as per the requirement of the Act read with the Rules framed thereunder. The Company has duly complied with the provisions of Section 118 of the Act read with Rules thereto with regard to maintenance of minutes of proceedings of general meetings, meetings of the board and other meetings.

- (i) The Company has obtained necessary approvals of the Members, the Board of Directors, the Committees of Directors and the Government authorities, wherever required;
 - (j) The Composition of the Board and KMP and committees of the board is in line with the requirement of Sections 149, 203 and other applicable provisions of the Act. During the year under review there were no changes in the composition of the board, however there were changes in KMP which were duly recorded in the board minutes and necessary forms were duly filed with the Registrar of Companies.
 - (k) Payment of remuneration to the CEO, (not a member of the board) for the period 01.04.2014 to 31.03.2015 as informed by the company is within the limits approved by the board. The remuneration of other KMP is also approved by the board at the time of their appointment and as informed by the company the payment is within the approved limits.
 - (l) Appointment and remuneration of Auditors viz., Statutory Auditors, Internal Auditors and Secretarial Auditors are made in line with the requirement of the Act read with the rules framed thereunder.
 - (m) The Company has complied with the requirements relating to transfer and transmission of shares as per the Act. During the year under audit the company has had no further issue of share capital.
 - (n) Declaration and payment of dividends – the Board of Directors at its meeting held on 31.07.2014 had declared an interim dividend of ₹ 1/- per equity share of ₹ 10/- each for the financial year 2014-15 and 13.08.2014 had been fixed as the Record date for this purpose.
 - (o) Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends/interest on the websites of the Company does not arise;
 - (p) The Company has duly complied with the requirements of the Act with regard to creation/ modification/ satisfaction of charges and relevant forms were filed with the regulators on time. The Company's borrowings are within the overall limits approved by members in general meeting. Necessary entries are also made in the Register of Charges.
 - (q) During the year under review the Company had not made any loans in violation of Section 185 of the Act. The Company has not made any loans, investments and hence compliance of Section 186 does not arise.
 - (r) Form of balance sheet is as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Companies Act, 1956 in respect of the Financial Statements for the year ended 31.03.2014.
 - (s) The Directors Report for the year ended 31.03.2014 is in compliance with the requirements of Section 217 of the Companies Act, 1956.
 - (t) The requirement under the Act relating to execution of contracts, maintenance of common seal, and publication of name of the Company, registered office, CIN are duly complied with and
 - (u) Generally, all other applicable provisions of the Act and the Rules made under the Act have been complied with by the Company.
3. I further report that during the year under audit, there was no change in the authorised capital of the Company and paid up share capital of the Company.

4. I further report that subject to the observations / qualifications if any made hereunder:
- (a) The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and Directorships in other Companies and interests in other entities;
 - (b) The Company has obtained necessary approvals under the various provisions of the Act; and
 - (c) There was no prosecution initiated and no fines or penalties were imposed during the year under review and no show cause notices were issued under the Companies Act.

B. SECURITIES LAWS

5. I report that I have examined forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2015 according to the provisions of -
- The Securities Contracts (Regulation) Act, 1956 and Rules made there under
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 2011.
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
 - The Equity Listing Agreement with Stock Exchanges
 - Depositories Act, 1996 and the Bye-laws framed there under
6. I further report that the equity shares of the Company are listed in BSE Limited and the Company has complied with the provisions of the Equity Listing Agreement, the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, and the requirement of maintenance of minimum public shareholding has been complied with.

I further report that based on the proof submitted by the Company, the intimations that are required to be made under the Listing Agreement with BSE Limited have been promptly made by the Company.

7. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Bye-laws framed there under by the Depositories with regard to dematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
8. During the year under audit the company has closed its register of members from 24.09.2014 to 29.09.2014 (both days inclusive) and the same was intimated to the BSE Limited promptly in compliance with the Listing Agreement requirements.
9. The composition of the board is in line with the requirement of the Listing Agreement.
10. The Board of Directors at their board meetings have approved the transfer and transmission of shares as lodged with the company's share transfer agent and the Company has complied with the requirements relating to transfer and transmission of shares as per the Listing Agreement.
11. The Board of Directors at their meeting held on 31.07.2014 had declared an interim dividend of ₹ 1/- per equity share of ₹ 10/- each for the financial year 2014-15 and 13.08.2014 had been fixed as the Record date for this purpose and intimations were duly made to the stock exchange.
12. There was no prosecution initiated and no fines or penalties were imposed during the year under review under Securities and Exchange Board of India Act 1992, The Depositories Act 1996, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

C. OTHER LAWS INCLUDING SECTOR SPECIFIC LAWS

13. I further report that the Company places quarterly statutory compliance report before the board indicating compliance of various laws during each quarter. I have reviewed the said report and observed that as per reporting to the Management, all compliances under various laws have been done on time and there are procedures, process and controls in place in regards to the compliance of the various laws, rules and regulations as reported in the compliance report.
14. It is observed from the records of the Company that the Company had an Internal Auditor who is an employee of the Company and the quarterly reports for the first two quarters viz. 30.06.2014 and 30.09.2014 were placed before the Audit Committee. It is also noted that the company had appointed M/s Francis Charles & Associates, Chartered Accountants and M/s. PricewaterhouseCoopers Pvt. Ltd. as Internal Auditors for the Financial Year 2015-16 who have also submitted a Review Report for the period October 2014 to March 2015.
15. I further report that during the year under review, there are no transactions warranting compliance of the provisions of Foreign Exchange Management Act, 1999 and the Rules and Regulations made under that Act except to the extent applicable to Overseas Direct Investment, Foreign Direct Investment, however the Company has not filed the annual return on foreign liabilities and assets as at 31st March 2014.

D. MISCELLANEOUS:

16. I further report that based on the information received, explanations given, process explained and records maintained, the following laws and regulations are not applicable to the Company-
 - The Debt Listing Agreement with the Stock Exchanges.
 - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
 - SEBI (Issue and Listing of Debt Securities) Regulations, 2008
 - SEBI (Public Offer and Listing of Securitised Debt Instruments) Regulations, 2008
 - SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013
 - SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009
17. I further report that during the Audit period the Company has had no specific events/actions having a major bearing on the Company's affairs in pursuance of above referred laws, rules, regulations, guidelines, standards etc.,

Chennai, 12th August, 2015

Dr.B RAVI
 FCS:1810
 C. P. No.: 3318

The Members of
The Waterbase Limited
CIN: L05005AP1987PLC018436
Ananthapuram Village,
T.P. Gudur Mandal
Nellore 524 344, Andhra Pradesh

Dear Members,

Sub: My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, I 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. My 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.

Chennai, 12th August, 2015

Dr.B RAVI
FCS: 1810
C. P. No.: 3318

MANAGEMENT'S DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW

Though the world economy continued to grow in FY15, incremental growth remains at a moderated pace as the economic performance across various regions was mixed. Several high income countries continued to struggle and emerging economies were less dynamic than in the past. The world largest economy, the US performed well in FY 15, moving away from the prolonged slowdown following the financial crisis. On the other hand, other large economies like China, Japan, most OPEC countries and large parts of Europe was faced with slow growth. The fall in commodity prices impacted the prospects of those countries which are dependent on natural resources and the challenges were intensified by weakening currency rates.

For the past two financial years, the Indian economy has been reporting growth of less than 5%. However, FY15 was an inflection point marked by the turning of the interest rate cycle and the beginning of a revival in the Indian economy. According to the Asian Development Bank, India's GDP growth was expected to be above 7% in 2015 and is expected to hit 8% in 2016, showing stable yet robust growth. In stark comparison, the global economy is only expected to grow by 3.5% in 2015 and 3.8% in 2016. With the Chinese economy slowing down due to structural changes undertaken, India is set to become the fastest growing economy in the world within the next few years. Key to this growth will be a massive increase in capital expenditure, an increase in jobs for the growing young workforce and effective inflation management.

INDUSTRY OVERVIEW

Due to a long coast line and favorable weather conditions, India has emerged as one of the leading seafood supplier in the world. Increased production of Vannamee shrimp, stringent quality control measures and an increase in infrastructure facilities for production of value added items have helped in achieving exponential growth in the aquaculture industry in India.

Exports of Marine Products have grown more than three-fold in the years 2002-03 to 2014-15. The demand for sea-food has been soaring due to appreciation of its health benefits and nutritional value of marine products. With a high unit value, seafood has been acclaimed as one of the fastest moving commodities in the world market.

India is one of the largest exporters of shrimp in the World. The trend of high prices for shrimp, globally, in recent years

have helped in making the Industry more lucrative. Frozen shrimps contribute 34% of volumes of marine exports but represents nearly 67% in value terms. The shrimp exports in the year 2014-15 were valued at \$3.7 billion, a 15.5% increase over 2013-14. The overall export of shrimp during 2014-15 was to the tune of 357,505 MT as compared to 301,435 MT in 2013-14. USA is the largest market (112,702 MT) for frozen shrimps exports in quantity terms followed by European Union (81,952 MT), South East Asia (69,068 MT) and Japan (30,434 MT).

STRATEGY & EXPANSION PLANS

The Company plans to take up various strategic initiatives such as capacity expansion, widening its distribution network and diversifying its revenue streams.

Capacity Expansion

On 21st May, 2015, the Board of Directors of the Company had accorded in-principle approval for a scheme of amalgamation of Pinnae Feeds Limited, which is also a Karam Chand Thapar Group Company.

Pinnae Feeds Limited has a state-of-the art feed manufacturing plant with a total capacity of 75,000 MT. This amalgamation would result in an increase of feed manufacturing capacity from 35,000 MTPA to 1,10,000 MTPA. Further, the amalgamation is expected to lead to higher efficiencies due to economics of scale, and improve the availability of the company's products in the domestic market.

Enhance Geographic Reach

With the increased capacity, TWL will be able to enhance the availability of its feed in key markets.

The Company is now embarking on phased geographical expansion and dealer network expansion is also underway.

Diversifying Revenue Streams

In order to diversify its revenue streams and improve its strategic positioning, the Company plans to enter more verticals within the value chain. This would enhance the Company's competitive position. In the forthcoming year, the Company plans to set up Hatcheries and get back to exports of processed shrimps.

Hatcheries

On 21st May, 2015, the Company has announced its diversification into setting up of Hatcheries. As on date, the land for setting up the first Hatchery has been procured in Andhra Pradesh. The plan is to set up a 400 million shrimp seeds Hatchery in two phases comprising of two modules of 200 million each. The first module is expected to be commissioned in the current financial year. The Company will expand the Hatchery operations going forward. These Hatcheries are expected to play an important role in enhancing the sustainability of the industry by making available good quality seeds from a trusted source.

Direct Exports

The Company plans to restart exports of processed shrimps. The Company will gradually scale up the exports in the coming years. The company is well known for its quality products in the international market.

RESEARCH AND DEVELOPMENT

The Company has a strong focus on R&D. Our world class R&D program and high technology has enabled the Company to introduce innovative shrimp feeds. Our research had led to development of feeds that travel beyond meeting the basic nutritional requirements with the objective of Improving Food Conversion Ratio (FCR), reducing visceral waste & improving yield. The Company has R&D farms to study the growth of shrimps under various conditions. The Company has also taken up efforts to train farmers and has worked with renowned research institutions in India and abroad for the benefit of industry.

SWOT ANALYSIS

STRENGTHS

The Company has been a pioneer in the aquaculture industry in India. A sustainable approach to the business with a multi-year track record has enabled the Company to successfully build a strong connection with suppliers and farmers. All of TWL's products are well received in the market. The farmers are able to recognize and appreciate the quality and value offered by our brands.

WEAKNESS

Soya, fish meal and wheat flour constitute the main raw materials for manufacturing shrimp feed. The availability of these raw materials depend on the monsoons, demand from overseas and the wild catch (Fish meal).

Shrimp farming is a risky business and prospects are affected by several factors such as seed quality, international prices, diseases, weather, seasonal patterns, etc. As many of these factors cannot be controlled, this increases the risk profile of the shrimp feed business.

OPPORTUNITIES

More waterspread area is coming under shrimp farming which presents a huge growth opportunity.

Affordability and availability of good quality shrimps will drive domestic growth With increasing disposable incomes and cold storage infrastructure, there exist a huge potential for the domestic market for shrimps.

THREATS

An outbreak of disease would directly affect the business of the Company and therefore it always stands as a major risk.

As the majority of farming is undertaken along 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 many folds in the past few years. The intense competition may impact bottom line going forward.

OUTLOOK

The outlook for India's aquaculture industry remains positive. The Global demand for shrimp will continue to rise each year as the wild catch is coming down due to a variety of reasons including Global warming. The Company stands to benefit from the overall development of the industry as it has established itself well in the market and has a good product portfolio.

HUMAN RESOURCES

The Company recognizes that its people have played a big role in making what the Company is today and therefore it accords top priority to attract and retain talent. The Company puts great emphasis on training and development of its employees to enhance efficiency. The Company believes in providing a fair compensation in line with industry norms and rewards them for good performance.

RISK MANAGEMENT/INTERNAL CONTROLS

Risk management is undertaken through review of the operations by the Board and necessary steps taken by the executive management to minimize /control the same. The risks are periodically reviewed and appropriate steps taken to mitigate the same.

The Company has adequate internal control systems and procedures, with regard to all activities of the company. The internal control is supplemented by an extensive programme of internal audits, review by management. The Audit Committee reviews the report of the internal auditor and their suggestions are considered and implemented on an ongoing basis.

SAFE HARBOUR

Certain Statements made in the Management Discussion and Analysis Report relating to the company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. The Company has tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. The achievements of results are subject to risks, uncertainties and based on assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. TWL undertakes no obligation to publicly update any forward looking statement, whether as a result of new information, future events or otherwise.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE WATERBASE LIMITED

Report on the 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, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 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, 2015, and its profit and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to note no. 30 of the financial statements amounting to Rs.670.94 Lakhs related to the law suits filed against the Company by Canara Bank and Non-Provision of interest on dues.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2015 ("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 statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.
- (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 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, 2015 and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act and.
 - (f) 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 no. 30 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

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

(S. Das)
(Partner)

New Delhi, 21st May, 2015

(Membership No. 051391)

Annexure to Auditors' Report Independent Auditor's Report

Refer to paragraph (1) of the Report on Other Legal and Regulatory Requirements.

- (i) (a) The company is maintaining 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 assets are verified in a phased manner over a period of three years. Accordingly, certain fixed assets were verified during the year and no material discrepancies were noticed
- (ii) (a) The physical verification of inventory has been conducted at reasonable intervals by the management;
- (b) The procedures of physical verification of inventory, followed by the Management, is reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations as given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services.
- (v) The company has not accepted deposits.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government under sub-section (1) of section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities the undisputed statutory dues including Provident Fund, Income Tax, Sales Tax and other material statutory dues.
- (b) According to the information and explanations given to us, there are no disputed dues of Value Added Tax, Income Tax, Wealth Tax, Service Tax, Custom duty, Excise duty or cess which have not been deposited on account of any dispute other than the following items:

(₹ Lakhs)

| Name of Statute | Nature of Dues | Forum where Dispute is pending. | Amount |
|--------------------------------------|---|---------------------------------|--------|
| Custom Duty | Import duty on Raw Materials Imported during 1995-96 | Chennai High Court | 535.36 |
| Custom- Central Excise & Service Tax | (a) Service Tax on Commission to Foreign Agents 2006-07 | CESTAT, Bangalore | 63.86 |
| | (b) disallowance of Cenvat credit | AP High court | 49.48 |

| Name of Statute | Nature of Dues | Forum where Dispute is pending. | Amount |
|-----------------|--|---|--------|
| Sales Tax | Interest on Deferred Sales Tax Payment | Dy, Commissioner(C.T) Commercial Tax Deptt. – Andhra Pradesh. | 33.89 |

- (c) There are no amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.
- (viii) The Company does not have accumulated loss and has not incurred cash losses during the financial year and in the immediately preceding financial year;
- (ix) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders except, working capital loan of Rs. 459.85 lakhs from Canara Bank which is under dispute / litigation. The unpaid balance interest as per books of accounts is Rs. 349.96 Lakhs.
- (x) The company has not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company;
- (xi) The Company has not applied for term loans during the year under review.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For Mitra Kundu & Basu

Chartered Accountants
(F. R. No. 302061E)

(S. Das)
(Partner)
(Membership No. 051391)

New Delhi, 21st May, 2015

THE WATERBASE LIMITED
BALANCE SHEET AS AT 31ST MARCH 2015

| | Note | As at 31 st Mar 2015 ₹ Lakhs | As at 31 st Mar 2014 ₹ Lakhs |
|------------------------------------|------|---|---|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| (a) Share Capital | 02 | 3,860.33 | 3,860.33 |
| (b) Reserves and Surplus | 03 | 6,056.99 | 4,808.42 |
| | | 9,917.32 | 8,668.75 |
| Non-Current Liabilities | | | |
| (a) Long-Term Borrowings | 04 | 123.06 | 221.31 |
| (b) Deferred Tax Liabilities (Net) | 05 | 105.02 | - |
| (c) Long-Term Provisions | 06 | 164.05 | 122.40 |
| | | 392.13 | 343.71 |
| Current Liabilities | | | |
| (a) Short-Term Borrowings | 07 | 1,093.16 | 1,039.97 |
| (b) Trade Payables | 08 | 3,145.23 | 4,779.72 |
| (c) Other Current Liabilities | 09 | 271.08 | 312.37 |
| (d) Short-Term Provisions | 10 | 1,763.51 | 668.56 |
| | | 6,272.98 | 6,800.62 |
| TOTAL | | 16,582.43 | 15,813.08 |
| ASSETS | | | |
| Non-Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 11 | 1,696.94 | 1,450.97 |
| (ii) Capital work-in-progress | 11 | 92.45 | 13.09 |
| | | 1,789.39 | 1,464.06 |
| (b) Non-Current Investments | 12 | - | 12.70 |
| (c) Deferred Tax Assets (Net) | 05 | - | 32.58 |
| (d) Long-Term Loans and Advances | 13 | 170.52 | 222.22 |
| | | 1,959.91 | 1,731.56 |
| Current Assets | | | |
| (a) Current Investments | 14 | 7.00 | 7.00 |
| (b) Inventories | 15 | 3,914.81 | 4,886.19 |
| (c) Trade Receivables | 16 | 5,696.79 | 4,838.01 |
| (d) Cash and Cash Equivalent | 17 | 2,947.82 | 2,489.90 |
| (e) Short-Term Loans and Advances | 18 | 345.78 | 1,031.43 |
| (f) Other Current Assets | 19 | 1,710.32 | 828.99 |
| | | 14,622.52 | 14,081.52 |
| TOTAL | | 16,582.43 | 15,813.08 |

Significant Accounting Policies and Notes to Financial Statement are an Integral part of this Balance Sheet 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)

Vikramadithya Mohan Thapar
Chairman

Anil Kumar Bhandari
Director

S. Das
Partner
(Membership No.051391)
New Delhi, 21st May, 2015

Ramakanth V Akula
Chief Executive Officer

S.Giridhari
Chief Financial Officer

G. Venkatram
Company Secretary

THE WATERBASE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

| | Note | Year ended 31 st Mar 2015 ₹ Lakhs | Year ended 31 st Mar 2014 ₹ Lakhs |
|--|---------|--|--|
| INCOME | | | |
| Revenue from Operations | 20 | 27,755.83 | 22,820.86 |
| Other Income | 21 | 194.03 | 138.31 |
| Total Revenue | | 27,949.86 | 22,959.17 |
| EXPENSES | | | |
| (a) Cost of Materials Consumed | 22 | 16,208.07 | 15,532.53 |
| (b) Purchases of Stock-in-Trade | 23 | 3,635.28 | - |
| (c) Changes in Inventory of Finished Goods, Work-in-Progress and Stock-in-Trade | 24 | 113.32 | 347.48 |
| | | 19,956.67 | 15,880.01 |
| (d) Employee Benefit Expenses | 25 | 1,070.59 | 856.75 |
| (e) Finance Costs | 26 | 121.44 | 286.88 |
| (f) Depreciation and Amortisation Expenses | 27 | 142.63 | 180.35 |
| (g) Other Expenses | 28 | 3,634.36 | 3,710.50 |
| Total Expenses | | 24,925.69 | 20,914.49 |
| Profit Before Exceptional Items and Tax | | 3,024.17 | 2,044.68 |
| Exceptional Items | 29 | - | 1.12 |
| Profit Before Tax | | 3,024.17 | 2,043.56 |
| Tax Expense | | | |
| (1) Current Tax | | | |
| (i) Current tax | | 925.00 | 606.90 |
| (ii) Current tax relating to earlier years | | - | 12.07 |
| (2) Deferred Tax | | 147.73 | 67.66 |
| Total Tax Expense | | 1,072.73 | 686.63 |
| Profit After Tax | | 1,951.45 | 1,356.93 |
| Earnings per equity share : | | | |
| (1) Basic | | 5.06 | 4.37 |
| (2) Diluted | | 5.06 | 4.37 |
| Significant Accounting Policies and Notes to Financial Statement are an Integral part of this Statement of Profit and Loss Account | 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)

Vikramadithya Mohan Thapar
Chairman

Anil Kumar Bhandari
Director

S. Das
Partner
(Membership No.051391)
New Delhi, 21st May, 2015

Ramakanth V Akula
Chief Executive Officer

S.Giridhari
Chief Financial Officer

G. Venkatram
Company Secretary

THE WATERBASE LIMITED
CASH FLOW STATEMENT FOR THE YEAR 2014-15

| | Year ended 31 st Mar 2015 | Year ended 31 st Mar 2014 |
|---|---|---|
| | ₹ Lakhs | ₹ Lakhs |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit Before exceptional items and Tax | 3,024.17 | 2,044.68 |
| Adjustments for: | | |
| Depreciation | 142.63 | 180.35 |
| Loss on Sale / Discard of Assets | - | (1.12) |
| Interest Income | (193.73) | (138.12) |
| Dividend Income | (0.30) | (0.18) |
| Finance Costs | 29.78 | 85.71 |
| | (21.62) | 126.63 |
| Operating profit before working capital changes | 3,002.55 | 2,171.30 |
| Adjustments for: | | |
| Inventories | 971.37 | (1,360.37) |
| Trade and other receivables | (858.79) | (550.42) |
| Short term Loans and advances | 685.65 | - |
| Other Current Assets | (864.45) | - |
| Trade and other payables | (1,801.17) | 16.36 |
| Short term Loans | 53.19 | - |
| Other Current Liabilities | (88.12) | - |
| Provisions | 1,019.44 | 662.79 |
| Cash Generated From Operations | (882.87) 2,119.68 | (1,231.64) 939.66 |
| Direct Taxes Paid | (882.74) | (686.63) |
| NET CASH FROM OPERATING ACTIVITIES (A) | 1,236.94 | 253.03 |
| B. CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Purchase of Fixed Assets | (497.94) | (80.15) |
| Sale of Fixed Assets | 0.22 | - |
| Interest received | 199.59 | 138.12 |
| Dividend received | 0.30 | 0.18 |
| NET CASH FROM INVESTING ACTIVITIES (B) | (297.83) | 58.16 |
| C. CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Issue of Equity Capital | - | 1,286.78 |
| Loans and advances | 51.70 | 93.84 |
| Long term Borrowings | (98.25) | (784.09) |
| Interest paid | (29.84) | (85.71) |
| Dividend paid | (339.19) | - |
| Tax on dividend paid | (65.61) | - |
| NET CASH FROM FINANCING ACTIVITIES (C) | (481.19) | 510.82 |
| NET INCREASE OR DECREASE IN CASH OR CASH EQUIVALENTS A+B+C | 457.92 | 822.01 |
| Cash & Cash equivalents as at 1st April | 2,489.90 | 1,667.89 |
| Cash & Cash equivalents as at 31st March | 2,947.82 | 2,489.90 |
| Net increase/(decrease) in cash & cash equivalents | 457.92 | 822.01 |

As per our Report of even date

For and on behalf of the Board

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

Vikramadithya Mohan Thapar
Chairman

Anil Kumar Bhandari
Director

S. Das
Partner
(Membership No.051391)
New Delhi, 21st May, 2015

Ramakanth V Akula
Chief Executive Officer

S.Giridhari
Chief Financial Officer

G. Venkatram
Company Secretary

ACCOUNTING POLICY

01. 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 include benefits extended by the Government 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 two 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 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 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 statement.

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 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.

NOTES ON FINANCIAL STATEMENTS

02 - SHARE CAPITAL

| | As at 31 st Mar 2015 ₹ Lakhs | As at 31 st Mar 2014 ₹ Lakhs |
|--|---|---|
| SHARE CAPITAL | | |
| Authorised Share Capital: | | |
| 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 |
| | 5,000.00 | 5,000.00 |
| Issued: | | |
| 38,603,250 (Previous Year: 38,603,250) Equity shares of ₹10 each | 3,860.33 | 3,860.33 |
| Subscribed and fully paid-up: | | |
| 38,603,250 (Previous Year: 38,603,250) Equity shares of ₹10 each | 3,860.33 | 3,860.33 |

Notes:

| | 2015 | 2014 |
|---|------------|------------|
| 1. Reconciliation of number of Equity shares outstanding at the beginning and end of the reporting period: | | |
| Balance at the beginning of the period | 38,603,250 | 25,735,500 |
| Add: Shares issued during the year | - | 12,867,750 |
| Balance at the end of the period | 38,603,250 | 38,603,250 |
| 2. Shares issued in preceeding 5 years | | |

(a) The Company had issued and allotted 12,867,750 equity shares of ₹10 each aggregating to ₹ 1286.78 Lakhs in the ratio of 1:2 during the year 2013-14.

(b) Company had issued and allotted 1,000,000 equity shares of ₹ 10 each aggregating to ₹ 100. Lakhs on preferential basis to M/s. Towerbase Services Private Limited during the year 2011-12.

3. Details of Shareholder(s) holding more than 5% of Equity Shares in the Company as on 31st March 2015

| Name of the Shareholders | Relationship | As at 31 st Mar 2015 | | As at 31 st Mar 2014 | |
|----------------------------------|--------------|------------------------------------|---------------------------|------------------------------------|---------------------------|
| | | No of Shares | % holding in the class | No of Shares | % holding in the class |
| K C T & Bros. (Coal Sales) Ltd. | Promoter | 18,010,541 | 46.66 | 17,953,141 | 46.51 |
| Indo Oceanic Investments Ltd. | - | 2,475,000 | 6.41 | 2,475,000 | 6.41 |

NOTES ON FINANCIAL STATEMENTS

03 - RESERVES AND SURPLUS

| | As at 31 st Mar 2015 ₹ Lakhs | As at 31 st Mar 2014 ₹ Lakhs |
|--|---|---|
| Securities Premium Account | | |
| Balance at beginning and end of the year | 1,173.49 | 1,173.49 |
| Revaluation Reserve | | |
| Balance at beginning and end of the year | 108.45 | 108.45 |
| General Reserve | | |
| Balance at the beginning of the year | 1,297.26 | 1,297.26 |
| Add: Transferred from statement of Profit and Loss Account | 37.46 | - |
| Less: Adjustment relating to Fixed Assets (Refer Note. 11) | (19.65) | - |
| Balance at the end of the year | 1,315.07 | 1,297.26 |
| Surplus in Statement of Profit and Loss | | |
| Balance at the beginning of the year | 2,229.22 | 872.29 |
| Add : Profit for the year | 1,951.45 | 1,356.93 |
| Less: Transfer to General Reserve | (37.46) | - |
| Interim Dividend | (386.02) | - |
| 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 | 3,459.97 | 2,229.22 |
| TOTAL | 6,056.99 | 4,808.42 |

04 - LONG TERM BORROWINGS

| | As at 31 st Mar 2015 ₹ Lakhs | As at 31 st Mar 2014 ₹ Lakhs |
|----------------------------------|---|---|
| Secured | | |
| (i) Term Loan from Banks | 32.06 | 54.27 |
| (ii) Loan from related party | 91.00 | 145.27 |
| Unsecured | | |
| (i) Deferred payment liabilities | - | 76.04 |
| TOTAL | 123.06 | 221.31 |

| | As at 31 st Mar 2015 ₹ Lakhs | | | | As at 31 st Mar 2014 ₹ Lakhs | | |
|----------------------------------|--|--------------------|--------------|--------------------|--|--------------------|---------------|
| | Non Current | Current Maturities | Total | No of Installments | Non Current | Current Maturities | Total |
| (a) Vehicle Loan | 32.06 | 22.21 | 54.27 | 48 | 54.27 | 26.30 | 80.57 |
| (b) Deferred payment liabilities | - | - | - | | 76.04 | 120.00 | 196.04 |
| TOTAL | 32.06 | 22.21 | 54.27 | | 130.31 | 146.30 | 276.61 |

Notes:

- (a) Term Loan availed from Bank is secured by vehicle
(b) Loan 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

NOTES ON FINANCIAL STATEMENTS

05 - DEFERRED TAX LIABILITY (NET)

| | As at 31 st Mar 2015 ₹ Lakhs | As at 31 st Mar 2014 ₹ Lakhs |
|---|---|---|
| Deferred Tax Liability | | |
| (a) Related to depreciation timing difference | 173.60 | 27.15 |
| Deferred Tax Asset | | |
| (a) Related to Employee Benefits and Provisions | (68.58) | (59.73) |
| TOTAL | 105.02 | (32.58) |

06 - LONG TERM PROVISIONS

| | As at 31 st Mar 2015 ₹ Lakhs | As at 31 st Mar 2014 ₹ Lakhs |
|--|---|---|
| Provision for Employee Benefits | | |
| (a) Compensated absences | 39.93 | 32.67 |
| (b) Post retirement benefits | 124.12 | 89.73 |
| | 164.05 | 122.40 |
| TOTAL | 164.05 | 122.40 |

07 - SHORT TERM BORROWINGS

| | As at 31 st Mar 2015 ₹ Lakhs | As at 31 st Mar 2014 ₹ Lakhs |
|---|---|---|
| Secured | | |
| (a) Loan from Banks (Including Cash Credit, etc) | 1,093.16 | 1,039.97 |
| TOTAL | 1,093.16 | 1,039.97 |

- ₹1093.16 Lakhs (Previous Year : ₹ 1039.97 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.
- The above includes borrowings of ₹ 349.96 Lakhs (Previous Year: 375.55 Lakhs) which is under settlement

08 - TRADE PAYABLES

| | As at 31 st Mar 2015 ₹ Lakhs | As at 31 st Mar 2014 ₹ Lakhs |
|---------------------------|---|---|
| Trade Payables | | |
| (a) For Goods | 1,221.56 | 1,635.51 |
| (b) For Services & Others | 1,364.50 | 1,162.51 |
| (c) For Acceptance | 559.17 | 1,981.70 |
| | 3,145.23 | 4,779.72 |
| TOTAL | 3,145.23 | 4,779.72 |

Note:

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

NOTES ON FINANCIAL STATEMENTS

09 - OTHER CURRENT LIABILITIES

| | As at 31 st Mar 2015 ₹ Lakhs | As at 31 st Mar 2014 ₹ Lakhs |
|--|---|---|
| Other Current Liabilities | | |
| (a) Current maturities of long-term debt | 22.21 | 146.30 |
| (b) Interest accrued and due on borrowings | 50.86 | 50.92 |
| (c) Unclaimed Dividend | 46.84 | - |
| (d) Other Payables | | |
| (i) Statutory dues | 78.83 | 38.68 |
| (ii) Advance from customers | 72.34 | 76.47 |
| | 271.08 | 312.37 |
| TOTAL | 271.08 | 312.37 |

Note:

- Details of security and terms of repayment in respect of current maturity of long term debt are detailed in Note 3 (a) & (b) to the Financial Statements.

10 - SHORT TERM PROVISIONS

| | As at 31 st Mar 2015 ₹ Lakhs | As at 31 st Mar 2014 ₹ Lakhs |
|---|---|---|
| Provision for Employee Benefits | | |
| (a) Compensated absences | - | 23.66 |
| (b) Post retirement benefits | - | 38.00 |
| | - | 61.66 |
| Other Provisions | | |
| (a) Income tax | 1,531.90 | 606.90 |
| (b) Proposed Final Dividend | 193.02 | - |
| (c) Corporate dividend tax on Final proposed dividend | 38.59 1,763.51 | - 606.90 |
| TOTAL | 1,763.51 | 606.90 |

NOTES ON FINANCIAL STATEMENTS
11 - FIXED ASSETS

₹ in Lakhs

| | Gross Block | | | Depreciation / Amortisation / Depletion | | | Net Block | | |
|---------------------------|-----------------------------------|----------------------------|-----------------------------|---|-----------------------------------|-----------------|-----------------------------|------------------------------------|------------------------------------|
| | As at 1 st Apr 2014 | Additions / Adjustments | Deductions / Adjustments | As at 31 st Mar 2015 | As at 1 st Apr 2014 | For the Year | Deductions / Adjustments | As at 31 st Mar 2015 | As at 31 st Mar 2014 |
| Tangible Assets: | | | | | | | | | |
| (i) Freehold Land | 118.18 | - | - | 118.18 | | | | 118.18 | 118.18 |
| (ii) Building | 1,081.83 | 224.82 | - | 1,306.65 | 581.84 | 43.36 | 16.36 | 665.09 | 499.99 |
| (iii) Plant & Equipments | 4,211.21 | 126.83 | - | 4,338.04 | 3,538.44 | 72.20 | - | 727.40 | 672.77 |
| (iv) Furniture & Fixtures | 121.26 | 1.95 | - | 123.21 | 89.39 | 3.23 | 11.29 | 19.30 | 31.87 |
| (v) Vehicles | 153.95 | 24.89 | - | 178.84 | 34.43 | 19.10 | - | 125.31 | 119.52 |
| (vi) Office equipments | 62.92 | 40.09 | 0.33 | 102.68 | 54.28 | 4.74 | 2.00 | 41.66 | 8.64 |
| TOTAL | 5,749.35 | 418.58 | 0.33 | 6,167.60 | 4,298.38 | 142.63 | 29.65 | 1,696.94 | 1,450.97 |
| Previous Year | 5,649.22 | 111.99 | 11.87 | 5,749.35 | 4,127.60 | 180.35 | 9.57 | 1,450.97 | |
| Capital Work-in-Progress | | | | | | | | 92.45 | 13.09 |

Note:

As per the requirement of Schedule II of the Companies Act 2013 effective from 1st April 2014, the company has charged depreciation during the year based on the provisions of the said schedule. Further, an amount of ₹ 19.65 lakhs (net of deferred tax assets ₹ 10.11 lakhs) has been adjusted with the general reserve as on 01.04.2014 in respect of those assets whose remaining useful life was nil as on 01.04.2014 as per the transitional provisions of Schedule II. Additional Depreciation Charged due to transitional provision of Companies Act 1956 to Companies Act 2013 is ₹ 49.86 Lakhs.

NOTES ON FINANCIAL STATEMENTS

12 - NON-CURRENT INVESTMENTS

| | As at 31 st Mar 2015 ₹ Lakhs | As at 31 st Mar 2014 ₹ Lakhs |
|--|---|---|
| Unquoted - Trade Investments | | |
| <i>(Valued at cost less other temporary diminution in value, if any)</i> | | |
| In Equity Shares of 100 each | | |
| (a) Moana Technologies India Pvt Ltd 12,704 Shares (Previous Year : 12704 Shares) | 12.70 | 12.70 |
| In Equity Shares of 10 each | | |
| (a) Gourmet Delicatessens Limited 2,50,000 Shares (Previous Year : 2,50,000 Shares) | 25.00 | 25.00 |
| SUB-TOTAL | 37.70 | 37.70 |
| Less : Provision for diminution in value towards | | |
| (a) Moana Technologies India Pvt Ltd | 12.70 | - |
| (b) Gourmet Delicatessens Limited | 25.00 | 25.00 |
| <i>Agregate provision for diminution in value of Trade Investments</i> | 37.70 | 25.00 |
| TOTAL | - | 12.70 |

13 - LONG TERM LOANS AND ADVANCES

| | As at 31 st Mar 2015 ₹ Lakhs | As at 31 st Mar 2014 ₹ Lakhs |
|-----------------------------------|---|---|
| Capital Advances | | |
| (a) Unsecured and Considered Good | 14.72 | - |
| Security Deposits | | |
| (a) Revenue authorities | 59.25 | 84.62 |
| (b) Others | 96.55 | 137.60 |
| TOTAL | 155.80 | 222.22 |
| | 170.52 | 222.22 |

14 - CURRENT INVESTMENT

| | As at 31 st Mar 2015 ₹ Lakhs | As at 31 st Mar 2014 ₹ Lakhs |
|--|---|---|
| In Mutual Fund (at Cost) | | |
| (a) Union KBC tax Saver Fund 200 Units (Previous Year : 200 Units) of ₹ 1000/- each | 2.00 | 2.00 |
| (b) Union KBC Capital Protection Oriented Fund 500 Units (Previous Year : 500 Units) of ₹ 1000/- each | 5.00 | 5.00 |
| TOTAL | 7.00 | 7.00 |

15 - INVENTORIES

| | As at 31 st Mar 2015 ₹ Lakhs | As at 31 st Mar 2014 ₹ Lakhs |
|------------------------------------|---|---|
| (a) Raw materials | 2,727.64 | 3,584.02 |
| (b) Work-in-progress | 11.72 | 357.38 |
| (c) Finished goods | 773.73 | 625.28 |
| (d) Stock-in-trade | | |
| (i) Feeds | 83.89 | - |
| (e) Stores, spares and consumables | 317.83 | 319.51 |
| TOTAL | 3,914.81 | 4,886.19 |

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

NOTES ON FINANCIAL STATEMENTS

16 - TRADE RECEIVABLES

| | As at 31 st Mar 2015 ₹ Lakhs | As at 31 st Mar 2014 ₹ Lakhs |
|--|---|---|
| Trade Receivables - Unsecured & Considered Good | | |
| (a) Outstanding for more than six months | 1,349.16 | 1,107.58 |
| (b) Others | 4,347.63 | 3,730.43 |
| | 5,696.79 | 4,838.01 |
| TOTAL | 5,696.79 | 4,838.01 |

17 - CASH AND BANK BALANCES

| | As at 31 st Mar 2015 ₹ Lakhs | As at 31 st Mar 2014 ₹ Lakhs |
|---|---|---|
| Cash and Cash Equivalents | | |
| (a) Balance with Banks in Current account | 537.30 | 675.86 |
| (b) Cash on hand | 4.90 | 4.32 |
| (c) In Deposit accounts * | 705.89 | 1,010.93 |
| | 1,248.09 | 1,691.11 |
| Earmarked accounts | | |
| (a) Unclaimed Dividend account | 46.84 | - |
| (b) In Deposit accounts | 626.48 | 617.82 |
| | 673.32 | 617.82 |
| Other bank balances | | |
| (a) In Deposit accounts # | 1,026.41 | 180.97 |
| TOTAL | 2,947.82 | 2,489.90 |

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

| | As at 31 st Mar 2015 ₹ Lakhs | As at 31 st Mar 2014 ₹ Lakhs |
|-----------------------------------|---|---|
| Unsecured, Considered Good | | |
| (a) Material advances | 193.29 | 402.17 |
| (b) Employee advances | 4.74 | 12.04 |
| (c) Others | 147.75 | 617.22 |
| | 345.78 | 1,031.43 |
| TOTAL | 345.78 | 1,031.43 |

19 - OTHER CURRENT ASSETS

| | As at 31 st Mar 2015 ₹ Lakhs | As at 31 st Mar 2014 ₹ Lakhs |
|--|---|---|
| (a) Interest accrued | 47.51 | 53.37 |
| (b) Insurance Claims receivable | 2.09 | 2.72 |
| (c) Tax Deduction at Source Receivable | 63.96 | 41.22 |
| (d) Advance Income tax paid | 1,568.94 | 708.94 |
| (e) Prepaid Expenses | 20.99 | - |
| (f) Others | 6.83 | 22.74 |
| TOTAL | 1,710.32 | 828.99 |

20 - REVENUE FROM OPERATIONS

| | Year ended 31 st Mar 2015 | Year ended 31 st Mar 2014 |
|---------------------------------|---|---|
| | ₹ Lakhs | ₹ Lakhs |
| Sale of Shrimp Feeds | | |
| (a) Manufactured | 23,497.52 | 22,587.59 |
| (b) Traded | 4,056.89 | - |
| | 27,554.41 | 22,587.59 |
| Revenue from services | | |
| (a) Processing of Shrimps | 165.73 | 180.66 |
| | 165.73 | 180.66 |
| SUB-TOTAL | 27,720.14 | 22,768.25 |
| Other operating revenues | | |
| (a) Consultancy Service | 6.21 | 9.04 |
| (b) Scrap sales | 29.29 | 42.89 |
| (c) Others | 0.19 | 0.68 |
| | 35.69 | 52.61 |
| SUB-TOTAL | 35.69 | 52.61 |
| TOTAL | 27,755.83 | 22,820.86 |

21 - OTHER INCOME

| | Year ended 31 st Mar 2015 | Year ended 31 st Mar 2014 |
|-----------------------------|---|---|
| | ₹ Lakhs | ₹ Lakhs |
| Interest Income | | |
| (a) on Short-term deposits | 193.73 | 138.13 |
| Dividend Income | | |
| (a) from Current Investment | 0.30 | 0.18 |
| TOTAL | 194.03 | 138.31 |

22 - COST OF MATERIALS CONSUMED

| | Year ended 31 st Mar 2015 | Year ended 31 st Mar 2014 |
|---|---|---|
| | ₹ Lakhs | ₹ Lakhs |
| (a) Soya DOC | 5,691.55 | 5,649.35 |
| (b) Fish Meal | 3,485.77 | 3,613.84 |
| (c) Raw and Processed shrimps | 1,347.30 | 625.27 |
| (d) Other Sundry Items * | 5,620.65 | 5,577.83 |
| SUB-TOTAL | 16,145.27 | 15,466.29 |
| Direct Expenses attributable to raw materials consumed | | |
| (a) Frieight Inward | 62.80 | 66.24 |
| TOTAL | 16,208.07 | 15,532.53 |

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

| | Year ended 31 st Mar 2015 | Year ended 31 st Mar 2014 |
|------------------|---|---|
| | ₹ Lakhs | ₹ Lakhs |
| (a) Shrimp Feeds | 3,635.28 | - |
| TOTAL | 3,635.28 | - |

NOTES ON FINANCIAL STATEMENTS

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

| | Year ended 31 st Mar 2015 ₹ Lakhs | Year ended 31 st Mar 2014 ₹ Lakhs |
|--|--|--|
| Inventories (at close) (A) | | |
| (a) Finished Goods / Stock-in-Trade | 857.62 | 625.28 |
| (b) Stock-in-Process | 11.72 | 357.38 |
| | 869.34 | 982.66 |
| Inventories (at commencement) (B) | | |
| (a) Finished Goods / Stock-in-Trade | 625.28 | 960.36 |
| (b) Stock-in-Process | 357.38 | 369.78 |
| | 982.66 | 1,330.14 |
| NET CHANGE (B-A) | 113.32 | 347.48 |

25 - EMPLOYEE BENEFIT EXPENSES

| | Year ended 31 st Mar 2015 ₹ Lakhs | Year ended 31 st Mar 2014 ₹ Lakhs |
|---|--|--|
| (a) Salaries, wages and bonus | 821.01 | 639.57 |
| (b) Contribution to provident, gratuity and other funds | 121.96 | 91.74 |
| (c) Staff welfare expenses | 127.62 | 125.44 |
| TOTAL | 1,070.59 | 856.75 |

26 - FINANCE COSTS

| | Year ended 31 st Mar 2015 ₹ Lakhs | Year ended 31 st Mar 2014 ₹ Lakhs |
|---------------------------|--|--|
| (a) Interest Expenses | 29.78 | 103.71 |
| (b) Other Borrowing Costs | 91.66 | 183.17 |
| TOTAL | 121.44 | 286.88 |

27 - DEPRECIATION

| | Year ended 31 st Mar 2015 ₹ Lakhs | Year ended 31 st Mar 2014 ₹ Lakhs |
|--------------------------|--|--|
| Tangible Assets | | |
| (a) Building | 43.36 | 32.15 |
| (b) Plant & Equipments | 72.20 | 131.31 |
| (c) Furniture & Fixtures | 3.23 | 5.56 |
| (d) Vehicles | 19.10 | 8.30 |
| (e) Office equipments | 4.74 | 3.03 |
| TOTAL | 142.63 | 180.35 |

NOTES ON FINANCIAL STATEMENTS

28 - OTHER EXPENSES

| | Year ended 31 st Mar 2015 ₹ Lakhs | Year ended 31 st Mar 2014 ₹ Lakhs |
|---|--|--|
| (a) Consumption of stores and spare parts | 653.01 | 844.50 |
| (b) Power and fuel | 473.77 | 537.28 |
| (c) Rent | 71.03 | 57.67 |
| (d) Repairs and Maintenance | - | |
| (i) Building | 60.49 | 79.96 |
| (ii) Plant and machinery | 0.97 | 1.07 |
| (iii) Others | 49.79 | 22.51 |
| | 111.25 | 103.54 |
| (e) Insurance | 30.53 | 26.43 |
| (f) Rates and taxes, excluding taxes on Income | 4.76 | 1.84 |
| (g) Freight Outward | 16.11 | 4.95 |
| (h) Selling Expenses | 162.17 | 200.03 |
| (i) Legal & Professional Charges | 51.25 | 23.15 |
| (j) Vehicle Maintenance | 70.75 | 66.24 |
| (k) Travelling Expenses | 142.56 | 103.95 |
| (l) Secretarial Expenses | 18.01 | 45.71 |
| (m) Consultancy Charges | 20.04 | 24.46 |
| (n) Business Communication expenses | 17.21 | 12.46 |
| (o) Miscellaneous Expenses | 98.13 | 238.94 |
| (p) Payment to Auditors | 3.33 | 4.21 |
| (i) Statutory audit fees | 1.69 | 1.69 |
| (ii) in the capacity of tax auditor | 0.28 | 0.28 |
| (iii) in other capacities | - | 1.12 |
| (iv) Reimbursements of expenses | 1.36 | 1.12 |
| (q) Corporate Social Responsibility Expenses | 23.41 | - |
| (r) Directors' Commission | 30.37 | - |
| (s) Directors' Sitting Fees | 6.45 | 4.50 |
| (t) Processing charges | 176.25 | 181.44 |
| (u) Provisions / write off relating to investing activity | 12.70 | 25.00 |
| (v) Schemes, Rebates & Claims | 1,441.27 | 1,204.19 |
| TOTAL | 3,634.36 | 3,710.49 |

NOTES ON FINANCIAL STATEMENTS

29 - EXCEPTIONAL ITEMS

| | Year ended 31 st Mar 2015 | Year ended 31 st Mar 2014 |
|----------------------------------|---|---|
| | ₹ Lakhs | ₹ Lakhs |
| (a) Loss on sale of Fixed Assets | - | 1.12 |
| TOTAL | - | 1.12 |

30 - CONTINGENT LIABILITIES AND COMMITMENTS

| | Year ended 31 st Mar 2015 | Year ended 31 st Mar 2014 |
|--|---|---|
| | ₹ Lakhs | ₹ Lakhs |
| (1) Contingent Liabilities | | |
| (i) Claims against the company not acknowledged as debts (net) | | |
| (a) Custom duty | 535.36 | 535.36 |
| (b) Excise duty | 49.48 | - |
| (c) Service tax | 63.86 | 63.86 |
| (d) Sales tax | 33.89 | - |
| (e) To a Bank | 670.94 | 670.94 |
| (e) Others | 77.19 | 75.87 |
| | 1,430.71 | 1,346.03 |
| (ii) Bank Guarantee | | |
| (a) To various parties | 372.02 | 299.15 |
| (iii) Interest claimed by Canara Bank, (pending in D. R. T.) has not been provided as the settlement is under negotiation and hence not quantifiable at this stage. | | |
| (2) Commitments | | |
| (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. The Company is confident of meeting its obligation under the Schemes with in the Stipulated Period | 238.78 | 176.73 |

31 - OTHER INFORMATIONS (Including Foreign currency transactions)

| | Year ended 31 st Mar 2015 | Year ended 31 st Mar 2014 |
|---|---|---|
| | ₹ Lakhs | ₹ Lakhs |
| (1) Information regarding imports (C.I.F) | | |
| (a) Raw material | 405.97 | 466.08 |
| (b) Spares and tools | 95.37 | 294.51 |
| | 501.34 | 760.58 |
| (2) Expenditure incurred in foreign currency | | |
| (a) Travelling expenses | 14.28 | 11.92 |
| (b) Subscription | 0.12 | 0.40 |
| (c) Insurance | 0.38 | 0.37 |
| (d) Consultancy Services | - | 2.50 |
| (e) Trade Mark, Inspection and Others | 7.85 | 10.73 |
| (f) Dividend | 2.47 | - |
| | 25.10 | 25.93 |
| (3) Earnings in foreign currency | | |
| (a) Export of goods - FOB value | - | 129.62 |

NOTES ON FINANCIAL STATEMENTS

31 - OTHER INFORMATIONS (Cont..)

| | Year ended 31 st Mar 2015 | Year ended 31 st Mar 2014 |
|---|---|---|
| | ₹ Lakhs | ₹ Lakhs |
| (4) Cost of materials consumed | | |
| (a) Imported | 503.34 | 475.52 |
| (b) Indigenous | 15,641.93 | 14,990.76 |
| (5) Dividend remitted in foreign currency | | |
| (a) Number of non-resident shareholders | 3 Nos. | - |
| (b) Numbers of shares on which dividend was remitted | 3,242,000 Nos. | - |
| (c) Dividend remitted during the year relating to the previous year | 32.42 | - |
| (d) Year to which dividend relates | 2014-15 | - |

32 - EMPLOYEE BENEFITS

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

| | Current Year | Previous Year | Current Year | Previous Year |
|---|------------------------|------------------|------------------------------------|------------------|
| | ₹ Lakhs | | ₹ Lakhs | |
| | Gratuity (Unfunded) | | Compensated Absences (Unfunded) | |
| Defined Benefit Plan | | | | |
| (a) Defined benefit Obligation at the beginning of the year | 127.73 | 94.68 | 56.32 | 41.10 |
| (b) Current service Cost | 11.98 | 11.55 | 9.61 | 2.89 |
| (c) Interest Cost | 8.24 | 7.30 | 4.42 | 3.16 |
| (e) Actuarial (Gain) / Loss | 37.86 | 22.58 | (21.78) | 13.16 |
| (f) Benefits Paid | 61.69 | 8.37 | 8.64 | 3.99 |
| (g) Defined benefit Obligation at the end of the year | 124.12 | 127.73 | 39.93 | 56.32 |
| Expenses recognised during the year | | | | |
| (a) Current service cost | 11.98 | 11.55 | 9.61 | 2.89 |
| (b) Interest Cost | 8.24 | 7.30 | 4.42 | 3.16 |
| (c) Actuarial (Gain) / Loss | 37.86 | 22.58 | (21.78) | 13.16 |
| Actuarial Assumptions | | | | |
| (a) Discount rate (per annum) | 7.80 | 8.50 | 7.80 | 8.50 |
| (b) Rate of escalation in Salary (per annum) | 5.50 | 5.50 | 5.50 | 5.50 |

NOTES ON FINANCIAL STATEMENTS

33 - SEGMENT REPORTING

| | Year ended 31 st Mar 2015 | Year ended 31 st Mar 2014 |
|---|---|---|
| | ₹ Lakhs | ₹ Lakhs |
| Information about secondary segments | | |
| (a) Within India | 27,554.41 | 22,446.69 |
| (b) Outside India | - | 140.90 |

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 a single business segment viz., Shrimp Feed Manufacturing and Trading.

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) | Gourmet Delicatessens Limited | Common Directorship |
| (b) | Indian City Properties Limited | Subsidiary of Promoter |
| (c) | Towerbase Services Private Limited | Common Directorship |
| (d) | Karam Chand Thapar & Bros. (Coal Sales) Limited | Promoter |
| (e) | Pinnae Feeds Limited | Wholly Owned Subsidiary of Promoter |

35 - RELATED PARTY TRANSACTIONS

| | Relationship | Year ended 31 st Mar 2015 | Year ended 31 st Mar 2014 |
|--|-------------------------------------|--|--|
| | | ₹ Lakhs | ₹ Lakhs |
| 1. Balances during the year end | | | |
| Investments | | | |
| (a) Gourmet Delicatessens Limited | Common Directorship | 25.00 | 25.00 |
| Receivables | | | |
| (a) Indian City Properties Limited | Subsidiary of Promoter | 135.00 | 145.00 |
| Payables | | | |
| (a) Karam Chand Thapar & Bros. (Coal Sales) Limited | Promoter | 3.78 | 3.78 |
| (b) Pinnae Feeds Limited | Wholly Owned Subsidiary of Promoter | 694.57 | - |
| (c) Towerbase Service Private Limited | Common Directorship | 323.73 | 344.42 |
| (d) Indian City Properties Limited | Subsidiary of Promoter | 29.01 | 29.01 |
| Net Loans and Advances | | | |
| (a) Towerbase Service Private Limited | Common Directorship | 91.00 | 91.00 |
| 2. Transaction During the year | | | |
| Remuneration to Key management personnel | | | |
| (i) Mr. Ramakanth V Akula | CEO | 75.07 | |
| (ii) Mr. Ashok Nanjapa | CEO | 34.93 | 122.66 |
| (iii) Mr. S.Giridhari | CFO | 37.39 | |

NOTES ON FINANCIAL STATEMENTS

35 - RELATED PARTY TRANSACTIONS (Cont..)

| | Relationship | Year ended 31 st Mar 2015 ₹ Lakhs | Year ended 31 st Mar 2014 ₹ Lakhs |
|---------------------------------------|-------------------------------------|---|---|
| (iv) Mr. G.Venkatram | Company Secretary | 1.70 | |
| (v) Ms. Suguna Krishnamurthy | Company Secretary | 4.85 | |
| Purchase of trading goods | | | |
| (i) Pinnae Feeds Limited | Wholly Owned Subsidiary of Promoter | 3,635.28 | - |
| Finance Cost | | | |
| (i) Towerbase Service Private Limited | Common Directorship | - | 34.20 |
| Reimbursement of Expenses | | | |
| (i) Towerbase Service Private Limited | Common Directorship | 5.88 | 12.92 |
| (ii) Pinnae Feeds Limited | Wholly Owned Subsidiary of Promoter | 58.44 | - |

36 - EARNINGS PER SHARE

| | Year ended 31 st Mar 2015 | Year ended 31 st Mar 2014 |
|---|---|---|
| Profit after tax as per Statement of Profit and loss (in ₹ lakhs) | 1,951.45 | 1,356.93 |
| Weighted average number of equity shares outstanding | 38,603,250 | 31,023,616 |
| Basic and Diluted earnings per share (Face value ₹ 10) (in ₹) | 5.06 | 4.37 |

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, 21st May, 2015

For and on behalf of the Board

Vikramadithya Mohan Thapar
Chairman

S.Giridhari
Chief Financial Officer

Anil Kumar Bhandari
Director

G. Venkatram
Company Secretary

Ramakanth V Akula
Chief Executive Officer

THE WATERBASE LIMITED

CIN: L05005AP1987PLC018436,

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

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

NOTICE OF THE 28th ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTY EIGHTH ANNUAL GENERAL MEETING OF THE WATERBASE LIMITED WILL BE HELD AT THE REGISTERED OFFICE OF THE COMPANY ON 30th SEPTEMBER, 2015 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 31st March, 2015 and the Balance Sheet as on that date and the Reports of the Directors and Auditors thereon.

2. Declaration of dividend:

To confirm the interim dividend of ₹ 1 per equity share already paid and declare the final dividend of 0.50 per equity share for the Financial Year ended 31st March, 2015.

3. Re-appointment of Mrs. Jyoti Thapar who retires by rotation:

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

4. Ratification of Appointment of Auditors:

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

“**RESOLVED THAT** in terms of the provisions of Sections 139-142 and other applicable provisions, if any, of the Companies Act, 2013 read with the underlying rules viz. Companies (Audit and Auditors) Rules, 2014 and such other provisions as may be applicable and pursuant to the resolution of the Members at the Twenty Seventh Annual General Meeting held on 29th 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 Twenty Ninth Annual General Meeting (AGM) of the Company, be ratified by the Members on a remuneration inclusive of service tax and such other tax(es) (as may be applicable) and reimbursement of all out-of pocket expenses in connection with the audit of the accounts of the Company (including terms of payment) to be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee.”

Special Business:

5. To approve the Related Party Transactions with Pinnae Feeds Limited:

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

“RESOLVED THAT pursuant to the provisions of Clause 49 of the Listing Agreement approval of the Company be and is hereby accorded to the Board of Directors, to enter into contracts/arrangements/transactions with Pinnae Feeds Limited, a Company wholly owned by Karam Chand Thapar & Bros. (Coal Sales) Limited and which is a Related Party under Clause 49(VII)(B)(2) of the Listing Agreement, for Purchase of Finished feeds up to a value of ₹ 450 Crore in any financial year and Deputation of Manpower up to a value of ₹ 5 Crore in any financial year on such terms and conditions as may be mutually agreed between the Company and Pinnae Feeds Limited.

RESOLVED FUTHER THAT the transactions so far between the Company and Pinnae Feeds Limited, as per the statement specified in the explanatory statement annexed hereto, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to enter into, amend, vary and modify the terms of the contracts/arrangements/transactions in accordance with the applicable statutory requirements and decide upon the nature and value of the products, goods, materials or services to be transacted with Pinnae Feeds Limited within the aforesaid limit.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do and perform all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this Resolution.”

6. Modification of Borrowing Powers of the Board:

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

“RESOLVED THAT in supersession of the resolution passed at the Annual General Meeting held on 29th September 2014 and pursuant to Section 180(1)(c) and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Special Resolution), to borrow such sum or sums of money from time to time and on such terms and conditions as the Board may consider necessary and expedient in the best interest of the Company, subject to the condition that such borrowing shall not exceed ₹. 1,00,00,00,000 (Rupees One Hundred Crore only) outstanding at any point in time, notwithstanding that the money to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained / to be obtained by the Company from its bankers in the ordinary course of its business) may exceed the aggregate of the paid-up capital and free reserves of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion deem fit, necessary, proper or desirable and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.”

7. Creation of Charges on the assets of the Company:

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

“RESOLVED THAT in supersession of the resolution passed under Section 293(1)(a) of the Companies Act, 1956 in the Extra-ordinary General Meeting held on 27th September 1989 and pursuant to Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time, consent of the Company be and is hereby accorded to the creation by the Board of Directors of

the Company (hereinafter referred to as the "Board" which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Special Resolution) of such mortgages, charges and hypothecations as may be necessary on such of the undertakings of the Company, both present and future, in such manner as the Board / Committee of the Board may direct or deem fit, together with power to take over the undertakings of the Company in certain events, to or in favor of financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trusts, other bodies corporate (hereinafter referred to as the "Lending Agencies") and to secure rupee term loans/foreign currency loans, debentures, bonds and other instruments of an outstanding aggregate value not exceeding Rs. 1,00,00,00,000 (Rupees One Hundred Crore Only) together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the Lending Agencies under their respective Agreements / Loan Agreements Deeds entered / to be entered into by the Company in respect of the said borrowings.

RESOLVED FURTHER that the Board be and is hereby authorized to finalize with the Lending Agencies, the documents for creating the aforesaid mortgages, charges and/or hypothecations and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents and to do all such acts and things and to execute all such documents as may be necessary for giving effect to this resolution."

By Orders of the Board of Directors

Chennai, 12th August, 2015

Vikramaditya Mohan Thapar
Chairman

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 Clause 49 of the Listing Agreement entered with the Stock Exchange is annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OFF 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.

3. Electronic copy of the Notice for the Annual General Meeting and the Annual Report for 2014-15 are being sent to all the Members whose E-mail IDs are registered with the Company / Depository Participant(s). Physical copy of the Notice together with the Annual Report are being sent in permitted mode, to Members for whom the E-mail IDs are not available and who have requested for physical copies. The Notice and the Annual Report are also available on the Company's Website – www.waterbaseindia.com for their download.
4. 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.

5. 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.
6. Members / Proxies / Authorised Representatives should bring the enclosed Attendance Slip, duly filled in, for attending the Meeting.
7. The Register of Members and the Share Transfer Books of the Company shall remain closed from 24th September, 2015 to 30th September, 2015 (both days inclusive) for payment of final dividend.
8. Final Dividend on equity shares as recommended by the Directors for the year ended 31st March, 2015, when declared at the meeting, will be paid within 29th October, 2015:
 - i. To those members whose names appear on the Company's register of members, after giving effect to all valid share transfers in physical form lodged with Cameo Corporate Services Ltd, Registrar and Share Transfer Agent of the Company on or before 23rd September, 2015.
 - ii. In respect of shares held in electronic form, to those "deemed members" whose names appear in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the closing hours of 23rd September, 2015.
9. Members are requested to send their Bank Account particulars (viz. Account No., Name & Branch of the Bank and the MICR Code) to their DPs in case the shares are held in electronic mode or to the Registrar and Share Transfer Agents in case the shares are held in physical mode for printing on dividend warrant to ensure that there is no fraudulent encashment of the warrants.
10. 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.
11. 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.
12. 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:

- a. The voting period begins on 27th September, 2015 at 10.00 a.m. and ends on 29th September, 2015 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 23rd September, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- b. 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) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) Select “**THE WATERBASE LIMITED**” from the drop down menu and click on “SUBMIT”
- (iv) Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Image Verification as displayed and Click on Login).
- (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used. If you are a first time user follow the steps given in points (vi) and (vii).
- (vi) Fill up the following details in the appropriate boxes:

| For Members holding shares both in Demat and Physical Form | |
|--|--|
| PAN* | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) |
| DOB# | Enter the Date of Birth as recorded in your Demat Account or in the Company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details# | Enter the Dividend Bank Details as recorded in your Demat Account or in the Company records for the said demat account or folio. |

*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 sequence number (Sequence number has been provided as Serial number in the address label and / or in the E-mail sent to Members) in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. Eg. If your name is Dinesh Kumar with sequence number 1 then enter DI0000001 in the PAN field.

Please enter any one of the details in order to login. In case both the details are not recorded with the depository and Company please enter the Member id / folio number in the Dividend Bank details field.

- (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 Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code 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 and register themselves as corporates. 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.
 - 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 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, under help section or write an email to helpdesk.evoting@cdslindia.com

B. VOTING AT AGM:

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

13. A member can opt for only one mode of voting i.e. either in person or through proxy at the meeting or through e-voting or by ballot. If a member casts votes by all the three modes, then voting done through e-voting shall prevail and voting through other means shall be treated as invalid.
14. The remote e-voting shall not be allowed beyond the above mentioned date and time.
15. Any person who have acquired shares and become members of the company after the despatch of the notice and holding shares as on cut-off date, i.e. 23th September, 2015, and who have updated their PAN with the Company/DP, should follow the instructions abovementioned to vote through e-voting and those who have not updated their PAN with the Company/DP, can send a mail to investor@cameoindia.com to obtain sequence number.
16. The Company has appointed Mr. Sudarshan, Partner, Sudarshan & Tamilselvi Associates, Practicing Chartered Accountants, 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.
17. The Results shall be declared at or after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the company's website www.waterbaseindia.com and on the website of CDSL www.evotingindia.com within two (2) days of passing of the resolution at the Annual General Meeting of the Company and the same shall also be communicated to BSE Limited where the shares of the Company are listed.

ANNEXURE I TO THE NOTICE

I. EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM 5:

As per Clause 49 of the Listing Agreement any material contract/ arrangement/ transactions with related party shall have to be approved by the Shareholders. Material Related Party transaction is defined as transaction whose value exceeds 10% of the turnover of the Company as per the last audited financial statements. Pinnae Feeds Limited is an entity wholly owned by the Promoter Karam Chand Thapar & Bros. (Coal Sales) Limited and is a related party under Clause 49(VII)(B)(2) of the Listing Agreement. The Company had entered into a contract with Pinnae Feeds Limited for supply of Finished Feeds and Deputation of Manpower on 29th March, 2014 which is effective for a period of 5 years from that date. Pinnae Feeds Limited will be a related party under the definition of Clause 49 of the Listing Agreement.

As per SEBI Circular CIR/CFD/POLICY CELL/2/2014 dated 17th April, 2014, which introduced the revised Clause 49 of the Listing Agreement, all existing Material Related Party contracts or arrangements as on the date of the circular which are likely to continue beyond 31st March, 2015 shall be placed for approval of the shareholders in the first General Meeting subsequent to 1st October, 2014. The value of the transactions arising out of the contract with Pinnae Feeds Limited had crossed the threshold limit of 10% materiality limit in Financial Year 2014-15. The transactions with Pinnae Feeds Limited is as per the table below:

| Name of the Related Party | Nature of related party relationship | Nature of transaction | Value of Transaction (in ₹ Crore) |
|---------------------------|--------------------------------------|-----------------------|-----------------------------------|
| 2014-15 | | | |

| Name of the Related Party | Nature of related party relationship | Nature of transaction | Value of Transaction (in ₹ Crore) |
|----------------------------------|--------------------------------------|---------------------------|-----------------------------------|
| Pinnae Feeds Limited | Entity wholly owned by the Promoter | Purchase of Finished Feed | 36.35 |
| | | Deputation of Manpower | 0.58 |
| 2015-16 (till June, 2015) | | | |
| Pinnae Feeds Limited | Entity wholly owned by the Promoter | Purchase of Finished Feed | 33.64 |
| | | Deputation of Manpower | 0.29 |

The Audit Committee and the Board had approved the contract with Pinnae Feeds Limited for Purchase of Finished Feeds and Deputation of Manpower at the meeting held on 10th November, 2014 considering the applicability of the revised Clause 49 of the Listing Agreement. The said contract between the Company and Pinnae Feeds Limited is available for inspection in physical form during normal business hours (9.30 AM to 5.30 PM) at the Registered Office of the company and copies thereof shall also be available for inspection in physical form at the Corporate Office of the company and also at the venue of the Meeting.

The particulars of contract/ arrangements/ transactions are as under:

- a) Name of the Related Party: Pinnae Feeds Limited
- b) Name of the Director or Key Managerial Personnel who is related: Mr. Ranjit Mehta and Mr. Anil Kumar Bhandari, Independent Directors were appointed on the Board of Pinnae Feeds Limited on 27th March, 2015.
- c) Nature of relationship : Pinnae Feeds Limited is wholly owned by the Promoter Karam Chand Thapar & Bros. (Coal Sales) Limited
- d) Material Terms of contracts/arrangements/transactions: Purchase of Finished Feeds from Pinnae Feeds Limited and Deputation of Manpower to support Pinnae Feeds Limited for its feed manufacturing on arms length basis and at a price to be determined based on the prevalent market prices of feed and subject to adjustments as may be mutually agreed upon. Deputation of manpower shall be on the basis of reimbursement of actual expense incurred on manpower deputed.
- e) Monetary value: Estimated amount of around ₹ 450 Crore every Financial Year for feed purchase and ₹ 5 Crore for deputation of manpower.
- f) Any other information relevant or important for the members to make a decision on proposed transaction : None

The members are further informed that no member/s of the Company being a related party shall be entitled to vote on this Special Resolution.

The Directors recommends the resolution set forth in item No. 5 for approval of the Members of the Company.

Except the Promoter Directors, Common Directors and their relatives (to the extent of their shareholding interest in the Company) and other related parties, no other Director or Key Managerial Personnel or their relatives, is concerned or interested, financially or otherwise, in passing of this resolution.

ITEM 6:

At the Annual General Meeting of the Company held on 29th September, 2014, the Members had, by way of Special Resolution pursuant to Section 180(1)(c) of the Companies Act, 2013, approved borrowing of monies on behalf of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) up to ₹ 50 Crore over and above the aggregate of the paid-up capital of the Company and its free reserves;

Keeping in view the increasing funds requirement for the diversification plans of the Company, the Directors recommend that the limit of borrowing be increased to ₹ 100 Crore outstanding at any point of time irrespective of the aggregate of the paid up capital and its free reserves.

None of the Directors of the Company or their respective relatives is concerned or interested in passing of the resolutions at Item No.6 of the Notice.

ITEM 7:

The members of the Company at their meeting held on 27th September 1989 had accorded their consent to the Board of Directors, by way of ordinary Resolution, for creation of charges/mortgages/hypothecations for an amount not exceeding ₹ 5,00,00,000 (Rupees Five Crore) or the aggregate of the paid up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose at the relevant time, whichever is higher.

Section 180(1) (a) of the Companies Act, 2013 which became effective from 12th September, 2013 provides that the above powers of creation of charge/ mortgage and borrowings in excess of paid-up capital and free reserves of the Company, can be exercised by the Board only with the consent of the company accorded by way of a Special Resolution. Further, Ministry of Corporate Affairs, vide circular dated 25th March, 2014 clarified that the ordinary resolutions passed under Section 293(1)(a) & 293 (1) (d) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013 i.e. up to 11th September, 2014.

It is, therefore, necessary to obtain fresh approval from the members by way of Special Resolution under Section 180 (1) (a) of the Companies Act, 2013, as set out at Item No. 7 of the Notice to enable the Board of Directors to create mortgage or charge on the movable or immovable properties of the Company.

The Directors recommend the resolutions at Item No. 7 above for the approval of the Members of the Company.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the resolution mentioned at Item No. 7 of the Notice.

ANNEXURE II TO THE NOTICE

Details of Director seeking re-appointment at the forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement):

MRS. JYOTI THAPAR:

| S.No | Particulars | Details |
|------|--|--|
| 1. | Date of birth | 12.11.1957 |
| 2. | Nationality | Indian |
| 3. | Relationship between Directors Inter-se | Wife of Mr. Vikramaditya Mohan Thapar Mother of Mr. Varun Aditya Thapar |
| 4. | Date of appointment on the board | 27.07.1989 |
| 5. | Qualification | I.S.C |
| 6. | Experience | 23 Years |
| 7. | Expertise in specific functional area | General Management |
| 8. | Occupation | Business |
| 9. | Number of shares held in the company | 73500 |
| 10. | List of the Directorships held in other companies | 1. Gourmet Delicatessens Limited 2. Towerbase Services Private Limited |
| 11. | Chairman/ member in the committees of the boards of companies in which she is Director | NIL |

THE WATERBASE LIMITED
MGT 11 - PROXY FORM

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

CIN: L05005AP1987PLC018436

Regd. Office: Ananthapuram Village, Nellore, Andhra Pradesh – 524344. Ph: 0861 2165009/ 021/023 Fax: 044-30127001

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

28th Annual General Meeting – 30th September, 2015

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 28th Annual General Meeting of the Company, to be held on the 30th day of September, 2015, Wednesday at 12:15 P.M. and at the Registered Office, 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. | Declaration of dividend | | |
| 3. | Re-appointment of Mrs. Jyoti Thapar who retires by rotation | | |
| 4. | Ratification of Appointment of Auditors | | |
| Special Business | | | |
| 5. | To approve the Related Party Transactions with Pinnae Feeds Limited | | |
| 6. | Modification of Borrowing Powers of the Board | | |
| 7. | Creation of Charges on the assets of the Company | | |

Signed this _____ day of _____ 2015

Signature of shareholder:

Signature of Proxy holder(s):

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 28th 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.

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Revenue
Stamp

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THE WATERBASE LIMITED
ATTENDANCE SLIP

CIN: L05005AP1987PLC018436

Regd. Office: Ananthapuram Village, Nellore, Andhra Pradesh – 524344. Ph: 0861 2165009/ 021/023 Fax: 044-30127001

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

28th Annual General Meeting – 30th September, 2015

| | |
|----------------------------|--|
| 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 Eighth Annual General Meeting of the Company to be held on Wednesday the 30th day of September, 2015 at 12:15 P.M. at Registered Office, 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.

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The Waterbase Limited

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

Corporate Office

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

www.waterbaseindia.com