The Waterbase Limited

ENDURING STRENGTHS.
NEW HORIZONS.

Our strong and successful heritage combined with an unwavering faith that we can successfully move from survival to significance, is our most enduring strength. Against a backdrop of improving market conditions, we have set about re-writing our strategy, building scale, and broadening our horizons.

30th Annual Report

2016-17

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ENDURING STRENGTHS. NEW HORIZONS.

Turbulent times can be testing. For us, it provided motivation to push our boundaries. We became determined to overcome the tough challenges in the aquaculture sector. Our strong and successful heritage combined with an unwavering faith that we could successfully move Industry from survival to significance, became our most enduring strength. It gave us conviction that we could redefine our identity and shape the future. So we started to reboot and rebuild. We worked hard to create a renewed company-sustainable and values driven. Against a backdrop of improving market conditions, we set about re-writing our strategy, building scale, and broadening our horizons.

We are now making substantial efforts in new product development. We are stimulating internal innovation through focused R&D. The robustness and viability of our business strategy is founded on the conviction that shrimp farming is sustainable and can drive long term profitable growth. We are hence pursuing the next generation of opportunities and incubating new ideas that will sustain the Company far into the future.

FY17 was a cornerstone year for us. We advanced our strategy and focused on our core priorities of adding scale, increasing geographic footprint, and diversifying revenue streams. As we navigate new horizons and build on our momentum and enduring strength, we will remain guided by what has always defined our Company: our values and ethics, our people, and our deep research-driven capabilities. We will rely on these core pillars to help us create sustained value for our customers, shareholders, the community, and our employees.

MISSION

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

VISION

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

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

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

CORE VALUES

QUALITY

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

TRUST

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

COLLABORATION

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

INNOVATION

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

EXCELLENCE

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

SUSTAINABILITY

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

KEY STRENGTHS

Strong Brands	Several favoured brands of quality and value with high recall.
Rich Legacy	Over two decades of expertise and backed by the KCT Group.
Technical Expertise	A pioneer staffed by well-qualified personnel with rich industry experience. Products, processes and practices viewed as gold standard by industry.
Quality Control	Processing facilities FDA and BAP approved, EU listed and HACCP certified. Global best practices implemented.
R&D Focused	R&D initiatives meaningfully converted into new products and have driven improvements in feed manufacturing, farm practices, waste management and shrimp processing.
Financial Position	Financial discipline demonstrated through ups and downs in industry. Debt equity ratio of 0.5 and Net Debt / EBITDA of ~ 1.8x.

FY 2017 AT A GLANCE

323 CR Revenue	**20 %** Revenue CAGR FY12-17
0.5 Debt - Equity	**1,10,000 MT** Feed Capacity
407 MT Shrimp Exports	**7 %** Market Share
173 Dealers pan India	**258** Employees

FROM THE CHAIRMAN'S DESK

Dear Shareholders,

It is my pleasure to present to you an overview of the present economic & industry scenario and a summary of your Company's performance in FY 17.

Economic activity in both advanced economies and emerging and developing economies is estimated to accelerate in 2017, to 2 percent and 4.6 percent respectively. Economic growth has been revised for the US, Japan, and China. While inflation in advanced economies remains subdued and generally below targets; it has also been declining in several emerging economies, such as Brazil, India and Russia. Growth revisions primarily reflect the macroeconomic implications of changes in policy assumptions by the world's two largest economies, the United States and China.

It is expected that growth in India will pick up further in 2018, in line with forecasts. Of the two major reform initiatives of the present Government, we expect the timely and effective implementation of the Goods and Services Tax (GST) would support competitiveness, investment and economic growth. GST will contribute to making India a more integrated market and is expected to boost competitiveness, investment and job creation. Shrimp feed is exempt from GST, however few of the Raw Materials have been brought under the ambit of GST which will have financial impact.

The other major reform initiative, demonetization, appears to have kickstarted the process of cleaning up the economy of black money. Growth rate for the economy was higher than anticipated, thanks to strong government spending and data revisions that show stronger momentum in the first part of the year. However, aquaculture businesses, which are mostly cash driven, suffered a temporary setback due to demonetization in FY17.

Global demand for shrimp is on the rise and the global prices have been stable for the past 2 years. In view of the constricted supply of shrimp and increased demand from Asian markets, farmgate prices in India rose to higher levels. As a result, area under farming is expected to expand further and demand for shrimp feed will continue to exhibit steady growth.

Your Company's continued focus on farmer education, innovation and embedding best practices from across the industry is now starting to accrue benefits.

I am proud to tell you our revenue grew at a CAGR of 20% between FY 12 and FY 17 and stood at ₹ 323 Crore in FY17. However, Profitability in the feed business was impacted in FY17 by the rise in prices of key raw materials.

I am also very pleased to inform you that your Company has received the coveted '**Shrimp Feed Industry New Product Innovation Leadership Award**' from Frost & Sullivan. This is the first time a feed company is bestowed with such a recognition from Frost & Sullivan in India.

Going forward, enhanced geographical presence coupled with good performance from existing markets would help in accelerating the growth. Weather conditions have been favorable and along with stable farm gate prices have enabled the farmers to shake off the cautious approach and increase the area under cultivation.

We have taken our first steps into the domestic market for the frozen food products. Our Phase I foray saw the soft launch of the brand 'Prize Catch' in Chennai in Dec 2016. We launched processed shrimps and pasteurized crab meat in the HORECA segment. This has received good response and we will soon enter other markets in the South in Phase II and will also expand our product

Our team receiving 'Shrimp Feed Industry New Product Innovation Leadership Award' from Frost & Sullivan

range. To support this growth, we have alongside embarked on several marketing initiatives. As always, our focus will remain unwavering on quality and freshness.

The launch of the Farm Care range of products under the brand 'Baylife' has been received with much enthusiasm thanks to the trust your Company enjoys in the farming community. This can potentially translate into good volume growth in the coming years.

Your Company's first state of the art Hatchery is nearing completion and will be available for farming season of 2018.

The Scheme of Amalgamation of Pinnae Feeds Ltd., which was approved by the National Company Law Tribunal recently will result in better operational efficiencies as the total production capacity directly available to us increases from 35,000 MTPA to 1,10,000 MTPA. The Scheme became effective on 27th November, 2017, with the appointed date being 1st August, 2015. Hence, the merged audited financial statements of the Company for the year ended 31st March, 2017 is being placed before the shareholders for consideration and adoption. The Board had announced a final dividend of ₹ 1 per share for FY17. The same shall be paid as per Statutory timelines to the shareholders as on the record date, subject to approval at the forthcoming Annual General Meeting (AGM).

With international demand continuing to be robust and domestic demand growing significantly, thanks to changing lifestyles and food preferences, we continue to remain optimistic about our growth and success in the industry. Geographical expansion, thrust on R & D, capacity addition and diversified revenue streams shall augur well for the future growth of your Company and thereby maximize shareholder value.

I would like to thank all our stakeholders who have reposed tremendous confidence in us - for their faith and confidence, and importantly for the encouragement they have shown us in the pursuit of our goals.

I would like to specifically thank our valued employees whose contribution in this journey is immeasurable. I value their dedication and commitment to the tasks at hand towards the pursuit of our short and long-term goals. Last, but certainly not the least, I would like to express my wholehearted gratitude to our dealer and vendor network, whose faith and loyalty urge us forward to scale new heights. Thank you all.

With best wishes,

Vikramaditya Mohan Thapar
Chairman

SUSTAINING LONG-TERM VALUE. OUR BUSINESS STRATEGY.

In jump-starting our business towards the pursuit of new horizons, we have stayed focused on our aspiration of creating sustained long-term value for our stakeholders. This has been our North Star, guiding us in putting together all aspects of our business strategy and decision-making process. The bedrock on which we are founded, the trusted Karam Chand Thapar Group, gives us the strength and confidence to view the glass as half full even in the most trying times. We have now set out re-energized with a business strategy that considers Value creation, an amalgam of shareholder wealth, stakeholder trust, brand equity, reputation, and customer satisfaction.

We have positioned our growth strategy on three pillars:

1

Increasing scale for wider market penetration - leveraging strength of highly skilled technical manpower, brand salience, wider product portfolio, improved distribution network and value- added services; capitalizing the benefits of incremental revenues for enhancing return ratios and making scale margin accretive.

2

Increasing market presence - As capacity constraints are no longer a hindrance, entering new geographies and aggressively pursuing customer categories to increase off-take. Pan India presence has been enhanced with footsteps into West Bengal, Odisha, and Gujarat, and wider reach in the current strongholds of Tamil Nadu and Andhra Pradesh, thanks to wider distribution infrastructure which resulted in increasing our numeric and weighted reach with enhanced after-sales service.

3

Diversifying revenue streams - Have launched a range of farm care products under sustainable agricultural practices under the brand name ‘Baylife’. Have also launched frozen sea food products under the brand ‘Prize Catch’, for institutional customers in the Chennai market, as a first step. We are setting up series of hatcheries to supply good quality seeds (Post Larvae) for shrimp farming - Revenue from the hatchery business will start accruing in FY19.

Towards achieving these goals, we have set ourselves some short-term priorities:

1

We are allocating more resources for Research & Development with an eye on differentiating the feed products on the basis of performance and value to customers. This will help in ultimately achieving the objective of achieving double digit market share.

2

Our foray into Hatchery business will complement the feed business and deepen the trust of farming community has on us. It will also ensure sustainable growth for the Industry.

3

We will also explore Brown field/ Green field expansion of feed manufacturing to ensure that capacity will not be a constraint in our march towards achieving the target we have set for ourselves.

4

We are ramping up our manpower and investing in resources to face the ambitious expansion and diversification plans.

5

We have invested in ERP (SAP) to support our strategic growth plans. Correct technology will help cut costs, make us more efficient and support our growth through innovation.

FROM THE CEO

As natural resources deplete year after year and the world becomes health conscious, the demand for high quality sea food will continue to head north. This is exerting a huge pressure on the aquaculture industry to bridge the supply demand gap. Waterbase is a pioneer in providing innovative and sustainable solutions for the aquaculture industry.

"Our vision is to attain market leadership by leveraging the pioneering efforts of the Company to innovate sustainable solutions in the entire value chain of the aquaculture industry from 'Farm to Fork'."

Towards this end, we have set for ourselves few important goals over the next three years. I would now like to outline these goals and the strategic vision for the Company.

Firstly, we aim to reach a double-digit market share in shrimp feed business. Second, we want to establish ourselves as a trusted quality seed (Post larvae) producer. Third, but importantly, we want to cement our position as a sectoral thought leader and help the industry sustain its growth by bringing in best practices, educating farmers and offering them support services. We are confident that we can attain these objectives with our vast knowledge of aquaculture spanning over 25 years, competencies and loyal employees.

Shrimp feeds in India are formulated to cater chiefly to the energy requirements of shrimps. However, at TWL we have gone beyond the realms of meeting nutritional requirements and are addressing the health requirements too. Our feed has ingredients that support growth and reduce the risk of disease. Our feed basket includes functional feeds for various species like Vannamei, Black Tiger and Scampi. The vast knowledge we have about aquatic animals and their feeding behavior is used to produce best in class feeds that can grow healthy shrimp with a low Feed Conversion Ratio.

Our expertise also enables us to offer solutions for the various challenges faced by farmers in different parts of the country. We have introduced a limited and unique range of Farm Care products that are anti-biotic free under the name 'Baylife'. The response has been overwhelming so far. Our farm inputs include a range of probiotics, animal health care products, disinfectants, mineral pre-mixes, vitamins and water conditioners that help in fighting diseases, improving water quality, rejuvenating the soil and boosting overall performance. We will further expand the product portfolio to meet the various requirements of the farmers

To sustain growth in shrimp production, good quality post-larvae is a pre-requisite. As a pioneer and leader, we feel that it is our compelling responsibility to offer good quality Post Larvae to the farmers. We therefore intend to set up a series of hatcheries that produce high quality anti-biotic free seed in a highly bio-secure environment. The farmers can now look forward to getting good quality, disease free post larvae from the coming year.

Our processing facility is USFDA Registered, BAP & HACCP certified and holds the unique distinction of 'Nil' rejections. However, the capacities are unutilized, we will wait for the opportune time to take a deep dive into this segment, in the meantime we are beefing up soft and hard infrastructure.

It is significant that the Indian sea food palate has become more nuanced. With rising disposable incomes, Indians are willing to pay and enjoy exotic and healthy sea foods. We have forayed into this market which is very niche today but holds tremendous promise for the future under the brand name 'Prize Catch'. We are allocating resources to tap the latent potential in this segment to become a significant player in the business in the coming years. Currently we are marketing frozen

Shrimps and Pasteurized Crab meats in the HORECA segment. Going forward, we will expand the product portfolio to include Soft-shell Crabs, Fish and other products. Geographical expansion will be pursued progressively.

It is of paramount importance that we sustain this growth momentum to make India the seafood capital of the world. High quality seed, feed and best farming practices are of paramount importance in shrimp aquaculture. We invest considerable resources in making the farmers adapt the best practices for long term growth. Research led innovation has led us to optimize feed formulations, and helped us introduce functional high-performance feeds to the farmers. Our state of the art hatchery will produce the best quality seed very soon. We have engaged renowned international experts to help us further improve nutritional and quality parameters of our feed, optimize feed conversion ratio (FCR) and to strengthen our R&D efforts. As a sectoral thought leader we are committed to sustainability. We strive to conserve scarce resources by constantly evaluating and using alternatives.

The initiatives undertaken in the last couple of years have started paying off, I am confident that we are on the right track to achieve the goals we have set out for ourselves.

With best wishes,

Ramakanth V. Akula
Chief Executive Officer

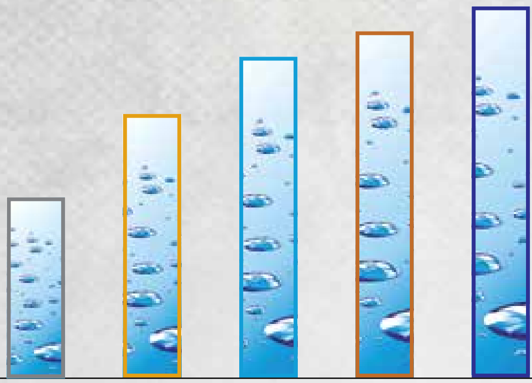
Aerial view of Shrimp feed factory—Pinnae Feeds Limited (since amalgamated with the Company)

OUR FIVE YEAR PERFORMANCE

TOTAL REVENUE

CAGR - 20%

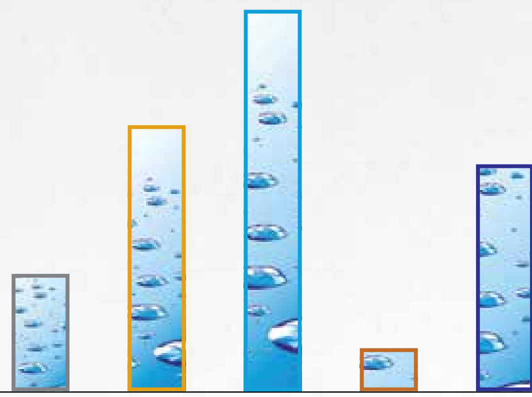
(₹ in Crore)



2012-13	2013-14	2014-15	2015-16	2016-17
157.6	229.6	279.5	301.7	323.4

PAT

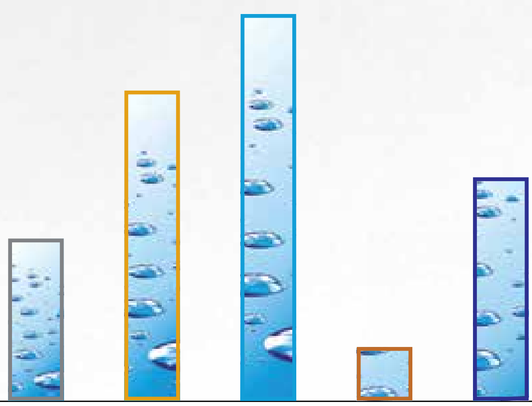
(₹ in Crore)



2012-13	2013-14	2014-15	2015-16	2016-17
6.0	13.6	19.5	2.2	11.6

RETURN ON CAPITAL EMPLOYED

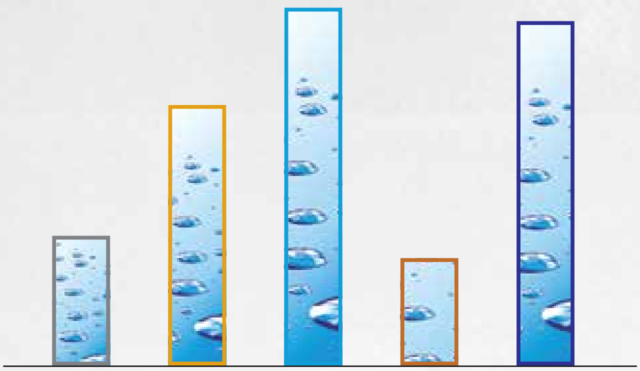
(in %)



2012-13	2013-14	2014-15	2015-16	2016-17
12.7	24.3	30.3	4.2	17.5

EBITDA

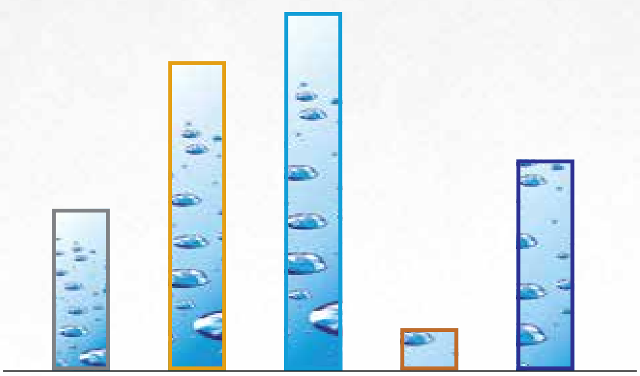
(₹ in Crore)



2012-13	2013-14	2014-15	2015-16	2016-17
11.6	23.3	32.0	9.6	30.8

EARNINGS PER SHARE (BASIC)

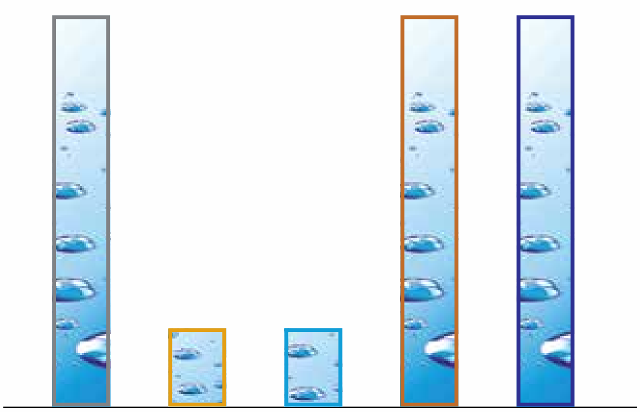
(₹)



2012-13	2013-14	2014-15	2015-16	2016-17
2.3	4.4	5.1	0.6	3.0

DEBT EQUITY RATIO

(in times)



2012-13	2013-14	2014-15	2015-16	2016-17
0.5	0.1	0.1	0.5	0.5

ENVISIONING NEW HORIZONS.
LIVING THE VALUES.

Innovation

New Product Innovation Leadership Award from Frost and Sullivan

The Introduction of Functional Feed- 'Bay White Enriched' by us comes as an answer to current challenges faced by shrimp farmers at large - diseases are fatal and affect shrimp production. Slower growth, poor molting, loose shell, white feces, white gut are some of the diseases that adversely impact shrimp production. High feed conversion ratio (FCR) increases the production costs for farmers thereby eroding their margins. We therefore decided to upgrade the standard nutrition to include features that are functional to keep diseases at bay and to help the farmers to grow faster and healthier Shrimps. The result was 'Bay White Enriched' which offered 'Hepatopancreas Boost' and a digestive enhancer 'Healthy Gut'.

The new feed was formulated with top quality select raw materials, additives and by enforcing quality assurance in the entire process.

Bay White Enriched promotes nutrient utilization by optimizing FCR, reducing visceral waste & improving yield, reducing environmental output (pond conditions), reducing digestible nutrient levels (maintaining performance) and promoting health. It also reduces impact of infections on productivity, bacterial/viral disease and parasitic infestations. It promotes gut health and stable gut flora through natural antibacterial action. Benefits also include improved digestive enzyme activity, increased pancreatic and bile secretion and stimulation of gastrointestinal cell proliferation.

TWL is the acknowledged pioneer in formulating Vannamei shrimp feed and is also the first to launch functional shrimp feed that not only takes care of shrimp nutrition but also promotes gut health. The launch of this functional feed has helped the company penetrate into stronghold markets of competitors and helped tremendously in expanding the farmer base and dealer network.

Shrimp feed had always been treated as a commodity, and no efforts were taken in the past to move its status to that of a product and then to a brand. With the capacity in the industry outpacing demand, TWL as a thought leader in the industry raised the bar and differentiated itself through this innovation. It is to its credit that TWL has been consistent in carrying out R&D activities right from inception for the benefit of all stakeholders of the Industry. The company has undertaken several projects with leading international companies on reducing the scarce raw material like fishmeal in formulations.

In 2016, Frost and Sullivan recognized TWL's efforts and its salient position in the Shrimp Feed Industry. Based on several parameters which involved in-depth primary interviews with various industry participants and secondary research conducted by its in-house analysts, Frost & Sullivan presented the Company with the New Product Innovation Leadership Award, bestowing kudos on the Company.

Quality

The Global Aquaculture Alliance (GAA), based in the US, coordinates the development of the Best Aquaculture Practices (BAP) certification standards for seafood processing plants, farms, hatcheries and feed mills. The standards are developed and continually updated through a rigorous methodology.

Our feed and processing plants are BAP certified. The BAP certification assures the consumers that the product is safe and is produced in a manner that is considerate of the health of the animal and consumer (animal welfare and food safety), socially responsible and is respective and protective of surrounding environment. Our processing facilities are FDA approved, EU listed and Hazard Analysis and Critical Control Points (HACCP) certified.

Shipments of processed shrimps from India are subjected to Detention Without Physical Examination (DWPE) unless the facility is put on the Green List. Our facility has been on the Green List for a long time and is therefore exempt from DWPE. The Company holds the unique distinction of 'Nil' rejections of its processed shrimp export consignments.

Sustainability

We focus on the twin major problems connected to aquaculture to drive our sustainability initiatives: Water Pollution & Scarce Raw Materials Conservation.

Water Pollution

Aquaculture has significant impacts on the environment and natural resources, and a number of concerns have been expressed. The environmental impact of aquaculture is observed in many ways including user conflicts, change of ecosystems, water pollution etc. Of these pollution of water resources is the most common issue that has attracted the greatest attention. Discharges from farms contain organic matter, nutrients, and suspended solids which directly results in oxygen depletion, eutrophication and turbidity in receiving waters. Such effluents may have a serious negative impact on the quality of the receiving water when discharged untreated. We work closely with farmers to ensure that farming activity is carried out with the least impact on environment. We continuously educate farmers on best practices with respect to water treatment and discharge. Our products and processes comply with standards that ensure environmental sustainability.

Scarce Raw Materials Conservation

Fish Meal and Fish Oil are fishery products which are key raw materials in Shrimp feed manufacturing. Utilization of these fishery products for aquaculture needs to be reduced and we are ensuring that by our constant R&D efforts targeted at using other raw materials and additives in place of fish meal and fish oil in our products. Less reliance on these scarce raw materials will ensure sustainability for both the business and the population as a whole as more fishery products are freed up for human consumption.

Collaboration

We believe in collaborative initiatives to further the sustainable growth of the industry. We work with farmer clusters in evaluating new farming techniques, studying animal feeding behavior and in improving water and soil conditions. We work with various agencies on skill development. We also work with various research institutes, national and international organizations to evaluate various raw materials and feed additives that helps the farming community. We regularly conduct Farmer Connect programs to impart to them the latest know-how on shrimp farming. More than 100 technical sales/service personnel are involved in providing technical and value-added services to the farmers.

Trust

Brand TWL has evokes tremendous trust among its dealer network and farming community. We maintain a high degree of integrity, transparency and responsibility in whatever we do; we constantly endeavor to instill trust and credibility in the minds of everyone we deal with. Few testimonials of our dealers and farmers are presented here:

Gayatri Aqua Feeds started the relationship with TWL in 1995. They find the management very responsive to their needs. Price, quality and service again come out as top reasons for their loyalty to the brand. The Dealer captures the brand in three telling words - Creative, Competent, and Consistent. Here is what the Dealer has to say about us:

“TWL does excellent field work and they have superior products Even during the tough times, they were with us to motivate and encourage us. Bay White is a great product. The first Vannamei feed in India, it has been enhanced so much over the past 7 to 8 years. It is best suited to fight and control the dreaded white feces disease. TWL is a friend. Their name is synonymous with the aquaculture industry.”

Reddy & Reddy Agencies has been associated with TWL for the last ten years. TWL is the first company they started doing business with. They do not think about moving elsewhere as they value the relationship that has been nurtured over the years. This relationship flows all the way from the top management down to the sales/ technical support team. Importantly, they trust the Company's products. TWL's attributes - price, quality and service - have been a strong 'pull and stay' factor for them. The Dealer has the following to say about TWL:

“If I were to sum it up, TWL's quality of products, their pricing, the relationship we have with them, are outstanding. It's a great Company for dealers to do business with. I have no hesitation in recommending TWL to others in the business because of the quality and benefits - in fact I already do that.”

Our sales and technical support team with Yanadapalli Srinivas & Yandapalli Krishnamurthy, shrimp farmers

The opinion of **Sri Sai Lakshmi Agencies** is no different. They have been associated with TWL even longer - 15 years to be exact. Again, price, quality and service underscore the TWL relationship. They say:

"TWL is on a continuous mission to improve quality. Farmers are very happy with the products. We enjoy a close relationship with TWL personnel and would eagerly recommend the Company to anyone. Growth of the Dealership has been possible due to the nurturing attitude of TWL and the support received through the years."

Mr. Yanadapalli Srinivas & Mr. Yandapalli Krishnamurthy started Vannamei farming right from the beginning of the Vannamei era and they have been using shrimp feed of the Company for close to a decade. They are very much satisfied with the growth performance & FCR of Bay White Enriched. They say:

"We have been using TWL's shrimp feed for more than a decade and we are very much impressed with the quality of feed and technical support provided by the Company. Bay White Enriched's quality is outstanding. We have already recommended Bay White Enriched to other farmers in the village - Kolaparru and we are keenly awaiting the release of seed from the Company's Vannamei hatchery."

ENHANCING GROWTH

Product Portfolio – Shrimp Feed and Farmcare Products

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

Bay White Enriched

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

Ultra XL

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

Tiger Bay XL

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

Magnum

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

The Baylife range of products are free of anti-biotics and through judicious formulation comprise a range of probiotics and healthcare products which are vitamin and mineral enriched to promote gut health of the growing shrimp, retard bacteria, build immunity and manage the environmental health of the pond.

Baylife NUTRIFEAST is a formulated probiotic with specifically selected Bacillus strains to improve the nutritional and health status of the shrimp through multiple mechanisms. It reduces the colonization of opportunistic bacteria in the gut.

Baylife VC-9 is a high power probiotic for Vibrio control in shrimp farms. It improves the water quality by selectively controlling vibrio in pond water and sediment.

Baylife NUTRISORB is a dry natural extract from Yucca Schidigera plant and rich in glyco compounds. It has a strong binding capacity for Ammonia, thereby reducing the negative effects in shrimp production. Reduces the build-up of un-ionized ammonia which occurs frequently and can become harmful to the shrimps resulting in poor growth and mortality.

Baylife NUTRIGUT is a synergistic blend of specially selected botanical extracts and essential oils combined with medium chain fatty acids, formulated to reduce the impact of diseases in shrimp culture. Protects the shrimp by suppressing the growth and virulence of pathogenic bacteria and by promoting a healthy gut microflora.

Baylife NUTRIPOND is a formulated probiotic with multi species blend of Bacillus strains, supplemented by selected amino acids and trace nutrients to enhance the pond carrying capacity and support probiotic growth. Promotes and maintains a beneficial bacteria population which is critical for shrimp growth and yield.

A LOOK AT RISK MANAGEMENT

TWL has implemented the Enterprise Risk Management ("ERM") framework which is driven by the Board of Directors/ Audit Committee and is applied in strategy-setting. It is designed to identify potential events that may affect us, to manage risks to be within our risk appetite, and to provide reasonable assurance regarding the achievement of our objectives.

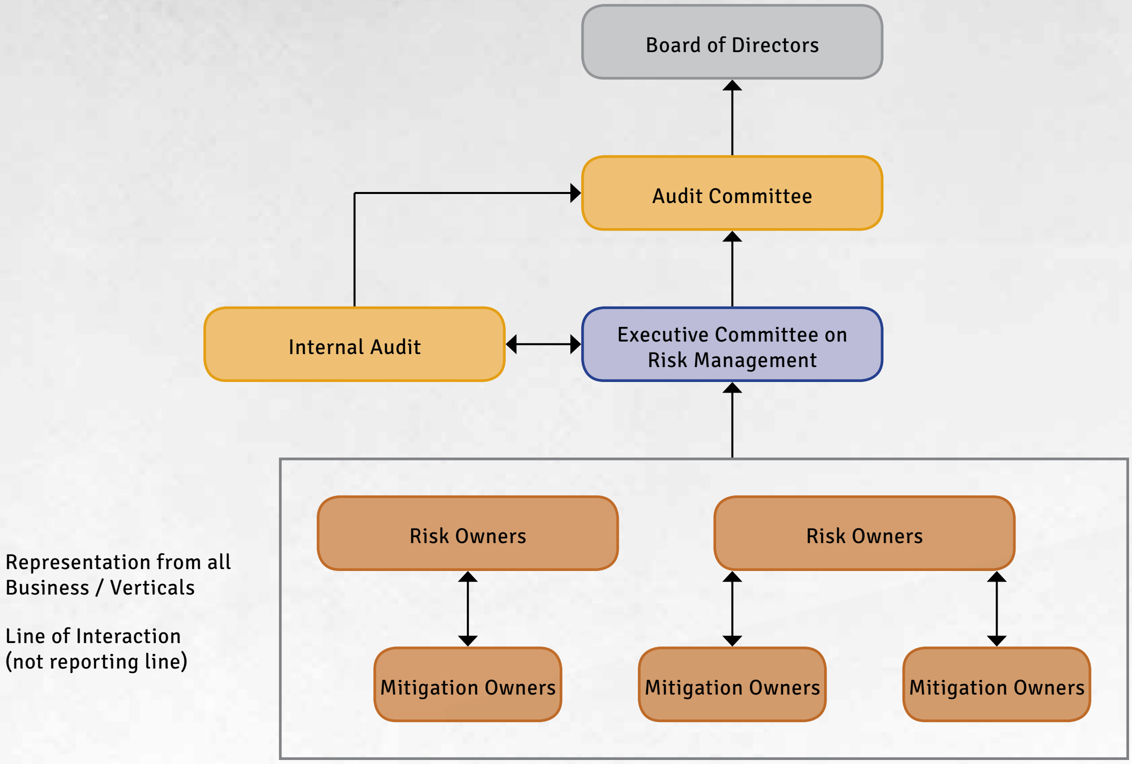
The broad level objectives of the ERM framework is to strengthen and formalize risk management practices and to manage risks in a structured and consistent manner. They include:

- Linking growth, risk and returns - Risk management enhances the capacity to identify events and assess risks and set risk tolerances consistent with growth and return objectives;
- Rationalizing resources - Deploy resources more effectively, thereby reducing overall capital requirements and improving capital allocations;
- Exploiting opportunities - Identify and take advantage of opportunities and events quickly and efficiently;
- Reducing operational surprises and losses - Recognize potential adverse events, assess risks and establish responses, thereby reducing surprises and related costs or losses;
- Reporting with greater confidence - Prepare internal and external information that is reliable, timely and relevant; and
- Satisfying legal and regulatory requirements - Ensure compliance with legal and regulatory requirements and identify risks of non-compliance.

The ERM framework applies to all business functions across TWL.

Enterprise Risk Management Governance Structure

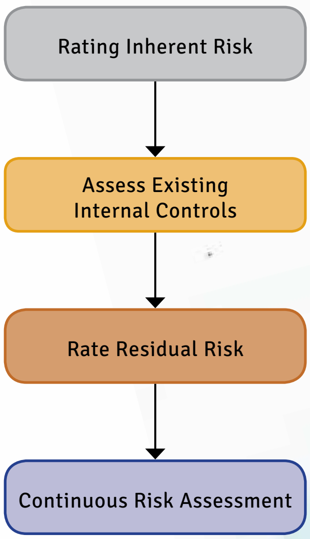
The ERM Governance Structure identifies the key internal stakeholders responsible for creating, implementing and sustaining ERM at TWL.



The assessment of each risk would be done in two stages:

- Considering the impact and the likelihood of the events without taking any mitigation actions
- Considering the impact and the likelihood of the events if action for mitigation are taken

The first stage of Risk Assessment is called the Inherent or Gross Risk and the second stage would be Residual or Net Risks.



BUILDING A FUTURE FOR THE COMMUNITY

TWL is an integral part of the KCT Group Trust and a contributing member to its CSR strategy and various programs. We believe that it is people who drive progress and given the right opportunity, they have the power to change the world. We uphold communities who strive to rise above their lot in life and contribute towards growth, both at an individual level and towards the community at large.

Our CSR strategy aims to build stronger, sustainable and self-reliant communities by enabling them with opportunities , educating them and providing them support for health and well-being. By aligning sustainable development with our business decisions, we aim to create far-reaching economic, environmental and societal value that surpasses stakeholder expectations.

We aim to achieve this through focusing on the following four key areas mentioned in Schedule VII, Section 135 of the Companies Act:

- Promotion of education
- Providing skill development training
- Ensuring environment sustainability
- Providing health care services and sanitation

We aim to achieve this through focusing on the following four key areas mentioned in Schedule VII, Section 135 of the Companies Act.

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

The CDC-LLR at Nellore, offers a range of services to farmers, such as a state of the art laboratory facility at a subsidized cost, training modules and interactive sessions with industry professionals. It also provides social services such as health care in collaboration with local NGOs and Government Organizations, thereby improving the quality of life of the farmers, their families and that of the local community at large.

The CDC-LLR set up in 2016, boasts an international standard laboratory with the sophisticated equipment and accurate testing capabilities in the region. Farmers from over 70 villages of Nellore and neighboring districts have access to the laboratory. It offers advanced testing services for soil, pesticides, farm input products, probiotics, bacteria and viruses. It was the first laboratory in Nellore to introduce real time Polymerase Chain Reaction (PCR) testing, and give real time reports.

Farmer Training Sessions: Monthly training sessions are conducted for aquaculture farmers to educate them on good farming practices, disease management and international farming methodologies. A mega event is held each year where both an International and Indian aquaculture specialist and industry expert are invited to speak during an interactive session with the famers. About 570 farmers attended the event in Nellore this year.

Healthcare: Bi-monthly general health camps are conducted in the remote villages of Nellore to detect and cure communicable and non-communicable diseases. Basic parameters such as height, weight, pulse rate and blood pressure are checked and free blood sugar tests offered to the elderly. Medicines are given free of cost in the health camps. Records of these check-ups are maintained to identify patterns of illnesses and diseases. Special health camps are organised if any recurring disease or health condition is identified.

Over 20 villages have been covered till date with approximately 200 people being treated per camp. A total of 3,153 people have availed medical aid from the camps.

Gender Equality: Women's Self Help Groups (SHG) are being created to aid the cause of Gender Equality. Initially, these women will be taught skills to make them self-sufficient. These will be later augmented with skill development programs, organised in collaboration with various NGOs and the Ministry of Women and Child Welfare.

The main focus groups for SHG's are single women and the physically disabled (PWD) in the most remote villages in the district. PWDs in rural India are vulnerable to societal norms. The SHG's objective is to help them develop a vocational skill in order for them to become financially self-reliant, thereby improving their quality of life.

Snapshot of our CSR initiatives

Ensuring Girl Education

Kashvi Learning Centre

Our team is developing and implementing the project "Learning Centre for secondary education and holistic life skills among adolescent girls". The project aims at establishing an integrated learning platform close to the community to help school drop-out adolescent girls in rural areas to complete secondary schooling and ensure awareness about life skills and critical thinking.

Based on the pilot and learnings from it, the learning centre methodology can be scaled across the country to address the needs of millions of students in a similar situation.

Kalighat Morning Club

The Kalighat Morning Club was established in 2001 in Chetla, a slum area in Kolkata. The Club gives children a chance to attend tutorial classes in Computers and English. Special training is also organized in dance, yoga, singing and sports.

We provide support to 4 young girls, who are being trained in Indian classical dance by well-known trainers.

Books have been donated for the poor and needy students of 9^{th} & 10^{th} Standards.

Andhra Association High School

To preserve the health of school-going girls, we have provided Andhra Association High School with water cooler. The 800 girls studying here now have access to safe, clean drinking water.

Women Empowerment

We sponsor vocational skills training for rural women through Kissan Vikas Trust. Self employment and additional income generation through need based, resourceful and eco-friendly technologies are also encouraged.

Tennis

Founded on 24^{th} February, 2012 by one of India's foremost tennis coaches, the sole mission of Enrico Piperno Tennis Trust is to promote and develop the sport in India. The Trust enables underprivileged children to aspire for a career in professional tennis by offering free coaching, travel sponsorships and other assistance.

We provide funds to the Trust for the training and coaching of these students who have huge potential to play international tournaments.

Corporate Information

CIN: L05005AP1987PLC018436
Registered Office: Ananthapuram Village, Nellore, Andhra Pradesh – 524344
Corporate Office: Thapar House, No. 37, Montieth Road, Egmore, Chennai - 600 008.
Phone: + 91 44 3012 7000, Fax: + 91 44 3012 7001

Board of Directors

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

Chief Executive Officer

Mr. Ramakanth V. Akula

Chief Financial Officer

Mr. R. Sureshkumar

Company Secretary

Mr. G. Venkatram

Stock Exchange

BSE Limited
PhirozeJheejeebhoy Towers
Dalal Street, Mumbai- 400001

Auditors:

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

Bankers

State Bank of India
Union Bank of India
YES Bank
ICICI Bank

Registrars & Share Transfer Agent

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

Directors' Report

Dear Shareholders,

The Directors have pleasure in presenting the 30th Annual Report together with the audited financial statements for the year ended 31st March, 2017.

Financial Highlights

(₹ in Cr.)

Particulars	FY17 (Merged)	FY16 (Merged)
Total Revenue	323.42	301.68
Total Expenses	305.51	295.86
Profit before Exceptional Items and Tax	17.92	5.82
Exceptional Items	-	3.23
Profit Before Tax (PBT)	17.92	2.59
Income Tax	6.34	0.43
Profit After Tax (PAT)	11.57	2.16
Other Comprehensive Income	(0.22)	(0.38)
Total Comprehensive Income	11.35	1.78
Basic EPS (in ₹)	3.00	0.56
Diluted EPS (in ₹)	2.79	0.53

Financial Statements

The Financial Statements for the year ended March 31, 2017 have been prepared under Ind AS (Indian Accounting Standards) for the first time by the Company. To ensure comparative figures, the financial statements for the year ended March 31, 2016 have been restated in accordance with Ind AS.

Further, the Board, at the meeting held on 30th May, 2017, approved the Audited Financial Statements for the year ended 31st March, 2017. Subsequently, upon receipt of the Order sanctioning the Scheme of Amalgamation of Pinnae Feeds Limited (PFL) with the Company from the National Company Law Tribunal (NCLT), Hyderabad on 22nd November, 2017 the same was filed with the Registrar of Companies on 27th November, 2017 making the Order effective from that date. Hence, to give effect to the amalgamation in the books of the Company and to present the audited merged accounts for approval of the Shareholders, the Board, at the meeting held on 29th November 2017, approved the merged Audited Financial Statements for the year ended 31st March, 2017. Since the appointed date of the Scheme is 1st August, 2015, the previous year's figures have also been restated to give effect to the amalgamation.

For details, refer Notes to Accounts forming part of this Annual Report.

Performance Overview & Strategic Initiatives

The Company reported revenues of ₹ 323.42 Crores in FY17 compared to ₹ 301.68 Crores last year, registering a growth of 7%. Total expenditure for the year stood at ₹ 305.51 Crores higher by 3% when compared with last year. During the year, the Company provided ₹ 6.34 Crores for taxation as against ₹ 0.43 Crores in the same period last year.

The Company began FY17 strongly. However, the gains were not carried through in the second and third quarters due to impact of drought, disease and demonetization in stronghold markets. Profitability in shrimp feed business was also impacted by the rise in prices of key raw material which were not fully passed on. In the shrimp processing business, scarce availability of shrimps due to prevalence of diseases pushed up farmgate prices compressing profitability. During FY17, the Company made an export of about 407 Tons processed shrimps which has gone up by 200 Tons when compared to the previous year. Export orders were undertaken for major shrimp consuming regions of US and Europe.

Further, the Company incurred certain one-time costs during FY17 for restarting the processing business from the disruption caused due to last year's floods. The combination of the above factors has impacted profitability for the year.

The Company has taken some exciting initiatives during the year to open new growth avenues. The Company launched the farmcare range of products under the brand name 'Baylife'. The response for the products have been encouraging though major revenues from this vertical will start flowing from FY18. Further, the frozen sea food products under the brand 'Prize Catch' was launched in Q3 of FY17. The Company offers processed shrimp and pasteurized crab meat in the first phase to institutional clients (Hotel Chains, Restaurants and Institutions) in Chennai market and there has been good response. The Company intends to progressively extend the launch of 'Prize Catch' products in other Cities and also expand the basket of products available under its umbrella.

Construction of Phase I of Hatchery, with a capacity of 250 million seeds, is nearing completion. Commissioning of the Hatchery project was hampered due to various reasons beyond the control of the Company. The Hatchery is now expected to go live to meet the farming season of FY18.

Material Developments during the year under review that occurred between end of the financial year and date of this report - Scheme of Amalgamation of PFL with the Company

The Scheme of Amalgamation of PFL with the Company, which was initiated in FY16 reached the final stages during FY17. The meeting of shareholders and the secured creditors of the Company was convened on 8th June, 2016 as directed by the High Court of Judicature at Hyderabad and the scheme was duly approved by the requisite majority. Further, the Court ordered convening the meeting of Unsecured Creditors of PFL on 24th August 2016 and there too the scheme was approved by requisite majority.

During FY17, the Company also obtained the approval of public shareholders (i.e. shareholders other than Promoter/ Promoter Group) through Postal Ballot/ e-Voting, for the Scheme, as it involves issuance of shares by the Company to Karam Chand Thapar & Bros. (Coal Sales) Limited (KCT) (or its successor) which is an entity forming part of the Promoter/ Promoter Group.

Based on the above approvals, the petition by both the Companies were filed before the High Court of Judicature at Hyderabad. However, in the interim, the Ministry of Corporate Affairs, notified the Companies (Transfer of Pending Proceedings) Rules, 2016 pursuant to which the pending petitions were transferred to NCLT, Hyderabad.

NCLT, Hyderabad sought certain clarifications on the Scheme which were provided and subsequently, the matters were reserved for

Orders on 28th August, 2017. Taking into consideration this scenario, the Board decided to apply for extension of time to hold the thirtieth Annual General Meeting to the Registrar of Companies so that the merged accounts can be presented for approval of shareholders. The Registrar of Companies granted an extension of three months i.e. till 31st December, 2017, to hold the thirtieth Annual General Meeting. Since the Order sanctioning the Scheme dated 14th November, 2017 came into effect on 27th November, 2017, the Company proposes to hold the thirtieth Annual General Meeting on 30th December, 2017 to approve the audited merged accounts.

Dividend and Appropriations

Based on the Company's financial performance and considering the profitability and cash flow, the Board had recommended a final dividend of ₹ 1/- per equity share for FY17 at the meeting held on 30th May, 2017. This dividend was declared considering the paid-up equity share capital of 3,86,03,250 shares of ₹ 10/- each. However, subsequent to the Scheme of Amalgamation becoming effective on 27th November, 2017 and also since the dividend entitlement shall accrue to the shareholders as on the record date fixed for payment of dividend which is 23rd December, 2017, the shares that are to be allotted to the Shareholder of PFL (Transferee) as consideration for the amalgamation, amounting to 28,23,529 equity shares of ₹ 10/- each, shall also be entitled to receive the dividend of ₹ 1/- each, if allotted within the record date of 23rd December, 2017.

The Dividend is payable on obtaining the Shareholders' approval in the ensuing thirtieth Annual General Meeting of the company.

Allotment of shares and changes in Capital Structure

Increase in authorised share capital – The Authorised Share Capital of the Company has increased from ₹ 50 Crores comprising of 4,50,00,000 equity shares of ₹ 10/- each and 5,00,000 preference shares of ₹ 100/- each to ₹ 65 Crores comprising of 6,00,00,000 equity shares of ₹ 10/- each and 5,00,000 preference shares of ₹ 100/- each by virtue of the Order on Scheme of Amalgamation passed by NCLT, Hyderabad.

Increase in paid-up share capital – Pursuant to the Order on Scheme of Amalgamation passed by NCLT, Hyderabad, 4 (four) equity shares of ₹ 10/- each of the Company shall have to be allotted for every 17 (seventeen) equity shares of ₹ 10/- each held by the Shareholder of PFL, the Transferor Company. Consequently, the paid-up share capital of the Company shall increase from 3,86,03,250 equity shares of ₹ 10/- each to 4,14,26,779 equity shares of ₹ 10/- each upon allotment of the said shares.

Restructuring of Promoter Holdings

During FY17, the Promoter group entities of the Company restructured their holdings in the Company. This restructuring and consolidation envisages the creation of a Trust which will ultimately hold all the shares of the Company currently held by the Promoter and Promoter Group which shall be subject to receipt of requisite approvals from Securities and Exchange Board of India.

As a part of this, four entities forming part of the promoter group of the Company namely, The Punjab Business & Supply Company Private Limited, The Doaba Industrial & Trading Company Private Limited, Karam Chand Thapar and Bros (Jammu & Kashmir) Private Limited and Indian City Properties Limited transferred their holding of 6,12,470 equity shares amounting to 1.59% of the pre-merger equity share capital inter-se to KCT. Thereafter, the shares held by KCT amounting to 2,19,34,545 shares (i.e. 56.82% of the pre-merged equity share capital) was transferred on 24th March, 2017 to Nav Srijit Shakti Telangana Private Limited (which is controlled by the same set of Promoters as KCT). Hence, the Company, which was a subsidiary of KCT became the subsidiary of Nav Srijit Shakti Telengana Private Limited with effect from 24th March, 2017.

The overall shareholding of the promoters and promoter group in the Company remains unaffected due to the restructuring and is at 2,35,51,081 equity shares amounting to 61.01% of the equity share capital.

Directors and Key Managerial Personnel

During FY17 there was no change in the Directors. Mr. S.Giridhari, Chief Financial Officer of the Company attained Superannuation and Mr. R. Sureshkumar was appointed as the Chief Financial Officer of the Company with effect from 1st December, 2016 in the Board meeting held on 25th November, 2016.

Board Evaluation and Familiarization

The Company's Board has established a formal annual evaluation framework for measuring the performance of itself, the individual Directors and the Board level Committees. The evaluation framework envisages a three stage evaluation process wherein the Independent Directors, Nomination and Remuneration Committee and the Board are involved. During FY17, the annual evaluation process was kick started at the meeting of Independent Directors held on 9th February, 2017. Thereafter, the Nomination and Remuneration Committee and the Board completed the annual evaluation process at their respective meetings held on 30th May, 2017.

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

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

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

Meetings of the Board

The meetings of the Board are scheduled at regular intervals to decide and discuss on business performance, policies, strategies and other matters of significance. The Board of Directors of the Company met four times during the financial year on 24th May 2016, 12th August 2016, 25th November, 2016 and 10th February 2017. Further details of Board and Committee Meetings and attendance thereon are provided in the Corporate Governance Report, which is annexed to and forms part of this Report.

Policy on Directors' Appointment and Remuneration

As on 31st March, 2017, the Board consists of 8 (eight) members, of which 4 (four) are Independent non-executive directors and 4 (four) are non-executive directors. The policy of the Company on Director's appointment and remuneration, including criteria for determining qualifications, independence and other matters as provided under subsection (3) of Section 178 of the Companies Act, 2013 and the details of employees as per Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to and forms part of this Report.

Corporate Social Responsibility

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

During FY17, the CSR initiatives of the Company was primarily carried out through the registered Trust established by the KCT Group under the name and style of 'KCT Group Trust'. Many exciting and beneficial CSR programs were launched under the aegis of KCT Group Trust with far reaching societal implications.

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

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

Energy, Technology Absorption and Foreign Exchange

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

Extract of Annual Return

In accordance with section 134(3) (a) of the Act, the extract of the Annual Return in Form MGT-9 is annexed to and forms part of this report.

Related Party Transactions

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

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

Details of transactions with PFL were submitted with the Stock Exchange on Quarterly basis along with the Quarterly report on Compliance with Corporate Governance. The Company had also taken approval of the shareholders on 30th September 2015 as the transactions were expected to be material in nature. However, since the Appointed Date of the Scheme of Amalgamation of PFL with the Company was 1st August, 2015 as approved by NCLT, Hyderabad, disclosure of transactions of the Company with PFL would not be necessary. There are no other transactions which are reportable under Section 13(3) (h) read with Rule 8 of the Companies (Accounts) Rules, 2014. Form AOC-2 is annexed to and forms part of this report.

Corporate Governance

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

Loans, Guarantees or Investments

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

Directors Responsibility Statement

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

a) The Financial Statements have been prepared in conformity with the applicable accounting standards and requirements of the Companies Act, 2013 ("the Act") to the extent applicable to the Company; on the historical cost convention; as a going concern and on the accrual basis. There are no material departures in the adoption of the Applicable Accounting Standard;

b) The Board of Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

c) The Board of Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) The Board of Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;

e) The Board of Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Management's Discussion and Analysis

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

Prevention of Sexual Harassment Policy

The Company's policy on prevention of sexual harassment of women provides for the protection of women employees at the workplace and for prevention and redressal of such complaints. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. There were no complaints pending for redressal at the beginning and at the end of FY17.

Whistle Blower Policy/ Vigil Mechanism

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

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

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

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

Deposits

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

Auditors

Statutory Audit

M/s Mitra Kundu & Basu, Chartered Accountants, (Firm Registration No. 302061E) the Statutory Auditors of the Company holds office till the conclusion of the ensuing thirtieth Annual General Meeting of the Company and are liable for mandatory rotation in terms of the provisions of Section 139 and the Rules thereunder of the Companies Act, 2013. Accordingly, the Audit Committee of the Board of Directors of the Company had, at its meeting held on 29th November 2017, recommended the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) as the Statutory Auditors of the Company. Hence, the Board recommends for approval of the shareholders, the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/ W-100018) as the Statutory Auditors of the Company to hold office from the conclusion of the thirtieth Annual General Meeting for a period of 5 (five) consecutive years, i.e. till the conclusion of the thirty fifith Annual General Meeting of the Company.

Further, the report of the Statutory Auditors for FY17 is given along with the Financial Statements which is annexed to and forms part of this report. The said report has a matter of emphasis, which does not require any explanation from the Directors.

The unmerged financial statements of the Company for the year ended 31st March, 2017 were earlier approved by the Board of Directors at its meeting held on 30th May, 2017. Those unmerged financial statements have been updated by the Company so as to give effect to the scheme of amalgamation approved by the NCLT, Hyderabad vide its order dated 14th November, 2017, filed by the Company with the Registrar of Companies on 27th November, 2017, with effect from appointed date, i.e 1st August, 2015. As a result, fresh audit report has been issued on the merged financial statements.

Secretarial Audit

As required under Section 204 of the Companies Act, 2013 and Rules thereunder, the Board had appointed M/s. ARUB & Associates, Practising Company Secretaries, as secretarial auditor of the Company for FY17. The report of the said Secretarial Auditor for FY17 is annexed to and forms part of this report.

The Secretarial Auditors had remarked about the following in their report for FY17, for which the Directors' explanation is also set out against the following remark.

The Company had not complied with the requirements of Andhra Pradesh Compulsory Gratuity Insurance Rules, 2011. The Board would like to clarify to the Shareholders that the Company had been providing Gratuity to its employees as per the provisions of the Payment of Gratuity Act, 1972. As clarified by the Secretarial Auditor in his report, the Company had complied with the provisions of Andhra Pradesh Compulsory Gratuity Insurance Rules, 2011 in FY18.

Risk Management

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

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

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

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

Towards inculcating a strong Risk Management culture, the Company had constituted an Executive Committee on Risk Management comprising of Senior executives to periodically review the risk profile and to fine tune the Risk Management initiatives. To add to it, a strong and independent Internal Audit function carries out risk focused audits across the Company and enables identification of areas where the processes may need to be improved to mitigate the risks. A separate note covering the various aspects of the Financial Risk management objectives and policies for hedging these risks are given in the notes to accounts

Internal Financial Control Framework

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

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

Significant and Material Orders passed by the Regulators

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

Acknowledgement

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

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

For and on behalf of the Board of Directors

Varun Aditya Thapar	**Anil Kumar Bhandari**
Director	Director

Delhi, 29th November, 2017

Annexure to Directors' Report

Annexure – A

Nomination and Remuneration Policy and Remuneration Details

A. Nomination and Remuneration Policy

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

The following are the salient features of the Policy:

Objective:

The objective of the policy is to ensure that:

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

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

a) The NRC shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and Key Managerial Personnel and recommend his / her appointment, as per the Company's Policy. Similarly, for appointments to Senior Management, the person to be recruited shall have the qualification requisite for the role and should be one of integrity and expertise.

b) The NRC has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.

c) The NRC shall ensure that the person to be appointed as Director/ Managing Director/ Whole-Time Director does not suffer from any disqualification stipulated and also possesses all the qualifications stipulated under the Companies Act, 2013. Wherever required, any such appointment shall be made with the requisite approval of the Central Government.

d) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that, the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

e) Each Executive Director will enter into a contract with the Company clearly setting out the terms and conditions and the remuneration package for that person. The contract will set out the expectations for the performance of the role and criteria for assessment. The NRC and the Board must approve all such contracts.

f) Independent Directors shall be issued a letter of appointment containing the terms and conditions of appointment, expectations from them and the benefits available for such Independent Directors. The appointment letter shall be approved by the NRC and the Board before it is issued to Independent Directors.

g) Key Managerial and Senior Management Personnel (both contractual & permanent) will be issued a Letter of Appointment clearly setting out the terms and conditions and the remuneration package. This appointment will be accompanied with a detailed Job Description stating the Key Responsibility Areas (KRAs) of that respective person. The Executive Director or Chief Executive Officer must approve such appointment letter and the same will be governed by the HR policy.

Term / Tenure:

a) Managing Director/Whole-time Director:

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

b) Independent Director:

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

ii) No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

iii) Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

iv) At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

v) The continuation of the term of an Independent Director is subject to the outcome of the annual evaluation process of the Director.

c) Key Managerial and Senior Management Personnel:

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

Evaluation:

i) The NRC shall carry out evaluation of performance of Directors at yearly intervals or at such intervals as may be considered necessary. This shall include evaluation of Independent Directors.

ii) The NRC shall recommend the performance evaluation criteria for Board approval. The evaluation criteria shall comprise the framework of evaluation applicable for Directors (including the Chairman and Independent Directors), the Board as a whole and various Committees of Directors.

iii) The NRC shall also lay down the evaluation parameters (KRA's) of Key Managerial and Senior Management Personnel. These parameters shall be suitably incorporated in the Performance evaluation framework applicable to Key Managerial and Senior Management Personnel who shall be subject to annual evaluation process based on these parameters.

iv) A report on annual performance evaluation of the Key Managerial and Senior Management Personnel shall be placed before the NRC for suitable recommendations to the Board, if needed.

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

1) Remuneration to Managing Director / Whole-time Directors:

a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per the provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

b) The NRC shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

c) The Board in consultation with the NRC will from time to time determine the fixed remuneration level for Managing/ Whole-time Directors. Such remuneration levels will be determined according to industry standards, market conditions and scale of the Company's business relating to the position.

d) The Board in consultation with the NRC may determine incentive designed to create a strong relationship between performance and remuneration. However, such remuneration shall be within the limits specified by the Act and approval of shareholders.

e) Termination benefits shall be as per the terms specified in the Contract.

2) Remuneration to Non- Executive / Independent Directors:

a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of the Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the NRC and approved by the Board of Directors.

b) The remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the NRC and approved by the Board of Directors or shareholders, as the case may be.

c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above, if the following conditions are satisfied:

i) The services are rendered by such Director in his capacity as the professional; and

ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

e) The Board in consultation with the NRC will from time to time determine the Commission payable to Non-Executive Directors. Such Commission shall be within the limits specified by the Act/ approved by Shareholders. The actual commission will be determined according to industry standards, relevant laws and regulations, labour market conditions and scale of the Company's business relating to the position.

3) Remuneration to Key Managerial and Senior Management Personnel:

a) The remuneration to Key Managerial and Senior Management Personnel shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

b) The fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from 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, 2017:

(in ₹)

Particulars	Title	Commission	Sitting Fee
Mr. Vikramaditya Mohan Thapar	Non-Executive Chairman	2,44,721	1,05,000
Mr. Anil Kumar Bhandari	Independent Director	2,44,721	1,30,000
Mrs. Jyoti Thapar	Non-Executive Director	2,44,721	50,000
Mr. Rahul Kapur	Non-Executive Director	2,44,721	25,000
Lt. Gen Deepak Summanwar	Independent Director	2,44,721	1,70,000
Mr. Varun Aditya Thapar	Non-Executive Director	2,44,721	90,000
Mr. Nakul Kamani	Independent Director	2,44,721	1,70,000
Mr. Ranjit Mehta	Independent Director	2,44,721	1,70,000
Total		**19,57,768**	**9,10,000**

Note: During the year, at the meeting held on 24th May, 2016, the Board had, based on the recommendations of the Nomination and Remuneration Committee, approved increasing the sitting fee paid to Directors – for Board meeting it was increased from ₹ 15,000 to ₹ 25,000 and for Audit Committee it was increased from ₹ 10,000 to ₹ 15,000.

- Remuneration for FY17 for KMPs is given as a part of MGT-9 (Extract of Annual Return).
- Other details as required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sl. No.	Requirements	Details	Ratio X times /%
1	Ratio of remuneration of each Director to the median remuneration of employees	Ratio of Commission paid to the Directors in relation to median remuneration of employees	5.79X
2	Percentage increase in remuneration of Director and KMP during the financial year	Commission to Directors Chief Executive Officer Chief Financial Officer Company Secretary	911.95% 0.70% 35.39% (2.57)%

Sl. No.	Requirements	Details	Ratio X times /%
3	Percentage increase / (decrease) in median remuneration of employees in the financial year	The median remuneration of employees increased from ₹ 3,02,116 to ₹ 3,37,949 representing an increase of 11.86%. While computing the increase in median remuneration, employees as at 31st March, 2017 and as at 31st March, 2016 was considered.	
4	Number of permanent employees on the rolls of the Company	There were 258 permanent employees on the rolls of the Company as on 31st March, 2017.	
5	Average percentile increase in salaries of employees other than managerial personnel and its comparison with the percentile increase in managerial remuneration and justification thereof	The average increase in employee remuneration other than Key Managerial Personnel was 20.68% and for Key Managerial Personnel it was 9.81%. The increase in Key Managerial Remuneration is in line with the measures to attract and retain the best talent. The Company also uses a mix of fixed and variable based compensation on a mid-to-long term basis to align senior management compensation to enhancing shareholder values.	

Notes:-

1. The Remuneration Details of Directors, Key Managerial Personnel and other employees of PFL (which is merged with the Company) have been included in previous year's remuneration details to have an equitable comparison of figures with the current year's figures which is also considered on merged basis.
2. The Company pays a Commission of 1% on the Net Profits to the Directors as approved by the Shareholders. The percentage increase in Commission paid to Directors was higher in the current year because of lower commission paid last year arising out of impact due to extraordinary items.
3. Sitting fee was not considered as part of remuneration.
4. During the Year Mr. S. Giridhari, Chief Financial Officer attained superannuation on 30th November, 2016 and Mr. R. Sureshkumar was appointed as the Chief Financial Officer of the Company with effect from 1st December, 2016.
5. We hereby affirm that the remuneration paid to Directors and Key Managerial Personnel are in line with the Nomination and Remuneration Policy of the Company.

- Information in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sl. No.	Employee Name	Designation in the Company	Qualification	Age (in Years)	Previous Employer	Total Experience (in Years)	Designation at Previous Employment	Date of joining	Remuneration for year ended 31st March, 2017 (₹ in lakhs)
1	Ramakanth V. Akula	CEO	MBA, PGCBM	49	Nippon Paint India Pvt Ltd	27 Years	President	1st August, 2014	149.34

For and on behalf of the Board of Directors

Delhi, 29th November, 2017

Varun Aditya Thapar
Director

Anil Kumar Bhandari
Director

Annexure – B

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

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

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

i) Eradicating hunger, poverty and malnutrition, promoting health care (including preventive healthcare) and sanitation, including contribution to the Swach Bharat Kosh set up by Central Government for the promotion of sanitation and making available safe drinking water;

ii) Promoting education including special education and employment, enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;

iii) Promoting gender equality, empowerment of women, set up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintain or assist in maintenance of quality of soil, air and water including contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga;

v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;

vi) Measures for the benefit of armed forces veterans, war widows and their dependents;

vii) Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;

viii) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

ix) Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;

x) Rural development projects; and

xi) Slum area development.

A. Outline of the CSR Policy of the Company:

1) The Company is committed to the following principles with regard to CSR:-

   a) Synergizing the long term value creation for the shareholders with creation of societal capital for seamless integration of the enterprise with the society at large.

   b) To integrate CSR programmes with the Company's business and endeavour to implement the Social Investments/CSR programmes.

   c) Integrating economic progress, social responsibility and environmental concerns (Triple Bottom Line accountability) with the objective of improving quality of life.

   d) Ensuring inclusive and sustainable socio-economic development of the underprivileged/needy/deserving communities through the means of primary and higher education, eradication of poverty, elimination of hunger, supporting research & development work in the field of cancer, eye care, building of medical-care capacity, rural development projects and such other initiatives.

   e) Supporting and promoting the cause of all kind of sports and physical health education.

   f) Promoting the cause of environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agro-forestry, conservation of forest & natural resources, maintaining quality of soil, air and water.

   g) Promoting gender equality, empowering of women economically and such other initiatives.

   h) Encouraging the development of human capital through skills development, vocational training etc. and contributing to the happiness index of the community by promoting livelihood enhancement projects.

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

2) Focus Areas of the Policy:

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

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

C. CSR Computation:

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

(in ₹)

Net Profits as per Section 198 of the Companies Act, 2013	Amount
Financial Year 2015-16	1,89,69,779
Financial Year 2014-15	30,36,87,334
Financial Year 2013-14	20,68,55,869
Total	52,95,12,982
Average Net profit	17,65,04,327
2% on the Average Net Profit (Amount to be contributed towards CSR Activities)	35,30,087
Amount Spent during financial year 2016-17	35,10,944
Amount unspent, if any	19,143

There is a shortfall of ₹ 19,143 /- in CSR spending due to a committed CSR expenditure which was not incurred by the Trust during the year 2016- 17. The company is taking necessary steps to spend the unspent amount in 2017-18. Similarly, there was an unspent amount of ₹ 1,14,617/- pertaining to the year 2015-16 against which ₹ 1,14,770/- was spent during the year directly by contributing towards the project of furnishing three primary schools located at Anantapuram, Varakavipudi & Pynapuram villages in Nellore and towards an education project in Kalighat Morning Club.

D. Details of contribution towards CSR Activities:

Contributions made for the year 2015-16

(in ₹)

Sl. No.	CSR project or program name	Sector in which the project was covered	Amount spent directly or through external agency	Location of project or program	Amount of outlay (Project/ Program wise)	Amount spent on the Project/ Program	Cumulative expenditure up to reporting period
1	Furnishing of three primary schools located at Anantapuram, Varakavipudi and Pynapuram villages - Nellore, Andhra Pradesh	Promotion of Education, including special education and employment enhancing vocation skills	Directly	Nellore	77,270	77,270	77,270
2	Kalighat Morning Club - Sponsorship of Vocational Skills training.	Promotion of Education, including special education and employment enhancing vocation skills	Directly	Kolkata	37,500	37,500	37,500
	TOTAL						**1,14,770**

Contributions made for the year 2016 – 17

(in ₹)

Sl. No.	CSR project or program name	Sector in which the project was covered	Amount spent directly or through external agency	Location of project or program	Amount of outlay (Project/ Program wise)	Amount spent on the Project/ Program	Cumulative expenditure up to reporting period
1	Kashvi Learning Centre - Education Project for School Dropouts	Promotion of education including learning center for secondary education and holistic life skills among adolescent girls.	Through KCT Group Trust (Youth Invest foundation)	Ranchi	19,85,400	19,85,400	19,85,400
2	Enrico Peprino Tennis Trust - Sponsorship for promotion of sports.	Training & Promotion of Olympic sports – Tennis	Through KCT Group Trust	Kolkata	3,00,000	3,00,000	3,00,000

Sl. No.	CSR project or program name	Sector in which the project was covered	Amount spent directly or through external agency	Location of project or program	Amount of outlay (Project/ Program wise)	Amount spent on the Project/ Program	Cumulative expenditure up to reporting period
3	Kalighat Morning Club - Sponsorship of Vocational Skills training.	Promotion of education, including special education and employment enhancing vocation skills	Through KCT Group Trust	Kolkata	60,000	60,000	60,000
4	Kissan Vikas Trust - Sponsorship for vocation skills training and women empowerment.	Promotion of education, including special education and employment enhancing vocation skills	Through KCT Group Trust	Bihar	10,00,000	10,00,000	10,00,000
5	Andhra Association High School - Sponsorship of Water cooler for providing drinking water facility.	Environment, Sanitation & Drinking water provision	Through KCT Group Trust	Kolkata	87,050	87,050	87,050
6	Administrative Expenses	–	–	–	–	–	78,494
	TOTAL						**35,10,944**

A sum of ₹ 78,494/- was contributed towards administrative cost of KCT Group Trust, which includes office expenses of KCT Group Trust like travel, stationery, postal services and printing expenses

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

For and on behalf of the Board of Directors

Delhi, 29th November, 2017	**Ramakanth V. Akula** Chief Executive Officer	**Varun Aditya Thapar** Director	**Ranjit Mehta** Director

Annexure – C

Energy, Technology Absorption and Foreign Exchange

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

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

A. Conservation of Energy

a) The Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.

b) The Company has taken actions leading to energy conservation on fuel & power and has also taken efforts on reduction of average cost of fuel & power per ton of production. However, no specific investment has been made in reduction in energy consumption.

c) Further, to enhance conservation & reduction towards carbon emission, company is working on sourcing of renewable energy from reliable sources. As the impact of measures taken for conservation and optimum utilization are not quantitative, its impact on cost cannot be quantified.

B. Technology Absorption

a) The Company continuously interacts with international experts on Shrimp feed nutrition, water quality management and development of specialized feed ingredients. The company also works closely with reputed institutes who are involved in Aqua Feed Nutrition Research. All the Research & Development (R&D) activities are carried out in-house in collaboration with such experts/ institutes.

b) The Company has done extensive Research on replacements for ingredients that are being depleted year on year, the important being fishmeal and fish oil. The Company has put in efforts to find alternate ingredients to replace them in association with internationally reputed research firms and the results have been so far encouraging as the company has reduced the fishmeal consumption substantially from 156 kg/ton of feed to 120 kg/ton of feed during FY17. On absolute cost terms, the value of savings achieved due to this is around ₹ 10 crores.

c) The Company constantly works on its feed formulation and improves it so that the feeds travel beyond meeting nutritional requirements. The benefits arising out of the R&D are as below:

– Improving Feed Conversion Ratio (FCR)

– Reducing visceral waste & improving yield

– Reducing environmental output (pond conditions)

– Optimizing digestible nutrient levels (maintaining performance)

– Reducing impact of infections on productivity

– Reducing the probability of Bacterial/ Viral infections and Parasitic infestations

d) The expenditure incurred during the year under review towards Research & Development is as follows:

1. Revenue expenses – ₹ 26.13 lakhs

2. Capital Expenses - NIL

C. Foreign Exchange Earnings and Outgo

(₹ in Lakhs)

Particulars	2016-17	2015-16
Earnings in Foreign Exchange	2,476.99	1,164.35
Foreign Exchange Outgo	2,218.19	883.64

For and on behalf of the Board of Directors

Varun Aditya Thapar	**Anil Kumar Bhandari**
Director	Director

Delhi, 29th November, 2017

Annexure – D

Extract of Annual Return

Form No. MGT-9

As on financial year ended on 31.03.2017

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

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Manufacture of prepared animal feeds (Manufacture of/ Trading in Shrimp feed)	10809	92.02%

III. Particulars of Holding, Subsidiary and Associate Companies

S. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	%of Shares Held	Applicable Section
1.	Navsrijit Shakti Telangana Private Limited	3rd Floor Plot No. 715A Jublee Hills Hyderabad Telengana 500033	U74900TG2015PTC100196	Holding	56.82%	2 (46)

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

A. Category-wise Share Holding

S. No.	Category of Shareholder	No. of shares held at the beginning of the year (01-Apr-2016)				No. of shares held at the end of the year (31-Mar-2017)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Shareholding of Promoter and Promoter Group**									
1	**Indian**									
a.	Individuals/Hindu Undivided Family	4,00,800	0	4,00,800	1.04	4,00,800	0	4,00,800	1.04	0
b.	Central Government/ State Government(S)	0	0	0	0	0	0	0	0	0
c.	Bodies Corporate	1,98,38,747	0	1,98,38,747	51.39	2,31,50,281	0	2,31,50,281	59.97	8.58
d.	Financial Institutions/ Banks	0	0	0	0	0	0	0	0	0
e.	Any Other									
	Sub - Total (A)(1)	**2,02,39,547**	**0**	**2,02,39,547**	**52.43**	**2,35,51,081**	**0**	**2,35,51,081**	**61.01**	**8.58**
2	**Foreign**									
a.	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0	0	0	0	0
b.	Bodies Corporate	0	0	0	0	0	0	0	0	0
c.	Institutions	0	0	0	0	0	0	0	0	0
d.	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
e.	Any Other	0	0	0	0	0	0	0	0	0
	Sub - Total (A)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Total Share Holding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	**2,02,39,547**	**0**	**2,02,39,547**	**52.43**	**2,35,51,081**	**0**	**2,35,51,081**	**61.01**	**8.58**
B.	**Public Shareholding**									
1	**Institutions**									
a.	Mutual Funds/UTI	0	7,000	7,000	0.02	0	7,000	7,000	0.02	0
b.	Financial Institutions/ Banks	0	434	434	0	0	434	434	0	0
c.	Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0
d.	Venture Capital Funds	0	0	0	0	0	0	0	0	0
e.	Insurance Companies	0	0	0	0	0	0	0	0	0
f.	Foreign Institutional investors	2,626	1,600	4,226	0.01	0	1,600	1,600	0	-0.01
g.	Foreign Venture capital investors	0	0	0	0	0	0	0	0	0
h.	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0

S. No.	Category of Shareholder	No. of shares held at the beginning of the year (01-Apr-2016)				No. of shares held at the end of the year (31-Mar-2017)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i.	Any Other									
	Foreign Portfolio Investor	6,08,000	0	6,08,000	1.57	6,08,000	0	6,08,000	1.57	0
	Sub - Total (B)(1)	**6,10,626**	**9,034**	**6,19,660**	**1.6**	**6,08,000**	**9,034**	**6,17,034**	**1.59**	**-0.01**
2	**Non-Institutions**									
a.	Bodies Corporate	9,75,374	1,03,200	10,78,574	2.79	10,32,604	1,03,100	11,35,704	2.94	0.15
b.	Individuals -									
	I. Individual Shareholders Holding Nominal Share Capital upto ₹ 2 Lakhs	70,15,608	19,20,246	89,35,854	23.15	72,83,580	18,52,888	91,36,468	23.67	0.52
	II. Individual Shareholders Holding Nominal Share Capital in excess of ₹ 2 Lakhs	22,25,757	50,000	22,75,757	5.9	17,41,371	50,000	17,91,371	4.64	-1.26
c.	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
d.	Any Other									
	Clearing Members	3,15,776	0	3,15,776	0.82	57,211	0	57,211	0.15	-0.67
	Directors And Their Relatives	0	0	0	0	0	0	0	0	0
	Hindu Undivided Families	3,39,286	0	3,39,286	0.88	5,03,118	0	5,03,118	1.3	0.42
	Non Resident Indians	10,51,396	5,02,000	15,53,396	4.02	10,01,852	8,000	10,09,852	2.62	-1.4
	Overseas Corporate Bodies	0	32,45,400	32,45,400	8.41	0	7,70,400	7,70,400	2.00	-6.41
	Trusts	0	0	0	0	0	0	31,011	0.08	0.08
	Any Other (Total)	17,06,458	37,47,400	54,53,858	14.13	15,62,181	7,78,400	23,71,592	6.15	-7.98
	Sub - Total (B)(2)	**1,19,23,197**	**58,20,846**	**1,77,44,043**	**45.97**	**1,16,19,736**	**27,84,388**	**1,44,35,135**	**37.4**	**-8.57**
	Total Public Shareholding (B) = (B)(1)+(B)(2)	**1,25,33,823**	**58,29,880**	**1,83,63,703**	**47.57**	**1,22,27,736**	**27,93,422**	**1,50,52,169**	**38.99**	**-8.58**
	Total (A)+(B)	**3,27,73,370**	**58,29,880**	**3,86,03,250**	**100**	**3,57,78,817**	**27,93,422**	**3,86,03,250**	**100**	**0**
C.	**Shares Held By Custodians And Against Which Depository Receipts Have Been Issued**									
	Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
	Public	0	0	0	0	0	0	0	0	0
	Total Custodian (C)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Grand Total (A)+(B)+(C)	**3,27,73,370**	**58,29,880**	**3,86,03,250**	**100**	**3,57,78,817**	**27,93,422**	**3,86,03,250**	**100**	**0**

Note 1:

As per the Shareholding Pattern dated 31st March, 2016 filed with the stock exchange the holding of KCT in the Company was 1,80,10,541 shares amounting to 46.66% of the Company's equity share capital. Subsequently, KCT, on 28th, 30th and 31st March, 2016, had acquired a total of 19,10,500 shares in tranches amounting to 4.94% of the Company's equity share capital. These shares were in the process of getting transferred in the name of KCT as on 31st March, 2016 and hence were not reflected in the Shareholding Pattern dated 31st March, 2016 as part of its holdings. Including those shares, the holding of KCT was 1,99,21,041 shares amounting to 51.60% of the Company's equity share capital.

Note 2:

During FY17, KCT had acquired 14,01,034 shares on various dates from the market leading to an increase in its shareholding by 3.63%. Further, the shares held by Indian City Properties Limited, The Dhobha Industrial and Trading Company Private Limited, The Punjab Business and Supply Company Private Limited and Karam Chand Thapar & Bros (Jammu and Kashmir) Private Limited, all of which are Promoter Group Companies, amounting to 6,12,470 shares (1.59% of the equity share capital) were transferred to KCT on 3rd February, 2017. Subsequently all the shares held by KCT i.e 2,19,34,545 amounting to 56.82% of the equity share capital was transferred to Nav Srijit Shakti Telangana Private Limited (which is controlled by the same set of shareholders as KCT and is part of the Promoter Group of the Company) on 24th March, 2017.

B. Share Holding of Promoters

S. No.	Shareholder's Namet	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
Promoter & Promoter Group								
1	Mr. Vikramaditya Mohan Thapar	53,750	0.14	0	53,750	0.14	0	0
2	Karam Chand Thapar & Bros (Coal Sales) Ltd	1,99,21,041	51.60	0	0	0	0	-51.60
3	Nav Srijit Shakti Telangana Private Limtied	0	0	0	2,19,34,545	56.82	0	56.82
4	Mrs. Jyoti Thapar	73,500	0.19	0	73,500	0.19	0	0
5	Ms. Ayesha Thapar	51,875	0.13	0	51,875	0.13	0	0
6	Ms. Nitasha Thapar	51,875	0.13	0	51,875	0.13	0	0
7	Mr. Varun Aditya Thapar	1,69,800	0.44	0	1,69,800	0.44	0	0
8	Indian City Properties Ltd	3,82,470	0.99	0	0	0	0	-0.99
9	The Doaba Industrial And Trading Company Private Limited	1,80,000	0.47	0	0	0	0	-0.47
10	The Punjab Business and Supply Company Private Limited	30,000	0.08	0	0	0	0	-0.08
11	Karam Chand Thapar & Bros (Jammu And Kashmir) Pvt Ltd	20,000	0.05	0	0	0	0	-0.05
12	Towerbase Services Pvt Ltd*	12,15,736	3.15	0	12,15,736	3.15	0	0

* The name of the company has now been changed to KCT Management Services Private Limited.

C. Change in Promoters' Shareholding

A) Karam Chand Thapar & Bros. (Coal Sales) Limited

S. No.	Particulars	No. of Shares	% of total shares of the company
1	At the beginning of the year	1,99,21,041	51.6
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):	Number of shares acquired	20,13,504
		Dates of acquisition	27/05/2016 - 4,448 05/07/2016 - 13,55,000 03/02/2017 - 6,12,470 15/03/2017 - 41,586
		Reason	Creeping Acquisition of shares by the Promoter
		No of shares Disposed	2,19,34,545
		Date of Disposal	24/03/2017 - 2,19,34,545
		Reason	The entire shareholding of KCT i.e. 2,19,34,545 equity shares were transferred to Nav Srijit Shakti Telangana Private Limited as part of restructuring of Promoter Group shareholding
3	At the end of the year	Nil	Nil

B) Nav Srijit Shakti Telangana Private Limited

S. No.	Particulars	No. of Shares	% of total shares of the company
1	At the beginning of the year	Nil	Nil
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):	Number of share acquired Date of Acquisition	2,19,34,545 24/03/2017 - 2,19,34,545
		Reasons	Transfer of shares from KCT as part of promoter group restructuring.
3	At the end of the year	2,19,34,545	56.82

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

S. No.	Name of the Share holder	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Dje-Agrar & Ernaehrung	6,08,000	1.58	6,08,000	1.58
2	Nead Trading & Investments Limited	5,20,000	1.35	5,20,000	1.35
3	Nishita Kirit Shah	5,62,592	1.46	4,90,171	1.27
4	Lincoln P Coelho	3,01,000	0.78	3,01,000	0.78
5	Rajasthan Global Securities Private Limited	0	0.00	2,61,543	0.68
6	Flash Rise Limited	2,47,000	0.64	2,47,000	0.64
7	Shekhar R Athalye	66,859	0.17	1,73,289	0.45
8	Amit Dattaram Parab	80,106	0.21	1,30,000	0.34
9	Manoj Kumar Dawar	1,02,169	0.26	1,03,059	0.27
10	Rinku Singh Saluja	37,130	0.10	78,755	0.20

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

E. **Shareholding of Directors and Key Managerial Personnel**

S. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Ramakanth V. Akula	0	0	5	0
2	S. Giridhari	625	0.0016	625	0.0016
3	R. Sureshkumar	0	0	0	0
4	G. Venkatram	0	0	5	0

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

V. Indebtedness - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(in ₹ Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5,290.02	-	-	5,290.02
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	5,290.02	-	-	5,290.02
Change in Indebtedness during the financial year				
* Addition	1,310.05	-	-	1,310.05
* Reduction	-	-	-	-
Net Change	1,310.05	-	-	1,310.05
Indebtedness at the end of the financial year				
i) Principal Amount	6,600.07	-	-	6,600.07
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**6,600.07**	**-**	**-**	**6,600.07**

VI. Remuneration of Directors and Key Managerial Personnel-

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

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

- Remuneration to other Directors for the year 2016-17:

(in ₹)

S. No.	Particulars of Remuneration	Name of Directors							
		Vikramaditya Mohan Thapar	Jyoti Thapar	Varun Aditya Thapar	Nakul Kamani	Lt. Gen. Deepak Summanwar	Anil Kumar Bhandari	Ranjit Mehta	Rahul Kapur
1	Independent Directors								

S. No.	Particulars of Remuneration	Name of Directors							
		Vikramaditya Mohan Thapar	Jyoti Thapar	Varun Aditya Thapar	Nakul Kamani	Lt. Gen. Deepak Summanwar	Anil Kumar Bhandari	Ranjit Mehta	Rahul Kapur
	Fee for attending board committee meetings	-	-	-	1,70,000	1,70,000	1,30,000	1,70,000	-
	Commission	-	-	-	2,44,721	2,44,721	2,44,721	2,44,721	-
	Others, please specify	-	-	-	-	-	-	-	-
	Total (1)	-	-	-	4,14,721	4,14,721	3,74,721	4,14,721	-
2	Other Non-Executive Directors								
	Fee for attending board committee meetings	1,05,000	50,000	90,000	-	-	-	-	25,000
	Commission	2,44,721	2,44,721	2,44,721	-	-	-	-	2,44,721
	Others, please specify	-	-	-	-	-	-	-	-
	Total (2)	3,49,721	2,94,721	3,34,721	-	-	-	-	2,69,721
	Total (B)=(1+2)	3,49,721	2,94,721	3,34,721	4,14,721	4,14,721	3,74,721	4,14,721	2,69,721
	Total Managerial Remuneration								28,67,768
	Overall Ceiling as per the Act (including the sitting fee which does not form part of remuneration)								28,67,768

- Remuneration to Key Managerial Personnel Other than MD/Manager/WTD for the year 2016-17: (in ₹)

S. No.	Particulars of Remuneration	Key Managerial Personnel				
		Mr. Ramakanth V Akula (CEO)	Mr. G. Venkatram (CS)	Mr. S. Giridhari	Mr. R. Sureshkumar (CFO)	Total
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,30,38,765	16,47,643	53,12,099	17,58,277	2,17,56,784
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-		-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-		-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	18,96,026	-	-	-	-
	Others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total	1,49,34,791	16,47,643	53,12,099	17,58,277	2,17,56,784

Note: During the Year Mr. S.Giridhari attained superannuation on 30th November, 2016 and Mr. R.Sureshkumar was appointed as the Chief Financial Officer of the company with effect from 1st December, 2016.

VII. Penalties / Punishment/ Compounding of Offences:

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

For and on behalf of the Board of Directors

Varun Aditya Thapar
Director

Anil Kumar Bhandari
Director

Delhi, 29th November, 2017

Annexure – E

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

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

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2017, which were not at arm's length basis.

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

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

Name of the Related Party	Nature of Relationship	Duration of Contract/ Arrangement/ Transaction	Salient Terms of Contracts or arrangements or transaction including the value, If Any	Date of approval by the Shareholders	Amount
-Not Applicable-					

For and on behalf of the Board of Directors

Varun Aditya Thapar
Director

Anil Kumar Bhandari
Director

Delhi, 29th November, 2017

Annexure – F

Corporate Governance Report

Company's Philosophy on Corporate Governance

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

a) Emphasis on meeting long term goals and objectives rather than solely relying on short-term performance

b) Strong and diversified Board which plays active role in monitoring corporate performance, driving strategic initiatives and setting the appropriate 'tone at the top'

c) Robust and comprehensive flow of information between the Company's executive management and the Board/ its Committees to enable informed decision making

d) Strong mechanism of Director evaluation and feedback

e) Transparency in disclosure of material events and their impact

f) Robust Risk Management practices and Internal Controls framework overseen by the Board/ Audit Committee

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

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

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

Board of Directors

A. Composition and Category of Directors

As on 31st March, 2017, the Board constitutes of eight members comprising of four Non-Executive Directors (including one women Director) and four Independent Directors. The composition of the Board is in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also the provisions of the Companies Act, 2013. Mr. Vikramaditya Mohan Thapar is the Chairman of the Company. The Independent Directors on the Board are competent and highly respected persons from their respective fields.

B. Scheduling of Board Meetings and Agenda

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

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

a) Business plan/ budget and any updates thereon.

b) Capital Expenditure proposals/ budget and any updates thereon.

c) Quarterly Results.

d) Minutes of the meetings of Audit Committee and other committees of the Board.

e) The information on recruitment and remuneration of senior personnel just below the Board level, including the appointment of Chief Financial Officer and the company secretary.

f) Non – Compliance of any regulatory, statutory nature or listing requirements and shareholder's services such as delay in the share transfer etc.

g) Show cause, demand prosecution notices and penalty notices which are materially important.

h) Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.

i) Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.

j) Significant labor problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.

k) Risk assessment and minimization procedures and periodical review of the Risk Management framework.

l) Confirmation on adherence to the Company's Code of Conduct & Business Ethics.

m) General notice of interest of Directors.

n) Terms of reference of Board Committees.

o) Any material events that would impact the performance of the company.

During FY17, the Board of Directors met four times on 24th May 2016, 12th August 2016, 25th November, 2016 and 10th February, 2017. The composition of the Board of Directors and their attendance at the Board meetings during the year and at the last Annual General Meeting together with the number of other directorships are given below:

S. No.	Name of the Director	No. of Board meetings attended	Attendance at the last AGM	Director Identification Number	Directorship in other Companies*
	Non-Executive Directors				
1.	Mr. Vikramaditya Mohan Thapar	3	Yes	00030967	8
2.	Mrs. Jyoti Thapar	2	No	00031035	3
3.	Mr. Varun Aditya Thapar	4	Yes	02322660	9
4.	Mr. Rahul Kapur	1	No	00020624	7
	Independent Directors				
5.	Lt. Gen. Deepak Summanwar	4	Yes	02017830	1
6.	Mr. Nakul Kamani	4	No	00891344	4
7.	Mr. Anil Kumar Bhandari	3	Yes	00031194	5
8.	Mr. Ranjit Mehta	4	No	03172264	1

*Includes private limited companies

C. Detail of Directorship in other Companies:

The details of Directorships of the Company's Directors in other companies as on 31st March, 2017 is given below:

Name of the Director	Directorship in other Companies
Mr. Vikramaditya Mohan Thapar	Karam Chand Thapar & Bros (Coal Sales) Limited The Silkbase Company Limited Indian City Properties Limited Thapar Infra Construction India Limited Bharat Westfalia Engineering Limited KCT Holdings Private Limited Barbus Fudiciary Services Private Limited Indicon Westfalia Limited
Mrs. Jyoti Thapar	Gourmet Delhicatessens Limited Towerbase Services Private Limited* Dharma Trustee Private Limited
Mr. Varun Aditya Thapar	Karam Chand Thapar & Bros (Coal Sales) Limited Indian City Properties Limited Handy - Waterbase India Private Limited Indicon Westfalia Limited Thapar Infra Construction India Limited Bharat Westfalia Engineering Limited Honeybird Realcon Private Limited KCT Holdings Private Limited Piano Forte Fiduciary Services Private Limited

Name of the Director	Directorship in other Companies
Mr. Rahul Kapur	Immunetic Lifesciences Private Limited PML Mercantile Limited JMK Mercantile Limited Keggfarms Private Limited Indovax Private Limited Avitech Nutrition Private Limited Avitech Trading Private Limited
Lt. Gen. Deepak Summanwar	Peninsula Land Limited
Mr. Nakul Kamani	Steel City Press Limited Samarth Engineering Co Private Limited Rushabh Investments Private Limited Sparx Technologies Private Limited
Mr. Anil Kumar Bhandari	Kirloskar Electric Company Limited Bhoruka Park Private Limited Karnataka Coffee Brokers Private Limited Sporturf Construction (India) Private Limited Pinnae Feeds Limited
Mr. Ranjit Mehta	Pinnae Feeds Limited

* The name of the company has now been changed to KCT Management Services Private Limited.

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

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

S. No.	Name of the Director	Name of the Indian Public Limited Company	Name of the Committee	Member/ Chairman
1.	Mr. Vikramaditya Mohan Thapar	Karam Chand Thapar & Bros. (Coal Sales) Ltd	Share Transfer & Investor Grievance Committee	Member
		Karam Chand Thapar & Bros. (Coal Sales) Ltd	Corporate Social Responsibility Committee	Member
		Karam Chand Thapar & Bros. (Coal Sales) Ltd	Nomination and Remuneration Committee	Member
		Indian City Properties Limited	Corporate Social Responsibility Committee	Member
		Indian City Properties Limited	Nomination and Remuneration Committee	Member
		Indicon Enterprises Limited	Audit Committee	Member
2.	Mrs. Jyoti Thapar	NIL	NIL	NIL
3.	Mr. Varun Aditya Thapar	Karam Chand Thapar & Bros. (Coal Sales) Ltd	Share Transfer & Investor Grievance Committee	Member
		Karam Chand Thapar & Bros. (Coal Sales) Ltd	Audit Committee	Member
		Karam Chand Thapar & Bros. (Coal Sales) Ltd	Corporate Social Responsibility Committee	Member
		Indian City Properties Limited	Audit Committee	Member
		Indian City Properties Limited	Corporate Social Responsibility Committee	Member

S. No.	Name of the Director	Name of the Indian Public Limited Company	Name of the Committee	Member/ Chairman
4.	Mr. Rahul Kapur	NIL	NIL	NIL
5.	Lt. Gen. Deepak Summanwar	Peninsula Land Limited	Audit Committee	Member
		Peninsula Land Limited	Stakeholders Relationship Committee	Chairman
		Peninsula Land Limited	Nomination & Remuneration Committee	Chairman
6.	Mr. Nakul Kamani	NIL	NIL	NIL
7.	Mr. Anil Kumar Bhandari	Kirloskar Electric Company Limited	Audit Committee	Member
		Kirloskar Electric Company Limited	Nomination & Remuneration Committee	Member
		Kirloskar Electric Company Limited	Stakeholders Relationship Committee	Chairman
		Kirloskar Electric Company Limited	Corporate Social Responsibility	Member
		Pinnae Feeds Limited	Audit Committee	Member
8.	Mr. Ranjit Mehta	Pinnae Feeds Limited	Audit Committee	Member

E. Shareholding of Directors

Name of the Director	Nature of Directorship	No. of shares held as at March 31, 2017
Mr. Vikramaditya Mohan Thapar	Non-Executive Chairman	53,750
Mrs. Jyoti Thapar	Non-Executive Director	73,500
Mr. Varun Aditya Thapar	Non-Executive Director	1,69,800
Mr. Rahul Kapur	Non-Executive Director	NIL
Lt. Gen. Deepak Summanwar	Independent Director	NIL
Mr. Nakul Kamani	Independent Director	28,201
Mr. Anil Kumar Bhandari	Independent Director	NIL
Mr. Ranjit Mehta	Independent Director	NIL

F. Appointment/ Re-appointment of Directors

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

G. Board Evaluation Mechanism

The Board, based on recommendation of the Nomination and Remuneration Committee, had adopted an evaluation framework for evaluating the performance of the Board as a whole, individual Director and the Board Committees. The evaluation framework envisages a three stage evaluation process wherein the Independent Directors, Nomination and Remuneration Committee and the Board are involved. During FY17, the annual evaluation process was kick started at the meeting of Independent Directors held on 09th February, 2017. Thereafter, the Nomination and Remuneration Committee and the Board completed the annual evaluation process at the meeting held on 30th May, 2017.

The Directors individually were evaluated on the following parameters:

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

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

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

H. Familiarization Programme

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

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

I. Disclosure of relationship between Directors Inter se

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

J. Remuneration of Directors

Based on performance evaluation, the Directors are paid a commission of up to 1% of net profits as approved by the Shareholders apart from Sitting fee for attending Board and Audit Committee meetings. During the year, at the meeting held on 24th May, 2016, the Board had approved increasing the sitting fee paid to Directors. For Board meeting it was increased from ₹ 15,000 to ₹ 25,000 and for Audit Committee it was increased from ₹ 10,000 to ₹ 15,000.

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

Board Committees

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

The various Board level Committees are as under:

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

Audit Committee

A. Terms of Reference

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

- Overseeing the Financial Reporting process and disclosure of financial information
- Review of Financial Statements
- Review of Risk management systems
- Review of the findings of Internal Auditors
- Review of the functioning of Vigil mechanism
- Monitoring the usage of funds from issue proceeds
- Granting approvals for related party transactions as per the provisions of the Act, Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and the Policy on dealing with Related Party Transactions framed by the Company

- Scrutiny of inter-corporate loans and investments
- Recommending the appointment / removal of the statutory auditors, the internal auditors and fixing their remuneration and review of the effectiveness of audit process.
- Valuation of undertakings or assets of the Company, wherever it is necessary
- Evaluation of Internal Financial Controls

The Company Secretary serves as the Secretary to the Committee.

B. Composition & Meetings

The committee comprises five non-executive directors with four of them being independent directors. As on 31st March, 2017, composition of the committee is as follows:

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

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

Nomination and Remuneration Committee

A. Terms of Reference

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

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

The Company Secretary serves as the Secretary to the Committee.

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

B. Composition & Meetings

The committee comprises of four Independent Directors and it met 2 times during the year. As on 31st March, 2017, composition of the committee is as follows:

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

C. Attendance of Directors:

Name	No. of meetings held	No. of meetings attended
Mr. Anil Kumar Bhandari	2	1
LT.Gen.Deepak Summanwar	2	2
Mr. Nakul Kamani	2	2
Mr. Ranjit Mehta	2	2

Stakeholders Relationship Committee

A. Terms of Reference

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

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

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

During the year, the company had received four complaints from the Shareholders which have been resolved to their satisfaction. There were no complaints pending as at 31st March, 2017.

B. Composition & Meetings

The committee comprises of two Directors as on 31st March, 2017. The composition of the committee is as follows:

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

During the year, the committee held fifteen meetings.

Corporate Social Responsibility Committee

A. Terms of Reference

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

- Formulating and recommending to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII, including any revision/amendment/alteration thereof from time to time, as and when required.
- Making recommendations on the following to the Board:-

  a. To identify the Projects/Programmes to be undertaken by the Company from time to time.

  b. To recommend the amount of expenditure to be incurred on such Projects/Programmes/activities.

  c. To recommend to build CSR capacity of the Company's personnel as well as those of the implanting agencies, if any.
- Identifying and appointing/engaging agencies/organizations, if required, to implement the CSR Projects/Programmes/activities of the Company, to carry on base line studies for implementation of such activities and also to carry on impact assessment studies of such Projects/Programmes/activities on the target area/group/population.
- Ensuring that the Company spends, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of the CSR Policy.
- Reviewing the annual report of the CSR activities and ensure that it forms part of the Company's Annual Report and displayed on the Company's website.

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

The Company Secretary serves as the Secretary to the Committee.

B. Composition & Meetings

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

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

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

Compliance Report

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

Compliance with Insider Trading Code

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

Shareholders Meetings

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

Year	Date and Time	Venue	Special Resolution Passed
2013-14	Date: 29th 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.
2014-15	Date: 30th September 2015 Time: 12:15 p.m.	Registered Office – Ananthapuram Village, Nellore, Andhra Pradesh – 524344	a) Approval of Material Related Party Transaction with PFL. b) Modification of the Borrowing powers of the Board. c) Creation of charges on the assets of the Company.
2015-16	Date: 29th September 2016 Time: 12:15 p.m.	Registered Office – Ananthapuram Village, Nellore, Andhra Pradesh – 524344	NIL

Court Convened Meeting

Year	Date and Time	Venue	Resolution Passed
2016 – 17	Shareholders Meeting Date: 08th June, 2016 Time : 09:00AM Secured Creditors Meeting Date: 08th June, 2016 Time : 12:00 PM	Registered Office – Ananthapuram Village, Nellore, Andhra Pradesh – 524344	Approval for the Scheme of Amalgamation of PFL with the Company.

As per the directions of the Court, facility of voting through Postal Ballot and E-Voting was provided in addition to voting in poll at the venue of the Court convened meeting. The Voting results of the Poll at the venue of the meeting, E-Voting and Postal Ballot was declared on 8th June, 2016 and is as follows:

Resolution required: (Ordinary/ Special)	Majority in number representing three fourths in value and numbers as required under Section 391 of the Companies Act, 1956
Whether promoter/ promoter group are interested in the agenda/resolution?	Yes

Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)= [(2)/(1)] * 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)= [(4)/(2)] *100	% of Votes against on votes polled (7)= [(5)/(2)] *100
Promoter and Promoter Group	E-Voting	2,10,30,047	NIL	NIL	NIL	NIL	NIL	NIL
	Poll	2,10,30,047	2,01,88,997	96%	2,01,88,997	NIL	100%	NIL
	Postal Ballot	2,10,30,047	NIL	NIL	NIL	NIL	NIL	NIL
	Total	2,10,30,047	2,01,88,997	96%	2,01,88,997	NIL	100%	NIL
Public- Institutions	E-Voting	10,934	NIL	NIL	NIL	NIL	NIL	NIL
	Poll	10,934	NIL	NIL	NIL	NIL	NIL	NIL
	Postal Ballot	10,934	NIL	NIL	NIL	NIL	NIL	NIL
	Total	10,934	NIL	NIL	NIL	NIL	NIL	NIL
Public- Non Institutions	E-Voting	1,75,62,269	2,650	0.015%	2,650	NIL	100%	NIL
	Poll	1,75,62,269	18,795	0.107%	18,735	NIL	100%	NIL
	Postal Ballot	1,75,62,269	6,809	0.038%	5,759	1,050	84.58%	15.42%
	Total	1,75,62,269	28,254	0.160%	27,144	1,050	96.28%	3.72%
Total		**3,86,03,250**	**2,02,17,251**	**52.37%**	**2,02,16,141**	**1,050**	**99.99%**	**0.01%**

Postal Ballot

During the year, the Company obtained the approval of public shareholders (i.e. shareholders other than Promoter/ Promoter Group) through Postal Ballot/ e-Voting for the Scheme of Amalgamation of PFL with the Company, as it involves issuance of shares to KCT which is an entity forming part of the Promoter Group. The details of the postal ballot/e-Voting is as follows:

Date of Notice: 06th May, 2016

Voting Period: Thursday, 12th May, 2016 09:00 A.M - Friday 10th June, 2016 at 05:00 P.M

Date of Declaration of Results: 11th June, 2016

Scrutiniser appointed: M/s. Sudharshan Tamilselvi & Associates, Charted Accountants, Chennai

Resolution required: (Ordinary/ Special)	Ordinary
Whether promoter/ promoter group are interested in the agenda/resolution?	Yes

Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)= [(2)/(1)] * 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)= [(4)/(2)] *100	% of Votes against on votes polled (7)= [(5)/(2)] *100
Promoter and Promoter Group	E-Voting	2,10,30,047	NA	NA	NA	NA	NA	NA
	Poll	2,10,30,047	NA	NA	NA	NA	NA	NA
	Postal Ballot	2,10,30,047	NA	NA	NA	NA	NA	NA
	Total	2,10,30,047	NA	NA	NA	NA	NA	NA
Public- Institutions	E-Voting	10,934	NIL	NIL	NIL	NIL	NIL	NIL
	Poll	10,934	NIL	NIL	NIL	NIL	NIL	NIL
	Postal Ballot	10,934	NIL	NIL	NIL	NIL	NIL	NIL
	Total	10,934	NIL	NIL	NIL	NIL	NIL	NIL
Public- Non Institutions	E-Voting	1,75,62,269	29,123	0.16%	29,023	100	99.999%	.001%
	Poll	1,75,62,269	NA	NA	NA	NA	NA	NA
	Postal Ballot	1,75,62,269	5,63,071	3.20%	5,63,071	0	100%	0%
	Total	1,75,62,269	5,92,194	3.36%	5,92, 094	100	99.999%	0.001%
Total		**3,86,03,250**	**5,92,194**	**3.36%**	**5,92, 094**	**100**	**99.999%**	**0.001%**

The postal ballot notice and the results were made available on the Company's website http://www.waterbaseindia.com/investor_relations.php. According to the Scrutiniser, all the resolutions were passed with requisite majority.

Procedure adopted for Postal Ballot:

A. Matters to be passed through postal ballot are approved by the Board at their meeting and subsequently any of the Directors or Executives of the Company are authorised to sign and issue the postal ballot notice, explanatory statement and postal ballot form. The Board also fixes the record date for reckoning voting rights and ascertaining those members to whom the notice and postal ballot forms shall be sent.

B. A Company Secretary in practice or a Chartered Accountant in practice or a Cost Accountant in practice, or an Advocate is appointed as the scrutiniser to conduct the postal ballot voting process in a fair and transparent manner;

C. In terms of Section 108 of the Companies Act, 2013, the Company also offers e-voting facility to its eligible shareholders, which enables them to cast votes electronically;

D. An advertisement containing prescribed details are published in required newspapers informing about having dispatched the notice and the ballot papers;

E. The postal ballot form is accompanied by a postage prepaid reply envelope addressed to the scrutiniser and accordingly the duly completed postal ballot papers are received by the scrutiniser;

F. Based on the scrutiniser's report, the result of the voting on the Resolutions shall be announced by displaying at the Registered Office / Website of the Company www.waterbaseindia.com, desseminating to stock exchange and publishing in newspapers.

CEO/CFO Certification

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

Secretarial Audit

The company annually conducts secretarial audit by independent Practicing Company Secretary. For the year ended 31st March, 2017, M/s. ARUB & Associates, Practising Company Secretaries, Chennai have conducted the secretarial audit and the certificate was placed before the board and annexed to this report.

Disclosures

a. Related Party Transactions

The Company had a related party contract with PFL which was material in nature. PFL has since been merged with the Company pursuant to the Order of NCLT, Hyderabad dated 14th November, 2017. Since no other material related party contract/ transaction exists, disclosure in form AOC – 2 is not applicable.

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

b. Details of Non-Compliance

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

c. Whistle Blower Policy

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

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

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

d. Compliance with mandatory requirements

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

e. Other Disclosures

i. Pecuniary Relationships: There were no pecuniary relationships or transactions between the Company and the Independent Directors during the year under review, except payment of sitting fees and profit related commission of 1% as approved by the Shareholders.

ii. Conflict of Interest: During the year, there were no materially significant transaction with related parties that have potential conflict with the interest of the company at large. The material related party transaction with PFL (which has since been merged with the Company) has been approved by the Shareholders at their meeting held on 30th September, 2015.

iii. Commodity Price & Foreign Exchange Risk: Shrimp feed manufacturing depends mainly on Fish Meal, Soya DOC and Wheat Flour (Maida). Fish Meal faces demand-supply skew globally and is becoming scarcer. To address this issue, the Company follows a two pronged strategy- Short Term and Long Term. In the Short Term, the Company plans in advance the procurement of Fish Meal and has committed sources of Fish Meal supply. In the long term, the Company plans to reduce its dependency on Fish Meal by using replacements. Other Raw Materials like Soya DOC and Wheat Flour (Maida) are seasonal in nature and hence the Company takes steps to purchase them based on Materials Requirement Planning. The Company also makes Strategic buys in case suitable buying opportunities arise. During the year, the Company did not face any significant foreign exchange risk.

Code of Conduct

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

1. Conflict of Interest
2. Compliance
3. Prevention of Fraud
4. Bribery and Kickbacks
5. Confidentiality

6. Use of Company Propoerty
7. Corporate Opportunity
8. Gifts and Hospitality
9. Fair Competition
10. Environment and Community
11. Health & Safety
12. Workplace & Human Rights
13. Delegation and Assignments

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

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

Means of Communication

a. The Quarterly / Half Yearly and Annual Financial results of the Company were forwarded to BSE Limited and were published in Financial Express/Business Standard and Andhra Bhoomi.

b. The Company's results were disseminated on the website of BSE Limited.

c. The Company's results were also disseminated in the Investors Page of the Company's website: www.waterbaseindia.com.

d. The Management Discussion and Analysis Report is included elsewhere as part of this Annual Report.

e. The Company has made presentations to Institutional Investors during the year on various dates and the presentations are hosted in the links given below:

   http://www.waterbaseindia.com/online_pdf/The-Waterbase-Limited-Investor-Presentation-June2016.pdf

   http://www.waterbaseindia.com/online_pdf/Investor_Presentation_Sep_2016.pdf

   http://www.waterbaseindia.com/online_pdf/TWL_Investor%20Presentation_December%202016.pdf

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

General Shareholders' Information

a. Annual General Meeting:

Date	Time	Venue
30th December, 2017	12:15 P.M.	Registered Office – Ananthapuram Village, Nellore, Andhra Pradesh – 524344

b. Financial Year & Financial Calendar:

S. No.	Item	Details
1	Financial Year	Financial Year of the Company is from 1st April of every calendar year to 31st March of the subsequent calendar year
2	Financial Calendar	• First Quarter Results – By 15th August, 2017. • Second Quarter / Half Year Results - By 15th November, 2017 • Third Quarter / Nine Months Results - By 15th February, 2018 • Fourth Quarter / Year end Results - By 30th May, 2018
3	Date of Book Closure/Record Date/ Cut-Off Date	The Record Date/Cut-Off Date for the purpose of Annual General Meeting and payment of dividend is 23rd December, 2017
4	Dividend Payment Date	The Board has recommended a final dividend of ₹ 1 per share. for the year ending 31st March, 2017. Upon approval of the shareholders, the dividend will be paid within 29th January, 2018.

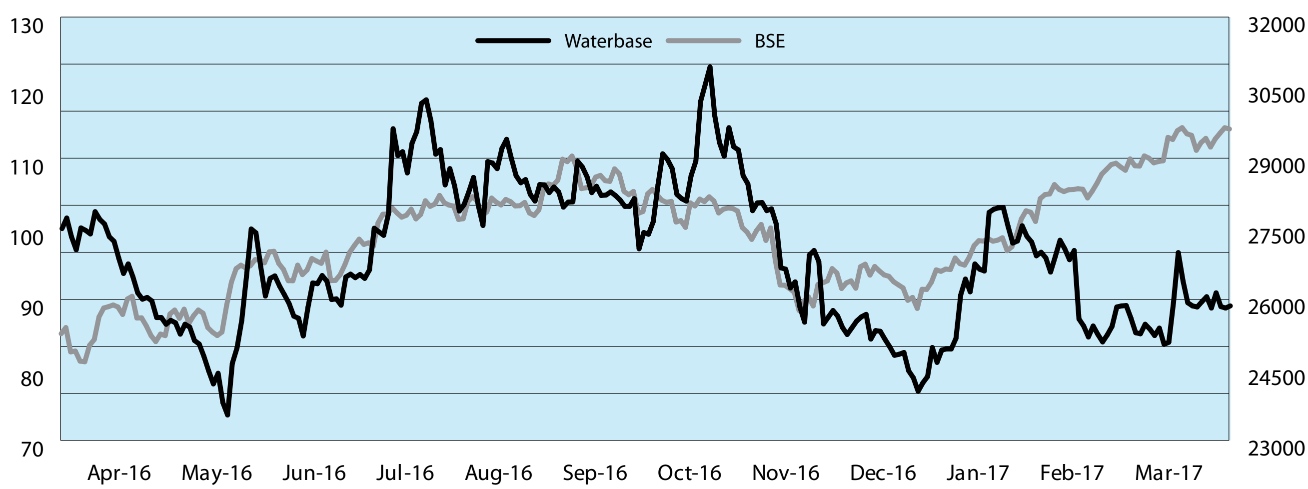
S. No.	Item	Details
5	Listing on Stock Exchange	The Company's Shares are listed on BSE Limited. The address of the exchange is as follows: BSE Limited - Floor 25, Phiroze Jheejeebhoy Towers Dalal Street, Mumbai – 400 001. The Annual Listing fees for the Financial Year 2017-18 of ₹ 2,88,336/- was paid on 25th April, 2017 Vide Cheque No. 657077 drawn on State Bank of India
6	Stock Code	523660
7	ISIN	INE054C01015

c. **Share Price Data:**

The Company's monthly high and low quotations for the Financial Year 2016-17 at the BSE are given herein:

Month	BSE	
	High (in ₹)	Low (In ₹)
April 2016	105.95	89.95
May 2016	94.3	71
June 2016	104.9	83.7
July 2016	123.1	90
August 2016	120	99.9
September 2016	112.5	96
October 2016	127.75	98
November 2016	113.4	80
December 2016	90	76
January 2017	107	80.2
February 2017	101	82.8
March 2017	98.5	83

d. **Share price performance in comparison to BSE Sensex:**



e. Registrar and Share Transfer Agent:

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

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

f. Share Transfer System

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

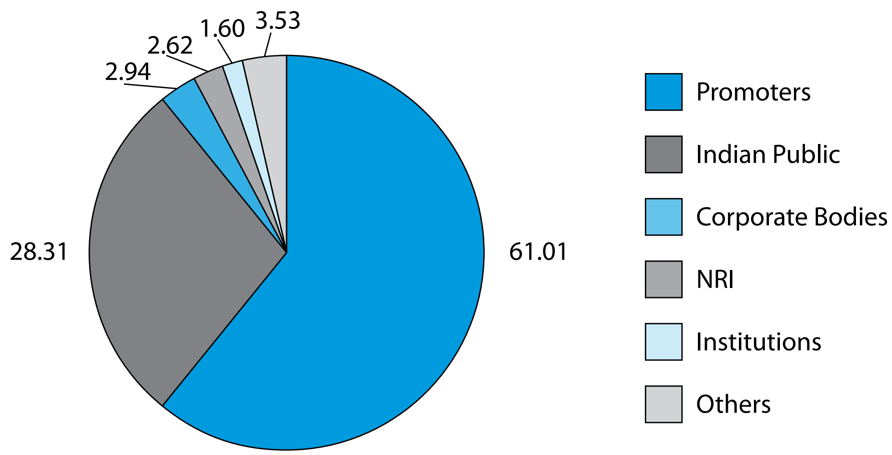
The share transfer system with respect to physical shares is being carried out by Cameo Corporate Services Limited Confirmations in respect of the requests for dematerialization of shares is being sent to the respective depositories i.e. NSDL & CDSL expeditiously.

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

Quarterly audit was conducted by M/s. BP & Associates, Practising Company Secretaries, Chennai reconciling the issued and listed capital of the company with the aggregate number of shares held by the shareholders in physical and demat form. The share capital of the company in physical form were about 27,93,422 shares constituting 7.2% of the paid up share capital of the Company as at 31st March, 2017. Trading in the equity shares of the company is compulsory in dematerialized form for all investors.

h. Shareholding Pattern

S.No	Catergory	No. of Holders	No. of Shares	% of Equity
1	Promoters	7	2,35,51,081	61.01
2	Indian Public	25,402	1,09,27,839	28.31
3	Corporate Bodies	388	11,35,704	2.94
4	NRI	231	10,09,852	2.62
5	Institutions	8	6,17,034	1.60
6	Others	369	13,61,740	3.53
	Total	**26,405**	**3,86,03,250**	**100.00**



i. **Distribution of Shareholding**

Category	No. of shareholders	% to shareholders	Total Shares	% to paid up Capital
1 - 100	16,309	61.76	14,20,317	3.68
101 - 500	6,686	25.32	18,87,858	4.89
501 - 1000	1,653	6.26	13,70,669	3.55
1001 - 2000	827	3.13	12,91,455	3.35
2001 - 3000	294	1.11	7,69,435	1.99
3001 - 4000	150	0.57	5,41,839	1.40
4001 - 5000	153	0.58	7,27,197	1.88
5001 - 10000	190	0.72	14,01,060	3.63
10001 and above	143	0.54	2,91,93,420	75.62
Total	**26,405**	**100.00**	**3,86,03,250**	**100.00**

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

k. **Plant Location:**

(i) Ananthapuram Village, Nellore,
Andhra Pradesh - 524344

(ii) Bogole Village & Mandal SPSR, Nellore,
Andhra Pradesh - 524142

(iii) Ramachandrapuram Village,
Vidavalur, Varini,
Nellore - 524344

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

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

m. **Discretionary Requirements as per Part E of schedule II under Listing Regulations.**

a. Modified opinion(s) in audit report

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

b. Separate posts of Chairperson and Chief Executive Officer

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

c. Reporting of Internal Auditor

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

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

S.No	Particulars	Regulation	Complaince Status (Yes/No/NA)	Details of Compliance along with applicable Regulations
1	Board of Directors	17	Yes	• Composition (17(1)) • Frequency of Meetings (17(2)) • Review of Compliance Report (17(3)) • Plans for orderly succession for appointments (17(4)) • Code of Conduct (17(5)) • Fees / compensation to Non-Executive Directors(17(6)) • Minimum information to be placed before the Board (17(7)) • Compliance Certificate (17(8)) • Risk assessment and management (17(9)) • Performance evaluation of Independent Directors (17(10))
2	Audit Committee	18	Yes	• Composition (18(1)) • Meetings (18(2)(a) and (b)) • Powers of the Committee (18(2)(c)) • Role of the Committee and review of information by the Committee (18(3))
3	Nomination and Remuneration Committee	19	Yes	• Composition (19(1)) • Chairperson (19(2) and (3)) • Role of the Committee (19(4))
4	Stakeholder Relationship Committee	20	Yes	• Composition (20(1)) • Chairperson (20(2)) • Other Members (20(3)) • Role of the Committee (20(4))
5	Risk Management Committee	21	NA	• The Company had adopted the Enterprise Risk Management framework and had constituted an Executive Committee on Risk Management
6	Vigil Mechanism	22	Yes	• Formulation of Vigil Mechanism for Directors and employees (22(1)) • Direct access to Chairperson of Audit Committee (22(2))
7	Related Party Transactions	23	Yes	• Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions (23(1)) • Approval including omnibus approval of Audit Committee (23(2) and (3)) • Review of Related Party Transactions (23(3)(d))
8	Subsidiaries of the Entity	24	NA	NA
9	Obligations with respect to Independent Directors	25	Yes	• Memberships / Chairmanships in Committees (26(1) and (2)) • Affirmation on compliance of Code of Conduct by • Directors and Senior Management (26(3)) • Disclosure of shareholding by Non-Executive Directors (26(4)) • Disclosures by Senior Management about potential conflicts of interest (26(5))
10	Other Corporate Governance Requirements	27	Yes	• Compliance with discretionary requirements (27(1)) • Filing of quarterly compliance report on Corporate Governance (27(2))
11	Website	46	Yes	• Maintaining Functional Website (46(1)) • Details disseminated on website (46(2)) • Contents on website and updating the website (46(3))

List of Policies of the Company

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

For and on behalf of the Board of Directors

Varun Aditya Thapar
Director

Anil Kumar Bhandari
Director

Delhi, 29th November, 2017

Declaration on adherence to the Code of Conduct and Business Ethics

To

The Board of Directors
The Waterbase Limited

This is to confirm that the Board has laid down a Code of Conduct and Business Ethics for all Board members and Senior Management personnel of the company. The Code of Conduct and Business Ethics has also been posted on the website of the Company. It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct and Business Ethics of the Company for the year ended 31st March, 2017, as envisaged as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Ramakanth V Akula
Chief Executive Officer

Delhi, 29th November, 2017

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

To

The Board of Directors
The Waterbase Limited

We, Ramakanth V. Akula, Chief Executive Officer and R Sureshkumar, Chief Financial Officer, do hereby affirm the following, pursuant to provisions the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in relation to Financial Reporting during the year ended 31st March, 2017;

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

Delhi, 29th November, 2017

Ramakanth V. Akula
Chief Executive Officer

R. Sureshkumar
Chief Financial Officer

Secretarial Auditors' Certificate on Compliance with Corporate Governance provisions

To

The Members of
The Waterbase Limited

1. We M/s. ARUB & Associates, Practising Company Secretaries (Firm's Registration No.: P2015TN044500), as Secretarial Auditors of The Waterbase Limited ("the Company), having its Registered Office at Ananthapuram Village, T.P. Gudur, Mandal, Nellore – 524 344, Andhra Pradesh have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2017 as stipulated in the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended from time to time.
2. We have been requested by the Management of the Company to provide a certificate on compliance of conditions of Corporate Governance under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
3. The Management is responsible for the compliance of conditions of Corporate Governance. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. In our opinion and to the best of our information and according to the explanations given to us by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as laid down in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of
ARUB & Associates
Practising Company Secretary
(Firm's Registration No.: P2015TN044500)

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

Place: Chennai
Date: 28th November, 2017

Annexure – G

Secretarial Audit Report

Form No. MR-3

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

For the Financial Year Ended: 31.03.2017

To,

The Members,

The Waterbase Limited

Ananthapuram Village,

T.P. Gudur Mandal

Nellore 524 344, Andhra Pradesh

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the Financial Year ended on March 31, 2017 (the audit period) generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

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

    Other laws specifically applicable to the Company:

    1. Indian Fisheries Act, 1897;
    2. Marine Products Export Development Authority Act, 1972 and rules made thereunder;
    3. Coastal Aquaculture Authority Act, 2005 and rules made thereunder;
    4. The Prevention and Control of Infectious and Contagious Diseases in Animals Act, 2009 and rules made thereunder;
    5. Guidelines for Sustainable Development and Management of Brackish Water Aquaculture, 1995;

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

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

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

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

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

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

- The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the year under review.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (and at a Shorter Notice for which necessary approvals obtained), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- As per the minutes of the Board Meetings and Committee Meetings, the decisions of the Board and Committee as the case may be were unanimous and no dissenting views have been recorded.

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

- Based on the examination of the records of the Company and the information provided by the management, the Company has made the requisite provisions for the Gratuity in the books of accounts and has paid Gratuity to its employees as required by the provisions of the Payment of Gratuity Act, 1972. However, the requirement of taking insurance under Andhra Pradesh Compulsory Gratuity Insurance Rules, 2011 was complied with effect from 1st October, 2017.

We further report that during the audit period following major events have happened which are deemed to have major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc:

The merger of PFL with the Company was approved by the NCLT, Hyderabad Bench on 14th November, 2017 and the certified copy of the Order was filed with Registrar of Companies, Hyderabad, on 27th November, 2017 from which date the Scheme of Amalgamation has become effective.

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

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

Place: Chennai
Date: 28th November, 2017

To

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

Dear Members,

Sub: Our Report of even date is to be read along with this letter.

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

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

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

Place: Chennai
Date: 28th November, 2017

Management Discussion & Analysis

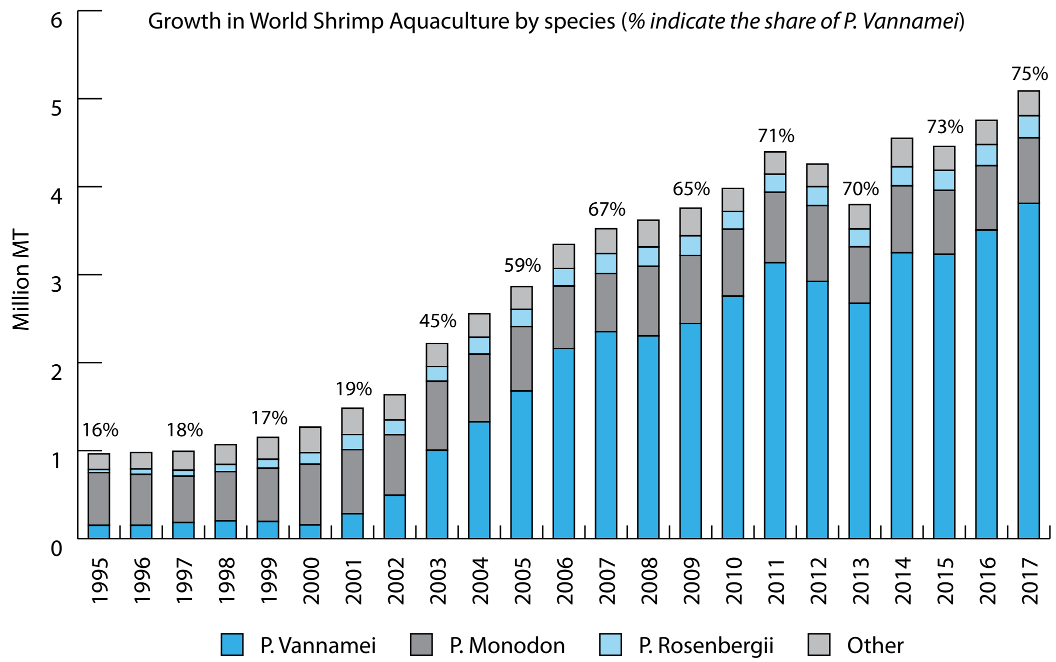
Global Overview

Seafood is one of the most popular sources of protein worldwide. Seafood farming-also known as aquaculture-is the fastest growing food production system and it remains as one of the most important sources of food, nutrition, income and livelihoods for hundreds of millions of people around the world. Estimates indicate that the total supply of fishery products (which include finfish, mollusks, and crustaceans) is expected to increase from 154 million tons in 2011 to 186 million tons in 2030. Almost half of this comes from farms, with farmed shrimp accounting for nearly 55 percent of the total shrimp produced globally. Further, aquaculture is projected to supply over 60 percent of seafood destined for direct human consumption by 2030. Global production from capture fisheries i.e. production from wild catch is expected to be stable at around 93 million tons during the 2010-30 period.

Most shrimp aquaculture occurs in China, followed by India, Indonesia, Ecuador, Vietnam, Thailand, Mexico, Brazil, and Bangladesh, generating substantial income in these developing countries. Farming has made shrimp more accessible to the shrimp-loving public in the U.S., Europe, Japan and elsewhere. Thanks to this popularity and associated demand, farming methods are being continually refined with new industrial processes and sustainable practices.

As per FAO estimates, the global per capita fish consumption has risen to above 20 kilograms a year for the first time, thanks to stronger aquaculture supply and firm demand, record hauls for some key species and reduced wastage.

Amongst all traded marine products in the world today, shrimp is the most valuable. Revenue from the global shrimp market stood at USD 37 billion in 2016 and is expected to reach about USD 39 billion by the end of 2017. By 2027 end, the global shrimp market is expected to reach a value of more than USD 67 billion, growing at a CAGR of 5.6%, as per latest research estimates. Production is growing at an approximate rate of 10 percent annually-one of the highest growth rates in aquaculture.



Source: FAO (2016) for 1995-2011; FAO (2016) and GOAL (2014) for 2012-2014; GOAL (2016) for 2014-2017

India Overview

Frozen shrimp continued to be the major item of export both in terms of quantity and value - 39.53 % in quantity and 66.06% of the total USD earnings. Shrimp exports during the period increased by 4.58% in terms of quantity. The overall export of shrimp during 2015-16 was 3,73,866 MT worth USD 3,096.68 Million with USA emerging as the largest market (1,34,144 MT) for frozen shrimp followed by European Union (81,849 MT), South East Asia (65,188 MT), Japan (34,204 MT), Middle East countries (17,477 MT), China (9542 MT) and Other Countries (31,464 MT).

The export of Vannamei shrimp grew 16% from 2,22,176 MT to 2,56,699 MT in 2015-16. About 50.18 % of total Vannamei shrimp was exported to USA followed by 17.25% to South East Asian countries, 15.78% to EU, 4.55% to Japan, 3.62% to Middle East, 2.23% to China and 6.40% to Other Countries. Japan is the major market for Black Tiger shrimp with a share of 37.04% in terms of value followed by USA (20.56%) and South East Asia (19.28%).

Robust demand for frozen shrimp and frozen fish in international markets resulted in a total all time high export of 11,34,398 MT of sea food from India in 2016-17, worth US$ 5.78 billion (₹ 37, 870.90 crore). Frozen shrimp maintained its position as the top item of export, accounting for 38.28 per cent in quantity and 64.50 per cent of the total dollar earnings.

Reports suggest that, of the world's major seafood exporters, India and Chile are expected to be the standout performers in 2017. Indian exports is expected to surge by 41% in 2017. Good harvests of vannamei shrimp is seen as the main factor behind expectations of a $2.3 billion increase in Indian seafood exports in 2017.

Factors that contribute to the success of Shrimp Farming in India

Favorable Topography

India has abundant coastline and its climatic conditions are favorable for shrimp farming

Availability of Resources

Abundant farm labour at reasonable cost, availability of other inputs such as land and power and sustained high levels of productivity have enabled India to be competitive

Active Regulatory Setup

The industry is governed by MPEDA and CAA and the regulatory framework. This is seen as a key factor which helped India to avert disease which impacted industry growth in neighboring South-east Asian countries

Changing of Species

The introduction of the L. Vannamei species altered the dynamics of shrimp farming through a significant shift in economic viability of farms

Supply Disruptions in Thailand & Vietnam

Erstwhile key suppliers like Thailand and Vietnam were affected by breakout of EMS, leading to disruption in global supply thereby providing a window of opportunity to Indian farmers & exporters

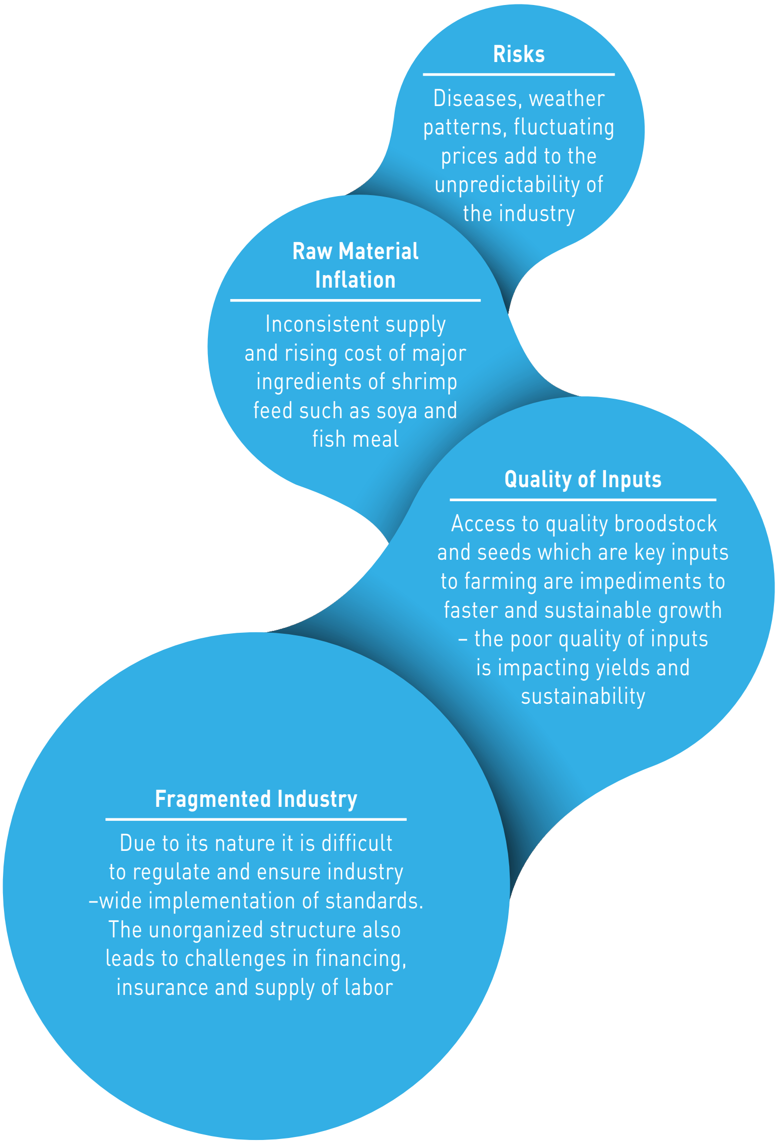
Attractive Prices

Global prices for Vannamei shrimp have been at sustained high levels since past few years which has helped the industry/ opportunity to be more lucrative

Growth Drivers

- Income Growth
- Aquaculture is more cost effective compared to agriculture/animal husbandry
- Rise in per capita income
- Rise of protein consumption in the Indian diet
- Increasing preference for cosmopolitan food
- Rapid switchover to Vannamei in less converted states
- Massive shift in Freshwater farming to Vannamei
- Increasing global demand for shrimps
- Increasing consumption of fast food products world over
- Limited natural resources & growing population
- Adoption of new technology
- Very high return, short crop period leading to rapid expansion

Key Challenges



Domestic Market Trends

There has been a strong start to Farming season 2017. Weather conditions have been favorable and a lot of new areas have been brought under shrimp farming. Raw material prices for feed production have corrected significantly thanks to 2016's bumper soya crop and lower exports. Fish meal prices have also softened. However, there is heightened competition in the market as new players are attempting to gain foothold by challenging established names through discounts and extensive credit. Farm gate prices have remained steady throughout the year keeping the farmers enthused.

Outlook

Q1 and Q2 are strong quarters seasonally. The encouraging good start of the season continued through the first half of FY17 from the subdued previous year that was marked negatively by drought, disease and demonetization.

It is imperative that the global aquaculture industry finds new ways to produce shrimps without causing environmental damage. Many environmentally conscious shrimp-farmers, entrepreneurs, and scientists are exploring systems and practices to raise shrimps without negative impacts. Scaling these efforts to meet growing demand for seafood requires overcoming significant financial, political, social, and logistical hurdles. That in itself presents the enterprising mind, a business opportunity with huge potential. The industry is still in its infancy but can be nurtured into a completely sustainable food production system through planned investments and the development of new markets and new distribution systems.

Discussion on financial performance with respect to operational performance

The financial statements have been prepared in compliance with the requirement of the Companies Act, 2013 and Indian Accounting Standards (Ind AS) in India. In the year under consideration, your company reported revenues of ₹ 323.42 Crores in compared to ₹ 301.68 Crores last year, registering a growth of 7%. Initiatives to expand the distribution network has seen us add over 30 new dealers in new markets of Gujarat, West Bengal and Odisha setting a platform for wider outreach. Also, diversification of revenue streams by launching new verticals like "Baylife" - farm care range of products, "Prize Catch" - Frozen Foods and Hatchery is expected to enhance returns in the forthcoming years.

Discussion on Risk Management

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

Internal Financial Control

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

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

Independent Auditor's Report

TO THE MEMBERS OF
The Waterbase Limited

Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of The Waterbase Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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

Auditors' Responsibility

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

We have taken into account the provisions of the Act and the Rules made thereunder including 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 of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the state of affairs of the Company as at March 31, 2017, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us and, and on which we expressed an unmodified opinion dated May 24, 2016 and May 21, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition, have been audited by us.

The financial statements of Pinnae Feeds Limited were audited by other auditor and whose report has been furnished to us by the Management which were included in the financial statements pursuant to amalgamation with the Company (refer Note 36) and our opinion on the merged financial statements, in so far as it relates to the amounts and disclosures included in respect of Pinnae Feeds limited is based solely on the reports of the other auditor.

Emphasis of Matter

As per the Order of the National Company Law Tribunal, Hyderabad ("NCLT") on the Scheme of Amalgamation of Pinnae Feeds Limited (the Transferor Company) with The Waterbase Limited (the Transferee Company), the financials have been restated with effect from August 1, 2015 being the appointed date for coming into force of the said scheme. The Order of NCLT dated November 14, 2017 was received on November 22, 2017 and the effect of amalgamation have been given by incorporating all the transactions in the books of accounts of Transferee Company with effect from August 1, 2015, to comply with the Order.

The financial statements of erstwhile Pinnae Feeds Limited (the "Transferor Company") as audited by other auditor, were included in the financial statements pursuant to amalgamation with the Company (refer Note 36), which constitute total assets of ₹ 7,741.20 Lakhs and net assets of ₹ 1,350.97 Lakhs as at July 31, 2015, total revenue of ₹ 4,535.29 Lakhs and net profit of ₹ 9.52 Lakhs for the period then ended.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the **Annexure B** a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

   i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its Ind AS financial statements;

   ii. The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017;

   iv. The Company has provided requisite disclosures in the Ind AS financial statements as to holding as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016, on the basis of information available with the Company. Based on audit procedures, and relying on management's representation, we report that disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management (refer Note 37).

For **Mitra Kundu & Basu**
Chartered Accountants
Firm Registration Number: 302061E

(S. Das)
Partner
Membership No. 051391

November 29, 2017
New Delhi

Annexure A to Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section3 of Section 143 of the Companies Act (2013) ("the Act")

We have audited the internal financial controls over financial reporting of The Waterbase Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Mitra Kundu & Basu**
Chartered Accountants
Firm Registration Number: 302061E

(S. Das)
Partner
Membership No. 051391

November 29, 2017
New Delhi

Annexure B to Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report of even date to the members of The Waterbase Limited on the Ind AS financial statements for the year ended March 31, 2017, we report that:

i. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, are held in the name of the Company.

ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.

iii. In our opinion and according to the information and explanations given to us the Company has not granted any secured and or unsecured loans to companies, firms and or limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of sales tax including value added tax, employees state insurance, provident fund and income tax, and is regular in depositing undisputed statutory dues, including service tax, duty of customs, duty of excise, cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, the dues outstanding as at March 31, 2017 in respect of income tax, sales tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (in ₹)	Period to which the amount relates	Forum where dispute is pending
Custom Duty	Import Duty on Raw Materials	532.40 Lakhs	1995-96	Chennai - High Court
Custom-Central Excise & Service Tax	Service tax on Commission to Foreign Agents	63.86 Lakhs	2006-07	CESTAT-Bangalore

Name of the statute	Nature of dues	Amount (in ₹)	Period to which the amount relates	Forum where dispute is pending
- Do -	Disallowance of Cenvat Credit	49.48 Lakhs	February 2007 to March 2009	A.P. High Court
Sales tax	Sales Tax	65.86 Lakhs	April 2009 to March 2010	Dy. Commissioner (C.T.) Commercial Tax Dept. Andhra Pradesh.
Income Tax	Income Tax	11.15 Lakhs	Asst. Years 2009-10, 2010-11, 2012-13, 2014-15	Deputy CIT, Kolkata

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.

ix. In our opinion, and according to the information and explanations given to us, term loans have been applied for the purposes for which they were obtained.

x. 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 material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

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

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS financial statements as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **Mitra Kundu & Basu**
Chartered Accountants
Firm Registration Number: 302061E

(S. Das)
Partner
Membership No. 051391

New Delhi
November 29, 2017

The Waterbase Limited
Balance Sheet as at March 31, 2017

(₹ in Lakhs)

Particulars	Note	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
I. ASSETS				
1 Non-current assets				
(a) Property, Plant and Equipment	3	6,053.11	5,980.33	1,696.94
(b) Capital work in progress	3	303.65	155.86	92.45
(c) Intangible assets	4	156.78	1.89	-
(d) Intangible assets under development	4	-	171.46	-
(e) Financial Assets	7.5	13.59	2.38	0.12
(f) Other non-current assets	5	268.05	218.20	170.52
Total non-current assets		**6,795.18**	**6,530.12**	**1,960.03**
2 Current assets				
(a) Inventories	6	7,058.82	3,626.67	4,057.12
(b) Financial Assets				
(i) Investments	7.1	4.28	3.70	10.60
(ii) Trade receivables	7.2	8,155.61	6,919.39	5,498.70
(iii) Cash and cash equivalents	7.3	26.30	1,410.82	1,248.09
(iv) Bank balances other than (iii) above	7.4	1,103.69	1,021.44	1,699.73
(v) Others	7.5	0.03	0.03	0.02
(c) Other current assets	8	1,320.84	1,225.18	585.00
Total current assets		**17,669.57**	**14,207.23**	**13,099.26**
TOTAL ASSETS		**24,464.75**	**20,737.35**	**15,059.29**
II. EQUITY AND LIABILITIES				
1 Equity				
(a) Equity share capital	9	3,860.33	3,860.33	3,860.33
(b) Other equity	10	8,593.83	7,458.82	6,161.06
Total Equity		**12,454.16**	**11,319.15**	**10,021.39**
2 Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	11.1 A	1,357.50	2,035.60	32.06
(ii) Other financial liabilities (other than those specified in (b) below)	11.3 A	11.68	15.52	15.53
(b) Provisions	12 A	230.77	181.50	129.60
(c) Deferred tax liabilities (Net)	13	257.26	118.78	174.43
Total non-current liabilities		**1,857.21**	**2,251.40**	**351.62**
3 Current liabilities				
(a) Financial liabilities				
(i) Borrowings	11.1 B	4,566.90	2,570.77	1,184.16
(ii) Trade payables	11.2	3,335.09	2,238.74	3,135.48
(iii) Other financial liabilities (other than those specified in (c) below)	11.3 B	719.86	785.35	119.87
(b) Other current liabilities	14	1,503.47	1,380.12	211.97
(c) Provisions	12 B	28.06	91.82	34.80
Total current liabilities		**10,153.38**	**7,066.80**	**4,686.28**
TOTAL EQUITY AND LIABILITIES		**24,464.75**	**20,737.35**	**15,059.29**

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For and on behalf of the Board of Directors

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

Varun Aditya Thapar
Director

Anil Kumar Bhandari
Director

S.Das
Partner, (MN. 051391)

Ramakanth V Akula
Chief Executive Officer

R. Sureshkumar
Chief Financial Officer

New Delhi
November 29, 2017

G. Venkatram
Company Secretary

The Waterbase Limited
Statement of Profit and Loss for the year ended March 31, 2017

(₹ in Lakhs)

	Particulars	Note	Year ended March 31, 2017	Year ended March 31, 2016
I	Revenue from operations	15	32,155.05	29,977.72
II	Other income	16	187.27	190.38
III	**Total income (I+II)**		**32,342.32**	**30,168.10**
IV	**Expenses**			
	a) Cost of materials consumed	17	24,034.81	17,286.38
	b) Purchase of stock in trade	18	978.15	4,520.77
	c) Changes in inventories of finished goods, work in progress and stock in trade	19	(1,141.54)	195.43
	d) Employee benefits expense	20	1,631.24	1,461.17
	e) Finance costs	21	859.50	425.57
	f) Depreciation and amortization expense		548.64	371.38
	g) Other expenses	22	3,640.02	5,324.90
	Total Expenses (IV)		**30,550.81**	**29,585.59**
V	Profit before exceptional items and tax (III-IV)		1,791.51	582.50
VI	Exceptional items	23	-	323.10
VII	**Profit before tax (V-VI)**		**1,791.51**	**259.40**
VIII	**Tax expenses**			
	a) Current tax		483.81	-
	b) Deferred tax		150.32	42.90
	Total tax expenses (VIII)		**634.13**	**42.90**
IX	**Profit for the year (VII-VIII)**		**1,157.38**	**216.51**
X	**Other comprehensive income**			
	Items that will not be reclassified to profit/(loss)			
	Re-measurements of defined benefit plans		(22.37)	(38.07)
XI	**Total comprehensive income for the year (Comprising of profit for the year and other comprehensive income) (IX+X)**		**1,135.01**	**178.43**
XII	**Earnings per equity share (Nominal value of ₹ 10/- per share)**	**24**		
	1. Basic (₹)		**3.00**	**0.56**
	2. Diluted (₹)		**2.79**	**0.53**

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For and on behalf of the Board of Directors

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

Varun Aditya Thapar
Director

Anil Kumar Bhandari
Director

S.Das
Partner, (MN. 051391)

Ramakanth V Akula
Chief Executive Officer

R. Sureshkumar
Chief Financial Officer

New Delhi
November 29, 2017

G. Venkatram
Company Secretary

The Waterbase Limited
Statement of Cash flow for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax		1,791.51		259.40
Adjustments for:				
Depreciation and impairment of property, plant and equipment	531.92		371.38	
Amortisation and impairment of intangible assets	16.72		-	
Loss on sale / discard of capital assets	7.58		3.76	
Loss on sale of investments	-		0.73	
Provision for bad and doubtful debts	33.21		251.38	
Finance costs	859.50		425.57	
Finance income	(129.49)		(149.00)	
Dividend Income	(0.20)		(0.20)	
		1,319.24		903.62
Operating profit before working capital changes		3,110.75		1,163.02
Adjustments for:				
Inventories	(3,432.15)		1,549.91	
Other assets (current/non-current)	(244.81)		144.11	
Trade and other receivables and prepayments	(1,269.43)		197.75	
Trade payables	1,096.35		(2,100.06)	
Other current liabilities	123.35		1,097.28	
Provisions	(48.71)		(115.55)	
		(3,775.39)		773.44
Cash generated from operations		(664.64)		1,936.46
Direct taxes paid		(395.72)		(733.02)
NET CASH FROM OPERATING ACTIVITIES (A)		**(1,060.36)**		**1,203.44**
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of property, plant and equipment		(619.21)		(923.55)
Sale of property, plant and equipment		6.93		15.28
(Increase)/Decrease in Capital work in progess		(147.79)		490.26
(Increase)/Decrease in intangible assets under development		171.46		(171.46)
(Purchase)/Sale of other intangible assets		(171.61)		(1.89)
(Purchase)/Sale of financial instruments		(0.58)		6.17
(Increase)/Decrease in restricted deposits with banks		(82.25)		678.29
Finance income		129.49		149.00
Dividend received		0.20		0.20
NET CASH FROM INVESTING ACTIVITIES (B)		**(713.36)**		**242.30**
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Movement in other financial liabilities		(69.33)		(34.41)
Repayment of borrowings		(678.10)		(617.46)
Finance costs		(859.50)		(425.57)
Dividend paid (including taxes)		-		(231.65)
NET CASH FROM FINANCING ACTIVITIES (C)		**(1,606.93)**		**(1,309.09)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**(3,380.65)**		**136.65**
Cash and cash equivalents as at April 1		(1,159.95)		154.93
Add: Additions on impact of Merger		-		(1,451.53)
Cash and cash equivalents as at March 31		(4,540.60)		(1,159.95)
Net Increase/(Decrease) in cash and cash equivalents		**(3,380.65)**		**136.65**

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For and on behalf of the Board of Directors

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

Varun Aditya Thapar
Director

Anil Kumar Bhandari
Director

S. Das
Partner, (MN. 051391)

Ramakanth V Akula
Chief Executive Officer

R. Sureshkumar
Chief Financial Officer

New Delhi
November 29, 2017

G. Venkatram
Company Secretary

The Waterbase Limited
Statement of Changes in Equity for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	Share Capital	Other Equity						Total
		Share application money pending allotment	Securities Premium	Capital reserve	General reserve	Retained earnings	Other Compre-hensive Income	
Balance as at the beginning of the reporting period - April 1, 2015	**3,860.33**	**-**	**1,173.49**	**108.45**	**1,315.07**	**3,564.05**	**-**	**10,021.39**
Adjustment on account of amalgamation (Refer note 36)	-	282.35	300.00	917.65	-	(149.02)	-	1,350.98
Profit for the year	-	-	-	-	-	216.51	-	216.51
Proposed dividend	-	-	-	-	-	(231.65)	-	(231.65)
Re-measurement gain/(loss) on defined benefit plan	-	-	-	-	-	-	(38.07)	(38.07)
Balance as at March 31, 2016	**3,860.33**	**282.35**	**1,473.49**	**1,026.10**	**1,315.07**	**3,399.88**	**(38.07)**	**11,319.15**
Profit for the year	-	-	-	-	-	1,157.38	-	1,157.38
Re-measurement gain/(loss) on defined benefit plan	-	-	-	-	-	-	(22.37)	(22.37)
Balance as at March 31, 2017	**3,860.33**	**282.35**	**1,473.49**	**1,026.10**	**1,315.07**	**4,557.26**	**(60.44)**	**12,454.16**

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For and on behalf of the Board of Directors

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

S.Das
Partner, (MN. 051391)

New Delhi
November 29, 2017

Varun Aditya Thapar
Director

Anil Kumar Bhandari
Director

Ramakanth V Akula
Chief Executive Officer

R. Sureshkumar
Chief Financial Officer

G. Venkatram
Company Secretary

Notes to the Financial Statements for the year ended March 31, 2017 (all amounts are in ₹ lakhs)

Corporate Information

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

1 Basis of Preparation of Financial Statements

Compliance with Ind AS

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

These financial statements for the year ended March 31, 2017 are the first financials with comparatives, prepared under Ind AS. For all previous periods including the year ended March 31, 2016, the Company had prepared its financial statements in accordance with the accounting standards notified under companies (Accounting Standard) Rule, 2006 (as amended) and other relevant provisions of the Act (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at April 1, 2015 being the date of transition to Ind AS.

The Company has followed the provisions of Ind AS 101 "First Time adoption of Indian Accounting Standards" (Ind AS 101), in preparing its opening Ind AS Balance Sheet as of the date of transition, i.e. April 1, 2015. In accordance with Ind AS 101, the Company has presented reconciliations of its equity under previous GAAP and Ind ASs as at March 31, 2016, and April 1, 2015 and of the Profit/(Loss) after Tax as per previous GAAP and Total Comprehensive Income under Ind AS for the year ended March 31, 2016 and Statement of Cash Flow as per previous GAAP and Ind AS for the year ended March 31, 2016. Refer Note 35.

Standards issued but not yet effective

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

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment'. The amendments are applicable to the Company from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Company will adopt these amendments from their applicability date.

Basis of preparation and measurement

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

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

Notes to the Financial Statements for the year ended March 31, 2017 (all amounts are in ₹ lakhs)

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

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

2 Significant Accounting Policies

2.1 Property, Plant and Equipment (PPE)

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

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

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

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

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

Asset	Useful live
Buildings including factory buildings	3-30 years
General Plant and Machinery	5-15 years
Furniture and Fixtures	3-10 years
Office Equipment	3-5 years
Vehicles	4-10 years
Computer and Data Processing Units	3-6 years

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

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

Notes to the Financial Statements for the year ended March 31, 2017 (all amounts are in ₹ lakhs)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in financial statements.

2.2 Intangible assets

Intangible assets are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

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

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

Asset	Useful life
Computer software	3-10 years

The estimated useful life is reviewed annually by the management.

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

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

2.4 Non-derivative financial instruments

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

Cash and cash equivalents

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

Financial assets at amortised cost

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

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

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

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

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

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

Financial liabilities

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

Equity instruments

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

Notes to the Financial Statements for the year ended March 31, 2017 (all amounts are in ₹ lakhs)

Offsetting of financial instruments

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

2.5 Impairment

Financial assets (other than at fair value)

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

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

PPE and intangibles assets

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

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

2.6 Inventories

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

2.7 Revenue recognition

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

Sale of goods

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

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

Rendering of services

Income recognition for services takes place as and when the services are performed.

Interest Income

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

Notes to the Financial Statements for the year ended March 31, 2017 (all amounts are in ₹ lakhs)

Dividend

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

Insurance claims

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

Royalty on trademark license arrangements

Royalty revenue is recognised on an accrual basis (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably). Such arrangements are based on sales made by the licensee and are recognised by reference to the compensation terms under the underlying arrangement.

2.8 Research and Development expenses

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

2.9 Leases

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

(i) Operating Lease:

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

(ii) Finance Lease:

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

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

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

2.10 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Company is committed to a sale plan involving disposal of an investment, the investment that will be disposed of is classified as held for sale when the criteria described above are met.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.11 Employee benefit expenses

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

Notes to the Financial Statements for the year ended March 31, 2017 (all amounts are in ₹ lakhs)

(i) Post-employment benefit plans

Defined Contribution plans

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

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

Defined benefit plans

The Company operates various defined benefit plans- gratuity fund and Compensated absence.

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

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

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

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

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

(ii) Short term employee benefit

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

2.12 Foreign currency translation

The functional currency of the Company is Indian rupee

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

2.13 Borrowing cost

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

2.14 Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the CEO.

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

Notes to the Financial Statements for the year ended March 31, 2017 (all amounts are in ₹ lakhs)

2.15 Income tax

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

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

Current tax

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

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

Deferred tax

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

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

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

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

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

2.16 Accounting of provisions, contingent liabilities and contingent assets

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

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

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

2.17 Dividend to equity shareholders

Dividend to equity shareholders is recognised as a liability and deducted from shareholders' equity, in the period in which the dividends are approved by the equity shareholders in the general meeting.

2.18 Earnings per share (EPS)

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

Notes to the Financial Statements for the year ended March 31, 2017 (all amounts are in ₹ lakhs)

3 Property, plant and equipment

Particulars	Freehold Land	Building	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers	Total PPE	Capital Work in progress
Cost or Deemed Cost									
At April 1, 2015	**118.18**	**665.09**	**727.39**	**19.30**	**125.32**	**6.83**	**34.83**	**1,696.94**	**92.45**
Additions	114.11	33.46	695.41	38.37	4.26	25.38	12.20	923.19	91.01
Disposals	-	-	(3.14)	-	(23.06)	(0.37)	-	(26.57)	-
Exchange differences	-	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-	(581.28)
Transfer of Assets on Merger	272.88	1,430.01	2,033.18	2.33	-	3.00	8.86	3,750.26	553.67
At March 31, 2016	**505.17**	**2,128.56**	**3,452.84**	**60.00**	**106.52**	**34.84**	**55.89**	**6,343.82**	**155.85**
Additions	-	67.97	483.40	24.64	21.09	10.83	11.28	619.21	439.90
Disposals	-	-	(4.34)	-	(18.64)	-	-	(22.98)	-
Exchange differences	-	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-	(292.10)
At March 31, 2017	**505.17**	**2,196.53**	**3,931.90**	**84.64**	**108.97**	**45.67**	**67.17**	**6,940.05**	**303.65**
Depreciation and Impairment									
At April 1, 2015	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation charge for the year	-	94.06	226.74	7.17	24.36	4.25	14.45	371.03	-
Impairment	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(7.27)	(0.25)	-	(7.52)	-
Exchange differences	-	-	-	-	-	-	-	-	-
At March 31, 2016	**-**	**94.06**	**226.74**	**7.17**	**17.09**	**4.00**	**14.45**	**363.51**	**-**
Depreciation charge for the year	-	116.56	358.86	9.15	20.22	7.55	19.57	531.92	-
Impairment	-	-	-	-	-	-	-	-	-
Disposals	-	-	(0.92)	-	(7.55)	-	-	(8.47)	-
Exchange differences	-	-	-	-	-	-	-	-	-
At March 31, 2017	**-**	**210.62**	**584.68**	**16.32**	**29.76**	**11.55**	**34.02**	**886.96**	**-**
Carrying Amount									
As at March 31, 2017	**505.17**	**1,985.91**	**3,347.22**	**68.32**	**79.21**	**34.12**	**33.16**	**6,053.11**	**303.65**
As at March 31, 2016	505.17	2,034.51	3,226.10	52.83	89.43	30.84	41.44	5,980.33	155.86
As at April 1, 2015	118.18	665.09	727.39	19.30	125.32	6.83	34.83	1,696.94	92.45

Carrying Amount	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Property, plant and equipment	6,053.11	5,980.33	1,696.94
Capital Work in progress	303.65	155.86	92.45

4 Intangible Assets

Particulars	Intangible Assets (Computer Software)	Intangible Assets under development
Cost or Deemed Cost		
At April 1, 2015	**-**	**-**
Additions	2.24	171.46
Disposals	-	-
Exchange differences	-	-
Transfer	-	-
Transfer of Assets on Merger	-	-
At March 31, 2016	**2.24**	**171.46**

Notes to the Financial Statements for the year ended March 31, 2017 (all amounts are in ₹ lakhs)

4 Intangible Assets *(continued)*

Particulars	Intangible Assets (Computer Software)	Intangible Assets under development
Additions	171.62	-
Disposals	-	-
Exchange differences	-	-
Transfer	-	(171.46)
At March 31, 2017	**173.86**	**-**
Amortisation and Impairment		
At April 1, 2015	**-**	**-**
Amortisation expense for the year	0.35	-
Impairment	-	-
Disposals	-	-
Exchange differences	-	-
At March 31, 2016	**0.35**	**-**
Amortisation expense for the year	16.72	-
Impairment	-	-
Disposals	-	-
Exchange differences	-	-
At March 31, 2017	**17.07**	**-**
Carrying Amount		
As at March 31, 2017	**156.78**	**-**
As at March 31, 2016	1.89	171.46
As at April 1, 2015	-	-

Carrying Amount	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Intangible assets	156.78	1.89	-
Intangible assets under development	-	171.46	-

5 Other Non-Current Assets

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured, considered good			
(to parties other than related parties)			
Capital Advances	**64.21**	**29.51**	**14.72**
Advances other than Capital Advances			
Balances with government authorities:			
Excise and customs credit receivable	59.25	59.25	59.25
Others	3.79	3.84	-
Security Deposits	139.92	124.96	96.55
Other Advances	0.88	0.64	-
Total	**268.05**	**218.20**	**170.52**

Notes to the Financial Statements for the year ended March 31, 2017 (all amounts are in ₹ lakhs)

6 Inventories

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Raw materials	4,506.35	2,326.91	2,727.64
Work-in-progress	47.17	231.91	11.72
Finished goods	1,953.28	625.83	916.04
Stores and spares	552.02	440.85	317.83
Stock in Trade (Traded goods)			
– Feed	-	-	83.89
– Processed Shrimp	-	1.17	-
Total	**7,058.82**	**3,626.67**	**4,057.12**
Finished goods includes:			
Stock in Transit	535.54	539.09	142.31

Note: Entire inventory has been hypothecated as security against bank borrowings of the Company as at March 31, 2017, March 31, 2016 and April 1, 2015 respectively. Refer 2.6 of the significant accounting policies for method of valuation.

7 Financial Assets

7.1 Investments

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Investments at fair value through PL (fully paid)			
Unquoted Equity Shares - Non-current:			
In Associates:			
Equity shares of ₹ 10/- each:			
NIL (March 31, 2016: 250,000; April 1, 2015: 250,000) of Gourmet Delicatessens Limited	-	25.00	25.00
Less: Impairment loss provided	-	-	(25.00)
Less: Write off of investment	-	(25.00)	-
	-	-	-
Others:			
Equity shares of ₹ 100/- each:			
NIL (March 31, 2016: 12,704; April 1, 2015: 12,704) of Moana Technologies India Private Limited	-	12.70	12.70
Less: Impairment loss provided	-	-	(12.70)
Less: Write off of investment	-	(12.70)	-
	-	-	-
Investments in Mutual Funds - Current:			
Union KBC tax Saver Fund			
20,000 units (March 31, 2016: 20,000 units, April 1, 2015: 20,000 units) of ₹ 10/- each	4.28	3.70	4.18
Union KBC Capital Protection Oriented Fund			
NIL (March 31, 2016: NIL, April 1, 2015: 50,000 units) of ₹ 10/- each	-	-	6.42
	4.28	3.70	10.60
Current	**4.28**	**3.70**	**10.60**
Non-Current	**-**	**-**	**-**
Aggregate book value of quoted investments	2.00	2.00	7.00
Aggregate market value of quoted investments	4.28	3.70	10.60
Aggregate book value of unquoted investments	-	-	37.70
Aggregate amount of impairment in the value of unquoted investments	-	-	37.70

Note: Refer Note 33 for information about fair value measurement, credit risk and market risk of investments

Notes to the Financial Statements for the year ended March 31, 2017 (all amounts are in ₹ lakhs)

7 Financial Assets *(continued)*

7.2 Trade Receivables

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade receivables	8,445.75	7,176.32	5,369.25
Less: Allowance for doubtful debts	(290.14)	(256.93)	(5.55)
	8,155.61	6,919.39	5,363.70
Receivables from related parties (Refer Note 30)	-	-	135.00
	8,155.61	6,919.39	5,498.70
Current	**8,155.61**	**6,919.39**	**5,498.70**
Non-Current	**-**	**-**	**-**
Break-up of good and doubtful:			
Unsecured, considered good	8,215.75	6,946.32	5,504.25
Unsecured, considered doubtful	230.00	230.00	-
	8,445.75	7,176.32	5,504.25
Impairment Allowance (allowance for bad and doubtful debts):			
Unsecured, considered good	(60.14)	(26.93)	(5.55)
Unsecured, considered doubtful	(230.00)	(230.00)	-
	(290.14)	(256.93)	(5.55)

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. While the trade or other receivable due from firms or private companies respectively in which any director is a partner, a director or a member is NIL (March 31, 2016: NIL, April 1, 2015: ₹ 135 Lakhs).

Refer Note 33 for information about credit risk and market risk of trade receivables.

Trade receivables are generally non-interest bearing and generally on terms of 60 to 100 days.

7.3 Cash and Cash equivalents

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with banks:			
In current accounts	24.44	607.31	537.30
Deposits with original maturity of less than three months	0.01	802.37	705.89
Cash on hand	1.85	1.14	4.90
Current	**26.30**	**1,410.82**	**1,248.09**
Non-Current	**-**	**-**	**-**

Cash at banks at current accounts are non-interest bearing. Short-term deposits are made for varying periods of between seven days and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

The Company has earmarked a part of its short-term bank deposits by way of a lien to fulfil collateral requirements. Refer to Note 11 for details.

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Cash on hand	1.85	1.14	4.90
Balances with banks:			
In current accounts	24.44	607.31	537.30
Deposits with original maturity of less than three months	0.01	802.37	705.89
Less: Current borrowings (Note 11.1 B)	4,566.90	2,570.77	1,093.16
Total	**(4,540.60)**	**(1,159.95)**	**154.93**

Notes to the Financial Statements for the year ended March 31, 2017 (all amounts are in ₹ lakhs)

7 Financial Assets *(continued)*

7.4 Bank balances other than 7.3 referred above

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Earmarked balances:			
Unclaimed dividend account	25.26	25.35	46.84
In deposit accounts	1,072.18	996.09	626.48
Balances with banks:			
Deposits with original maturity of more than three months	6.25	-	1,026.41
Total	**1,103.69**	**1,021.44**	**1,699.73**

7.5 Other Financial Assets

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deferred rent receivable	0.09	0.12	0.14
Earmarked balances:			
Deposits with original maturity of more than twelve months	13.53	2.29	-
	13.62	**2.41**	**0.14**
Current	**0.03**	**0.03**	**0.02**
Non-Current	**13.59**	**2.38**	**0.12**

8 Other Current Assets

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advances other than capital advances			
Security deposits	62.80	62.80	62.80
Advances to related party	-	-	105.99
Other advances:			
Advance tax (including TDS, net of Provision) (March 31, 2017: ₹ 2,015.71 Lakhs, March 31, 2016: ₹ 1,531.90 Lakhs, April 1, 2015: ₹ 1,531.90 Lakhs)	745.93	834.02	101.00
Material advances	230.12	166.50	193.29
Duty drawback & MEIS	113.34	45.51	-
Prepaid expenses	70.01	51.02	20.99
Interest accrued	51.94	33.54	47.51
Employee advances	28.11	9.90	4.74
Others	18.59	21.89	48.68
Total	**1,320.84**	**1,225.18**	**585.00**

9 Equity Share Capital

a. Authorised Share Capital

Particulars	Equity shares		Preference shares	
	Nos. in Lakhs	₹ in Lakhs	Nos. in Lakhs	₹ in Lakhs
As at April 1, 2015	450	4,500	5	500
Changes during the year (on account of Merger)	150	1,500	-	-
As at March 31, 2016	600	6,000	5	500
Changes during the year	-	-	-	-
As at March 31, 2017	**600**	**6,000**	**5**	**500**

Notes to the Financial Statements for the year ended March 31, 2017 (all amounts are in ₹ lakhs)

9 Equity Share Capital *(continued)*

Terms and rights attached to equity shares:

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

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

b. Issued Equity Share Capital

Particulars	Equity shares	
	Nos. in Lakhs	₹ in Lakhs
As at April 1, 2015	386.03	3,860.33
Changes during the year	-	-
As at March 31, 2016	386.03	3,860.33
Changes during the year	-	-
As at March 31, 2017	**386.03**	**3,860.33**

c. Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

Out of the equity shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

Particulars	As at March 31, 2017		As at March 31, 2016	
	Nos. in Lakhs	₹ in Lakhs	Nos. in Lakhs	₹ in Lakhs
Nav Srijit Sakthi Telangana Private Ltd	219.35	2,193.45	-	-
KCT & Bros (Coal Sales) Ltd	-	-	180.11	1,801.05

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

Particulars	As at March 31, 2017		As at March 31, 2016	
	Nos. in Lakhs	%	Nos. in Lakhs	%
Nav Srijit Sakthi Telangana Private Ltd	219.35	56.82%	-	-
KCT & Bros (Coal Sales) Ltd	-	-	180.11	46.66%
Indo Oceanic Investments Ltd	-	-	24.75	6.41%

e. No equity shares were issued as bonus, or for consideration other than cash or bought back during the period of five years immediately preceding the reporting date.

10 Other Equity

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Share application money pending allotment (Refer Note 36)	282.35	282.35	-
Securities premium	1,473.49	1,473.49	1,173.49
Capital reserve	1,026.10	1,026.10	108.45
General reserve	1,315.07	1,315.07	1,315.07
Retained earnings	4,557.26	3,399.88	3,564.05
Actuarial movement through other comprehensive income	(60.44)	(38.07)	-
Total	**8,593.83**	**7,458.82**	**6,161.06**

Notes to the Financial Statements for the year ended March 31, 2017 (all amounts are in ₹ lakhs)

10 Other Equity *(continued)*

a. Share application money pending allotment

Particulars	As at March 31, 2017	As at March 31, 2016
Opening Balance	282.35	-
Changes during the year (on account of Merger)	-	282.35
Closing Balance	**282.35**	**282.35**

b. Securities premium

Particulars	As at March 31, 2017	As at March 31, 2016
Opening Balance	1,473.49	1,173.49
Changes during the year (on account of Merger)	-	300.00
Closing Balance	**1,473.49**	**1,473.49**

c. Capital reserve

Particulars	As at March 31, 2017	As at March 31, 2016
Opening Balance	1,026.10	108.45
Changes during the year (on account of Merger)	-	917.65
Closing Balance	**1,026.10**	**1,026.10**

d. General reserve

Particulars	As at March 31, 2017	As at March 31, 2016
Opening Balance	1,315.07	1,315.07
Changes during the year	-	-
Closing Balance	**1,315.07**	**1,315.07**

e. Retained earnings

Particulars	As at March 31, 2017	As at March 31, 2016
Opening Balance	3,399.88	3,564.05
Profit/(Loss) for the year	1,157.38	(15.14)
Profit/(Loss) of erstwhile Pinnae Feeds Limited	-	(149.02)
Closing Balance	**4,557.26**	**3,399.88**

f. Actuarial movement through other comprehensive income

Particulars	As at March 31, 2017	As at March 31, 2016
Opening Balance	(38.07)	-
Changes during the year	(22.37)	(38.07)
Closing Balance	**(60.44)**	**(38.07)**

10.1 Distribution made and proposed

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended April 1, 2015
Cash dividend on equity shares declared and paid:			
Final Dividend for year ended March 31, 2016: NIL	-	193.02	-
(March 31, 2015: ₹ 0.5 / share)			
DDT on Final dividend	-	38.59	-
Interim Dividend @ ₹ 1 / share	-	-	386.03

Notes to the Financial Statements for the year ended March 31, 2017 (all amounts are in ₹ lakhs)

10.1 Distribution made and proposed *(continued)*

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended April 1, 2015
DDT on Interim dividend	-	-	65.61
Total	**-**	**231.61**	**451.64**
Proposed dividend on equity shares	**414.27**	**-**	**193.02**

Note: Proposed dividend on equity shares are subject to approval at Annual General meeting and are not recognised as a Liability.

11 Financial Liabilities

11.1 Borrowings

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
A. Non-current borrowings			
Term Loan from Banks	1,357.50	2,027.50	-
Long term maturities of finance lease obligation	-	8.10	32.06
Total	**1,357.50**	**2,035.60**	**32.06**
B. Current borrowings			
Loans repayable on demand			
From banks	4,566.90	2,570.77	1,093.16
From related party	-	-	91.00
Total	**4,566.90**	**2,570.77**	**1,184.16**

Nature of security provided:

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

11.2 Trade payables

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade payables to micro, small and medium enterprises	2.25	6.60	0.68
Trade payables to related parties	311.18	331.07	1,142.09
Trade payables other than micro, small and medium enterprises	3,021.66	1,901.07	1,992.71
Total	**3,335.09**	**2,238.74**	**3,135.48**
Current	**3,335.09**	**2,238.74**	**3,135.48**
Non-Current	**-**	**-**	**-**

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2017, March 31, 2016 and April 1, 2015. This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Refer Note 33 for information on Liquidity risk and market risk of Trade Payables.

11.3 Other financial liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
A. Non-current			
Advances received from Employees	5.54	8.21	7.27
Deferred Rent Payable	6.00	6.00	6.00
Deferred Liability - Employee advances	0.14	1.31	2.26
Total	**11.68**	**15.52**	**15.53**

Notes to the Financial Statements for the year ended March 31, 2017 (all amounts are in ₹ lakhs)

11.3 Other financial liabilities *(continued)*

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
B. Current			
Current maturities of long term borrowings	670.00	670.00	-
Current portion of finance lease obligations	5.67	13.65	22.17
Interest accrued and not due	-	50.86	50.86
Deferred Corporate Guarantee Charges payable	18.93	25.49	-
Unclaimed Dividend	25.26	25.35	46.84
Total	**719.86**	**785.35**	**119.87**

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

12 Provisions

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
A. Non-current			
Provision for employee benefits:			
Post retirement benefits	183.10	137.27	114.98
Compensated absences	47.67	44.23	14.62
Total	**230.77**	**181.50**	**129.60**
B. Current			
Provision for employee benefits:			
Post retirement benefits	2.95	26.28	9.14
Compensated absences	1.06	8.09	25.31
Other Benefits	16.08	52.05	-
Provision for Sales Returns	7.97	5.40	0.35
Other Provisions	-	-	-
Total	**28.06**	**91.82**	**34.80**

13 Deferred Tax Liabilities (Net)

a. Major components of income tax expense are:

Particulars	As at March 31, 2017	As at March 31, 2016
Current income tax:		
Current income tax charge	483.81	-
Deferred tax:		
Relating to origination and reversal of temporary differences	150.32	42.90
Income tax expense reported in the statement of profit or loss	634.13	42.90

b. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate are:

Particulars	As at March 31, 2017	As at March 31, 2016
Accounting profit before income tax from continued operations	1,791.51	259.40
At India's statutory income tax rate of 34.608%	620.01	89.77
Adjustments in respect of:		
Pertaining to previous years	1.03	(47.58)
Non-deductible expenses for tax purposes:		
Other non-deductible expenses	13.09	0.70
At the effective income tax rate	634.13	42.90
Income tax expense reported in the statement of profit and loss	634.13	42.90

Notes to the Financial Statements for the year ended March 31, 2017 (all amounts are in ₹ lakhs)

13 Deferred Tax Liabilities *(continued)*

c. Deferred Tax relates to the following:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Accelerated depreciation for tax purposes	(444.95)	(366.24)	(173.60)
Bonus	6.00	18.01	-
Gratuity	64.39	56.60	55.01
Leave Encashment	16.87	18.11	13.57
Provision for Doubtful Debts	79.60	79.60	-
Carry Forward of Loss	-	51.27	-
Ind AS Adjustments	20.83	23.87	(69.41)
Net deferred tax assets/(liabilties)	(257.26)	(118.78)	(174.43)
Reflected in Balance sheet as follows:			
Deferred tax assets	187.68	247.46	68.58
Deferred tax liabilties	444.95	366.24	243.01
Deferred tax liabilties (Net)	257.26	118.78	174.43

d. Reconciliation of deferred tax assets/ (liabilities):

Particulars	As at March 31, 2017	As at March 31, 2016
Opening balance as of April 1	118.78	174.43
Tax income/(expense) during the period recognised in profit or loss	150.32	42.90
Tax income/(expense) during the period recognised in OCI	(11.84)	(20.16)
Impact on account of Merger	-	(78.32)
Closing balance as of March 31	257.26	118.78

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

14 Other Current Liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Statutory remittances	30.99	54.34	139.63
Advances from customers	35.23	42.60	72.34
Others	1,437.25	1,283.18	-
Total	**1,503.47**	**1,380.12**	**211.97**

15 Revenue from operations

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from operations		
(a) Manufactured	14,628.39	15,282.57
(b) Traded	14,959.51	13,986.15
Revenue from services		
(a) Processing of Shrimps	2,366.06	632.38
Other operating revenues		
(a) Export incentives	201.09	76.59
(b) Others	-	0.03
Total	**32,155.05**	**29,977.72**

Notes to the Financial Statements for the year ended March 31, 2017 (all amounts are in ₹ lakhs)

16 Other Income

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest Income		
(a) On short-term deposits	95.62	149.00
(b) Others	33.87	-
Dividend Income		
(a) from current investment	0.20	0.20
Profit on Sale of Investments	-	0.73
Scrap sales	38.45	26.29
Consultancy services Income	-	9.77
Others	19.13	4.39
Total	**187.27**	**190.38**

17 Cost of materials consumed

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Soya DOC	4,729.33	4,086.49
Fish Meal	6,749.22	4,325.41
Raw and Processed Shrimps	3,082.84	923.56
Other sundry items	9,443.72	7,943.47
Total	**24,005.10**	**17,278.94**
Direct expenses attributable to raw materials consumed		
Freight inward	29.71	7.44
Total	**24,034.81**	**17,286.38**

18 Purchase of stock in trade - Traded Goods

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Shrimp feeds	978.15	4,520.77
Total	**978.15**	**4,520.77**

19 Changes in inventories

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Inventories (at close)		
(a) Finished goods / Stock-in-trade	1,953.28	626.99
(b) Work-in-progress	47.17	231.91
Total Inventories (at close) (A)	**2,000.44**	**858.90**
Inventories (at commencement)		
(a) Finished goods / Stock-in-trade	626.99	1,223.45
(b) Work-in-progress	231.91	76.91
Total Inventories (at commencement) (B)	**858.90**	**1,300.36**
Stock Loss		
(a) Finished goods / Stock-in-trade	-	238.46
(b) Work-in-progress	-	7.57
Total Stock Loss (C)	**-**	**246.03**
Increase (-) /Decrease in Stock (B-A-C)	**(1,141.54)**	**195.43**

Notes to the Financial Statements for the year ended March 31, 2017 (all amounts are in ₹ lakhs)

20 Employee benefits expense

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Salaries, wages and bonus	1,455.01	1,232.67
Contribution to provident, gratuity and other funds	83.22	76.68
Staff welfare expenses	93.01	151.82
Total	**1,631.24**	**1,461.17**

21 Finance costs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest expenses	738.89	331.43
Other borrowing costs	120.61	94.14
Total	**859.50**	**425.57**

22 Other expenses

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Consumption of Stores and Spares	464.19	528.18
Power and Fuel	665.93	488.39
Rent	57.67	51.29
Processing charges	363.64	145.95
Repairs and Maintenance:		
Plant and Machinery	11.77	(9.65)
Buildings	70.75	52.92
Others	76.44	97.22
Vehicle Maintenance	15.82	25.84
Contract Labour	69.06	58.97
Security Charges	32.45	21.46
Insurance	41.20	25.34
Rates and taxes	70.31	24.65
Freight Outward	202.81	43.77
Selling expenses	228.51	253.89
Schemes, rebates & claims	223.63	909.45
Legal & professional charges	306.07	240.09
Secretarial expenses	57.64	28.08
Travelling expenses	274.14	153.59
Business communication expenses	32.93	16.11
Payment to auditors:		
Statutory audit fees	3.90	3.05
in the capacity of tax auditor	0.68	0.67
in other capacities	0.61	0.95
Reimbursement of expenses	0.46	2.18
Corporate Social Responsibility expenses	35.30	39.09
Directors' Commission	23.00	5.80
Directors' sitting fees	11.09	9.04
Loss on Exchange Fluctuation	0.25	4.21
Loss on fair valuation of investments	(0.58)	0.48
Loss on sale of assets	7.58	3.76
Loss of inventory (floods)	-	1,745.85
Provision for doubtful debts	33.21	251.38
Miscellaneous expenses	259.56	102.90
Total	**3,640.02**	**5,324.90**

Notes to the Financial Statements for the year ended March 31, 2017 (all amounts are in ₹ lakhs)

23 Exceptional Item

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest on one time settlement	-	323.10
Total	**-**	**323.10**

24 Earnings per share

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

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Profit after tax	1,157.38	216.51
Number of Equity Shares for Basic EPS	3,86,03,250	3,86,03,250
Weighted Average Number of Equity Shares for Diluted EPS	4,14,26,779	4,04,85,603
Face Value of Share (₹)	10	10
Earnings Per Share - Basic (₹)	3.00	0.56
Earnings Per Share - Diluted (₹)	2.79	0.53

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

25 Details of CSR expenditure

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Gross amount required to be spent by the Company during the year	35.30	39.09
Amount spent during the year (includes previous year's unspent money)		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	36.44	37.95

26 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

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

Recognition of deferred tax assets

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and

Notes to the Financial Statements for the year ended March 31, 2017 (all amounts are in ₹ lakhs)

26 Significant accounting judgements, estimates and assumptions *(continued)*

assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of non- financial assets

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

Inventories

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

Defined Benefit Obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as attrition rate, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (as analyzed in Note 28).

Useful lives of depreciable assets

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

Fair value measurement of financial instruments

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

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

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

Current and non-current classification

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

27 Group Structure - Related Pary Relationship

S.No.	Name of the Related Party	Relationship
1	Nav Srijit Sakthi Telangana Private Limited	Holding Company (from March 24, 2017)
2	Karam Chand Thapar & Bros. (Coal Sales) Limited	Promoter, Holding Company (Upto March 23, 2017)
3	Pinnae Feeds Limited	Wholly Owned Subsidiary of Karam Chand Thapar & Bros. (Coal Sales) Limited (Upto July 31, 2015, merged subsequently with the Company)
4	Towerbase Services Private Limited*	Common Directorship
5	Avitech Nutrition Private Limited	Common Directorship
6	Handy Waterbase India Private Limited	Common Directorship

* The name of the company has now been changed to KCT Management Services Private Limited.

Notes to the Financial Statements for the year ended March 31, 2017 (all amounts are in ₹ lakhs)

28 Gratuity and other post employment benefit plan

S.No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
		Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	Defined Benefit Plan				
(a)	Defined benefit Obligation at the beginning of the year	163.54	124.90	52.33	41.48
(b)	Current service Cost	23.62	17.84	(6.80)	8.33
(c)	Interest Cost	10.94	8.49	3.51	2.96
(d)	Actuarial (Gain) / Loss	23.47	49.78	10.73	8.33
(e)	Benefits Paid	(35.53)	(37.47)	(11.04)	(8.77)
(f)	Defined benefit Obligation at the end of the year	186.05	163.54	48.74	52.33
	Expenses recognised during the year				
(a)	Current service cost	23.62	17.84	(6.80)	8.33
(b)	Interest Cost	10.94	8.49	3.51	2.96
(c)	Actuarial (Gain) / Loss	23.47	49.78	10.73	8.33
	Actuarial Assumptions				
(a)	Discount rate (per annum)	7.00%	7.50%	7.00%	7.50%
(b)	Rate of escalation in Salary (per annum)	8.00%	5.50%	8.00%	5.50%

Sensitivity Analysis (Gratuity)

S.No.	Particulars	Decrease		Increase	
		₹ in Lakhs	%	₹ in Lakhs	%
(a)	Discount rate (-1 / +1 %)	207.30	11.00%	165.55	-9.00%
(b)	Salary Inflation (-1 / +1 %)	168.52	-9.00%	203.35	11.00%
(c)	Attrition rate (- / +50 %)	187.27	0.70%	182.54	-0.60%
(d)	Mortality rate (- / +10 %)	186.15	0.05%	183.57	-0.05%

Maturity Analysis of Benefit Payments (Gratuity)

Particulars	Amount in expected Cash Flows (₹)
Less than 5 years	24.11
5 to 10 years	155.70
10 to 15 years	358.76
15 to 20 years	381.70
More than 20 years	286.11

29 Commitments and contingencies

a. Lease

Finance lease and hire purchase commitments

The Company has hire purchase contracts for certain vehicles. Future minimum lease payments under hire purchase contracts together with the present value of the net minimum lease payments are as follows:

Notes to the Financial Statements for the year ended March 31, 2017 (all amounts are in ₹ lakhs)

29 Commitments and contingencies *(continued)*

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Minimum lease payments (MLP)	Present value of MLP	Minimum lease payments (MLP)	Present value of MLP	Minimum lease payments (MLP)	Present value of MLP
Within one year	5.73	5.67	14.87	13.65	27.56	22.17
After one year but not more than five years	-	-	8.82	8.10	34.92	32.06
More than five years	-	-	-	-	-	-
Total minimum lease payments	5.73	5.67	23.69	21.75	62.47	54.23
Less: Finance Charges	0.06	-	1.94	-	8.24	-
Present value of minimum lease payments	5.67	5.67	21.75	21.75	54.23	54.23

b. Commitments

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Estimated amount of contracts remaining to be executed on Capital Account and not provided for	464.51	-	21.65
Export obligation under EPCG Scheme to be fulfilled. The Company is confident of meeting its obligation under the Schemes within the stipulated period	149.02	-	238.78

c. Contingent Liabilities

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

Tax contingencies

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

Nature of Tax	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Custom duty	532.40	535.36	535.36
Excise duty	49.48	49.48	49.48
Service tax	63.86	63.86	63.86
Sales tax	65.86	35.56	33.89
Income tax	11.15	1.27	-

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

Amount in respect of other Claims

Nature of Claim	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
To a Bank	-	-	670.94
Others (Claims related to contractual disputes)	75.37	72.63	77.19

Notes to the Financial Statements for the year ended March 31, 2017 (all amounts are in ₹ lakhs)

29 Commitments and contingencies *(continued)*

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

a) plaintiffs/parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;

b) the proceedings are in early stages;

c) there is uncertainty as to the outcome of pending appeals or motions or negotiations; and/or

d) there are significant factual issues to be resolved.

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

d. Financial Guarantee

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Bank Guarantee			
To Commissioner of Customs (India), US Customs & Border Protection	415.58	417.89	372.02
To Director General of Fire Service, Hyderabad	2.29	2.29	-

30 Related Party Transactions

Particulars	Name of the Company	For the Year ended March 31, 2017	For the year ended March 31, 2016
Purchase of Goods	Pinnae Feeds Limited (upto July 31, 2015)	-	4,520.77
	Avitech Nutrition Private Limited	552.70	127.89
	Handy Waterbase India Private Limited	2.82	-
Reimbursement of Expenses	Karam Chand Thapar & Bros. (Coal Sales) Limited	11.42	10.80
	Pinnae Feeds Limited (upto July 31, 2015)	-	36.63
Receipt of Service	Karam Chand Thapar & Bros. (Coal Sales) Limited	21.15	19.88
	Handy Waterbase India Private Limited	9.81	-
Closing Balance	The amounts are classified as trade payables:		
	Karam Chand Thapar & Bros. (Coal Sales) Limited	-	7.34
	Towerbase Service Private Limited*	308.73	323.73
	Handy Waterbase India Private Limited	2.45	-

* The name of the company has now been changed to KCT Management Services Private Limited.

Terms and conditions of transactions with related parties

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

Transactions with key management personnel

Key Management Personnel	Designation	As at March 31, 2017	As at March 31, 2016
Mr. Ramakanth V Akula	CEO	149.35	146.95
Mr. R. Sureshkumar	CFO (from December 1, 2016)	17.58	-
Mr. S. Giridhari	CFO (upto November 30, 2016)	53.12	49.46
Mr. G. Venkatram	Company Secretary	16.48	14.82

Notes to the Financial Statements for the year ended March 31, 2017 (all amounts are in ₹ lakhs)

31 Segment information

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. The Company principally engaged in a single business segment viz,. Shrimp Feed Manufacturing and Trading.

32 Fair value hierarchy

Summary of financial assets and liabilities by category and their fair values

Particulars	Carrying amount		Fair value	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Financial assets				
Loans and receivables				
Cash and cash equivalents [1]	26.30	1,410.82	26.30	1,410.82
Restricted cash [1]	1,117.22	1,023.73	1,117.22	1,023.73
Current trade receivables [1]	8,155.61	6,919.39	8,155.61	6,919.39
Available-for-sale instruments [3]	2.00	2.00	4.28	3.70
Others	-	-	0.09	0.12
Total	**9,301.13**	**9,355.94**	**9,303.50**	**9,357.76**
Financial liabilities				
Borrowings	5,924.40	4,606.37	5,924.40	4,606.37
Current trade and other payables [1]	4,054.96	3,024.10	4,054.95	3,024.09
Non-current trade and other payables [2]	9.75	9.75	11.68	15.52
Total	**9,989.11**	**7,640.22**	**9,991.03**	**7,645.98**

The fair value of the financial assets and liabilities are included at the price that would be received to sell an asset or paid to transfer a liability (i.e. an exit price) in an ordinary transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values.

1 Cash and short-term deposits, trade receivables, trade payables, and other borrowings like short-term loans, current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

2 The fair value of loans from banks and other financial indebtedness, obligations under finance leases, financial liabilities at fair value through profit or loss as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt or similar terms and remaining maturities.

3 Fair value of available-for-sale instruments held for trading purposes are derived from quoted market prices in active markets. Fair value of available-for-sale unquoted equity instruments are derived from valuation performed at the year end.

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Available-for-sale financial assets

Particulars	Level 1	Level 2	Level 3	Total
Unquoted securities	-	-	-	-
Quoted securities	4.28	-	-	4.28
Total	**4.28**	**-**	**-**	**4.28**

There were no transfers between Level 1 and 2 in the period.

Notes to the Financial Statements for the year ended March 31, 2017 (all amounts are in ₹ lakhs)

33 Financial risk management objectives and policies

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

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

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

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

Market risk

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

The sensitivity analyses in the following sections relate to the position as at March 31, 2017 and March 31, 2016

The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the net interest income for one year, based on the average rate of borrowings held during the year ended March 31, 2015, all other variables being held constant. These changes are reasonably possible based on observation of current market conditions.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the long-term debt obligations with average interest rates.

The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant. If interest rates increase or decrease by 100 basis points with all other variables being constant, the Company's profit after tax for the year ended March 31, 2017 would decrease or increase by ₹ 39.37 lakhs (March 31, 2016: ₹ 8.62 Lakhs, April 1, 2015: ₹ 1.22 Lakhs).

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate.

The Company's exposure to foreign currency arises where a Company holds monetary assets and liabilities denominated in a currency different to the functional currency of that entity:

Currency	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	Financial assets	Financial liabilities
United States Dollar (USD)	4,75,908	1,99,479	2,45,911	-	-	10,448

Set out below is the impact of a 10% change in the US dollar on profit arising as a result of the revaluation of the Company's foreign currency financial instruments:

Currency	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Closing Rate	Effect of 10% strengthening of USD on net earnings (₹)	Closing Rate	Effect of 10% strengthening of USD on net earnings (₹)	Closing Rate	Effect of 10% strengthening of USD on net earnings (₹)
United States Dollar (USD)	64.84	27,643	66.33	24,591	62.59	(1,045)

The impact on total equity is the same as the impact on net earnings as disclosed above.

Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example trade receivables, placing deposits, investment in mutual funds etc. the Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at March 31, as summarised below:

Notes to the Financial Statements for the year ended March 31, 2017 (all amounts are in ₹ lakhs)

33 Financial risk management objectives and policies *(continued)*

Classes of Financial Assets	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Investments	2.00	2.00	7.00
Trade receivables	8,155.61	6,919.39	5,498.70
Cash and Bank balances	1,143.52	2,434.55	2,947.82
Other financial assets	-	-	-
Total	**9,301.13**	**9,355.94**	**8,453.52**

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

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

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

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

Liquidity risk

The following is an analysis of the Company's contractual undiscounted cash flows payable under financial liabilities as at March 31, 2017, March 31, 2016 and April 1, 2015

	Current	Non-Current		
As at March 31, 2017	**Within 12 Months**	**1-5 Years**	**Later than 5 years**	**Total**
Borrowings	4,566.90	1,357.50	-	5,924.40
Trade and other payables	3,335.09	-	-	3,335.09
Other financial liabilities	719.87	9.75	-	729.62
Total	**8,621.86**	**1,367.25**	**-**	**9,989.11**

	Current	Non-Current		
As at March 31, 2016	**Within 12 Months**	**1-5 Years**	**Later than 5 years**	**Total**
Borrowings	2,570.77	2,035.60	-	4,606.37
Trade and other payables	2,238.74	-	-	2,238.74
Other financial liabilities	785.36	9.75	-	795.11
Total	**5,594.87**	**2,045.35**	**-**	**7,640.22**

	Current	Non-Current		
As at April 1, 2015	**Within 12 Months**	**1-5 Years**	**Later than 5 years**	**Total**
Borrowings	1,184.16	32.06	-	1,216.22
Trade and other payables	3,135.48	-	-	3,135.48
Other financial liabilities	119.91	9.75	-	129.66
Total	**4,439.55**	**41.81**	**-**	**4,481.36**

34 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital

Notes to the Financial Statements for the year ended March 31, 2017 (all amounts are in ₹ lakhs)

34 Capital Management *(continued)*

to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by equity plus net debt. The Company's policy is to keep the gearing ratio between 20% and 45%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Borrowings (including current maturities)	6,600.07	5,290.02	1,238.39
Trade and Other Payables	3,335.09	2,238.74	3,135.48
Less: Cash and Cash Equivalents	(26.30)	(1,410.82)	(1,248.09)
Net Debt	9,908.86	6,117.94	3,125.78
Equity	12,454.16	11,319.15	10,021.39
Equity and Net debt	22,363.02	17,437.09	13,147.17
Gearing ratio	44%	35%	24%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017 and March 31, 2016.

35 First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the Company prepared its financial statements 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 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016

First-time adoption exemptions applied

Upon transition, Ind AS 101 permits certain exemptions from full retrospective application of Ind AS. The Company has applied the mandatory exceptions and certain optional exemptions, as set out below:

Mandatory exceptions adopted by the Company

(i) De-recognition of financial assets and liabilities:

The de-recognition criteria of Ind AS 109 Financial Instruments has been applied prospectively for transactions occurring on or after the date of transition to Ind AS. Non-derivative financial assets and non-derivative financial liabilities derecognized before date of transition under previous GAAP are not recognized on the opening Ind AS Balance Sheet.

(ii) Estimates:

Hindsight is not used to create or revise estimates. The estimates made by the Company under previous GAAP were not revised for the application of Ind AS except where necessary to reflect any differences in accounting policies or errors.

Optional exemptions availed by the Company

(i) Property, plant and equipment:

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. The Company has elected to use carrying value under previous GAAP as the deemed cost on the date of transition to Ind AS for all property, plant and equipment (including intangible assets). Land and buildings (properties) were carried in the Balance Sheet prepared in accordance with Previous GAAP on the basis of historical cost. The Company has elected to regard those values of property as deemed cost at the date of the transition since they were broadly comparable to fair value. Accordingly, the Company has not revalued the property at April 1, 2015.

Notes to the Financial Statements for the year ended March 31, 2017 (all amounts are in ₹ lakhs)

35 First-time adoption of Ind AS *(continued)*

(ii) Investment in subsidiaries, joint ventures and associates:

Investment in subsidiaries, joint ventures and associates are measured at the carrying value under previous GAAP on the date of transition to Ind AS. These carrying value under previous GAAP are considered to be the deemed cost as at the date of transition.

(iii) Classification and measurement of financial assets:

Ind AS 101 requires an entity to assess the classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company has elected to apply this exemption to its financial assets.

(iv) Leases:

Appendix C to Ind AS 17, Leases, requires an entity to assess whether a contract or arrangement contains a lease. As per Ind AS 17, this assessment should be carried out at inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

Reconciliation of equity as at March 31, 2016 and April 1, 2015

Particulars	As at March 31, 2016 (End of last period presented under previous GAAP)	As at April 1, 2015 (Date of transition presented under previous GAAP)
Equity as reported under previous GAAP	**9,985.71**	**9,917.32**
Fair value gain on investments under Ind AS	(1.70)	3.60
Impact on revenue recognition	79.75	(50.58)
Dividend liability not recognised until declared under Ind AS	(231.61)	231.61
Provision for expected credit losses	26.93	(5.55)
Measurement of borrowings under effective interest rate method	(0.24)	0.26
Actuarial gain/loss on defined benefits	38.22	-
Others	8.45	(5.86)
Tax effect on above adjustments	(15.21)	(69.41)
Effect on account of PFL's merger with the Company	1,428.85	-
Equity under Ind AS	**11,319.15**	**10,021.39**

Reconciliation of total comprehensive income for the year ended March 31, 2016

Particulars	Year ended March 31, 2016 (Latest period presented under previous GAAP)
Net Profit / (Loss) after Tax as per Indian GAAP	**68.43**
Impact of Measuring Investments at Fair Value through Profit or Loss (FVTPL)	(1.90)
Valuing Loans at Effective Interest Rate	(0.03)
Additional Provision for Sales Return	(5.05)
Fair Value of Advances	0.01
Impact on Revenue Recognition	(24.12)
Impact due to Provisioning as per Expected Credit Loss	(21.38)
Deferred Tax	64.40
Actuarial gain/loss on defined benefits	58.44
Straight lining of leases	(0.02)
Effect on account of PFL's merger with the Company	77.73
Net Profit / (Loss) after tax as per Ind AS	**216.51**
Other Comprehensive Income (Net of tax)	**(38.07)**
Total Comprehensive Income after Tax as per Ind AS	**178.43**

Notes to the Financial Statements for the year ended March 31, 2017 (all amounts are in ₹ lakhs)

35 First-time adoption of Ind AS *(continued)*

Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2016

Particulars	Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flow from operating activities	11.58	1,191.86	1,203.44
Net cash flow from investing activities	(425.10)	667.40	242.30
Net cash flow used in financing activities	(469.30)	(839.79)	(1,309.09)
Net (decrease)/increase in cash and cash equivalents	(882.82)	1,019.47	136.65
Cash and cash equivalents as at beginning of the year	2,274.50	(2,119.57)	154.93
Effect on account of PFL's merger with the Company	-	-	(1,451.53)
Cash and cash equivalents as at end of the year	1,391.68	(2,551.63)	(1,159.95)

36 Events after the reporting period

Note on Scheme of Amalgamation:

The scheme of amalgamation under the Companies Act between Pinnae Feeds Limited ("PFL") engaged in manufacturing of Shrimp Feeds and the Company has been approved by the NCLT, Hyderabad vide their order dated November 14, 2017 with August 1, 2015 as the appointed date. Upon necessary filing with the Registrar of Companies (ROC) on November 27, 2017, the scheme has become effective and the effect thereof has been given in these accounts. Consequently, in respect of the merger of Pinnae Feeds Limited with the Company –

a. In terms of the Scheme, the entire business and the whole of the undertaking of PFL, as a going concern stands transferred to and vested in the Company with effect from August 1, 2015, being the Appointed Date.

b In consideration of the amalgamation of PFL with the Company, the Company proposes to issue 28,23,529 equity shares of ₹ 10/- each aggregating to ₹ 2,82,35,290/- in the ratio of 4 fully paid up Equity shares of the face value of ₹ 10/- each of the Company for every 17 fully paid up equity shares of ₹ 10/- each held in PFL.

c. Accounting for Amalagamation:

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

The Order is effective from November 27, 2017 with the appointed date of August 1, 2015. The transactions accounted in the books of the Transferor Company during the intervening period has now been incorporated in the books of the Transferee Company with effect from the appointed date. Accordingly the company has prepared the financial statements including cashflow for the year ended March 2017 with the comparatives of the previous period.

As regards the position on transfer and vesting of all the assets and liabilities of the Transferor Company to Transferee Company as on the appointed date, the exercise is carried out now taking the base as the appointed date from the audited accounts of both Transferor and Transferee Company.

All asset and liabilities of the PFL were recorded at their respective book values under the respective accounting heads of the Company. The difference between the value of net assets of the PFL transferred to the Company (determined as stated above) of ₹ 917.65 Lakhs has been adjusted to Capital Reserve of the Company.

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

37 Specified Bank Notes

Details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016

Particulars	SBN	Other denominations	Total
Closing cash in hand on November 8, 2016	-	0.98	0.98
(+) Permitted receipts	-	3.73	3.73
(-) Permitted payments	-	2.89	2.89
(-) Amount deposited in banks	-	-	-
Closing cash in hand on December 30, 2016	-	1.82	1.82

38 Previous year figures

Previous year's figures have been restated, rearranged and regrouped, wherever necessary, upon clubbing together of the previous year's position of PFL (Refer Note 36), to enable comparability of the current year's position of amalgamated accounts with that of the relative previous year's position.

39 Approval of Financial Statements

The financial statements were approved for issue by the Board of Directors on November 29, 2017.

As per our report of even date

For and on behalf of the Board of Directors

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

Varun Aditya Thapar
Director

Anil Kumar Bhandari
Director

S.Das
Partner, (MN. 051391)

Ramakanth V Akula
Chief Executive Officer

R. Sureshkumar
Chief Financial Officer

New Delhi
November 29, 2017

G. Venkatram
Company Secretary

The Waterbase Limited

CIN: L05005AP1987PLC018436
Registered office: Ananthapuram Village, T P Gudur Mandal, Nellore - 524 344, Andhra Pradesh, Phone: 9100018037
Corporate Office: Thapar House, No. 37, Montieth Road, Egmore, Chennai - 600008, Tamil Nadu, Phone: 044 3012 7000
Email: info@waterbaseindia.com, Website: www.waterbaseindia.com,

NOTICE IS HEREBY GIVEN THAT THE THIRTIETH ANNUAL GENERAL MEETING OF THE WATERBASE LIMITED WILL BE HELD AT THE REGISTERED OFFICE OF THE COMPANY ON 30th DECEMBER, 2017 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 Financial Statements i.e. Balance Sheet of the Company as at 31st March, 2017 and the Statement of Profit & Loss and Cash Flow Statement for the year ended as on that date, together with the Reports of the Directors and Auditors thereon.

2. Declaration of Dividend

To declare the final dividend of ₹ 1/- per equity share on the fully paid equity shares of ₹ 10/- each to those members whose names appear in the Register of Members of the Company as on the Record Date.

3. Re-Appointment of Mr. Vikramaditya Mohan Thapar who retires by rotation

To appoint a Director in place of Mr. Vikramaditya Mohan Thapar (DIN : 00030967), who retires by rotation in accordance with the section 152 of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

4. Appointment of M/s. Deloitte Haskins & Sells LLP (Firm Registration No.117366W/W-100018) as the Statutory Auditors:

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

"**RESOLVED THAT** pursuant to Sections 139 and 142 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, as amended from time to time and pursuant to the recommendation of the Audit Committee of the Board of Directors and that of the Board of Directors of the Company, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) be and are hereby appointed as the Statutory auditors of the company in place of M/s. Mitra Kundu & Basu., Chartered Accountants (Firm Registration No. 302061E), to hold office from the conclusion of the thirtieth Annual General Meeting till the conclusion of the thirty fifth Annual General Meeting of the Company, i.e. for a period of 5 (Five) consecutive years commencing from the financial year 2017-18, subject to ratification of their appointment at every Annual General Meeting, if so required, at such remuneration plus service tax, out-of-pocket expenses, etc., as may be mutually agreed between the Board of Directors and M/s. Deloitte Haskins & Sells LLP, Chartered Accountants"

Special Business:

5. 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 earlier resolution passed at the Annual General Meeting held on 30th September, 2015 and pursuant to Section 180(1)(c) and other applicable provisions of the Companies Act, 2013 and Rules framed there-under (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 ₹ 2,00,00,00,000 (Rupees Two 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."

6. 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 earlier resolution passed at the Annual General Meeting held on 30th September, 2015 and pursuant to Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 and Rules framed there-under, 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, 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 ₹ 2,00,00,00,000 (Rupees Two 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

Varun Aditya Thapar
Director

Anil Kumar Bhandari
Director

Delhi, 29th November, 2017

NOTES

1. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 (''the Act''), concerning the Special Business in the Notice is annexed hereto and forms part of this Notice. The profile of the Directors seeking appointment/re-appointment, as required in terms of the Secretarial Standard on General Meetings, SEBI (Listing Obligations and Disclosure Requirements), 2015 is annexed hereto.

2. Only registered Members of the Company as on the Cut-Off/Record Date i.e. 23rd December, 2017 may attend and vote (either in person or by proxy or by Authorized Representative under Sections 112 and 113 of the Companies Act, 2013) at the meeting. The Authorised Representative of a body corporate which is a registered Member of the Company may attend and vote at the Annual General Meeting provided a certified true copy of the resolution of the Board of Directors under Section 113 of the Companies Act, 2013 or other governing body of the body corporate authorizing such representative to attend and vote at the meeting is deposited at the Registered Office of the Company not later than 48 hours before the meeting.

3. Foreign Institutional Investors (FIIs) who are registered Member(s) of the Company would be required to deposit certified copies of Custodial resolutions/ Power of Attorney, as the case may be, authorizing the individuals named therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the Registered Office of the Company not later than 48 hours before the meeting.

4. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES, ETC. MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE. A PROXY FORM FOR THE ANNUAL GENERAL MEETING IS ENCLOSED HEREWITH ALONG WITH NOTICE.**

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

5. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant rules, Companies can serve Annual Reports and other communications through electric mode to those members who have registered their e-mail address either with the Company or with the depository. Members who have not registered their e-mail address with the Company are requested to submit their request with the valid e-mail address to M/s. Cameo Corporate Services Ltd. Members holding shares in demat forms are requested to register / update their e-mail address.

6. Electronic copy of the Notice for the Annual General Meeting and the Annual Report for 2016-17 are being sent to all the Members whose E-mail IDs are registered with the Company / Depository Participant(s). Physical copy of the Notice together with the Annual Report are being sent in permitted mode, to Members for whom the E-mail IDs are not available and who have requested for physical copies. The Notice and the Annual Report are also available on the Company's Website - www.waterbaseindia.com for download.

7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

8. Members / Proxies / Authorized Representatives should bring the enclosed Attendance Slip, duly filled in, for attending the Meeting.

9. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to our Registrar and Share Transfer Agents.

11. Members are requested to send all communications relating to shares and unclaimed dividends, change of address etc. to the Registrar and Share Transfer Agents at the following address:

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

12. Voting Options:

A. Electronic Voting:

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

The voting period begins on 27th December, 2017 at 9.00 a.m. and ends on 29th December, 2017 at 5.00 p.m. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-Off/ Record Date of 23rd December, 2017 may cast their vote electronically. The E-Voting module shall be disabled by CDSL for voting thereafter.

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

The instructions for E-Voting are as under:

(i) The Members should log on to the e-voting website www.evotingindia.com.

(ii) Click on 'Shareholders'.

(iii) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(iv) Next enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

	For Members holding shares in Demat Form and Physical Form
PAN	• Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the Sequence Number (Sequence Number has been provided as serial number in the address label and/or in the email sent to Members) in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	• Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for the relevant The Waterbase Limited on which you choose to vote.

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvi) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) **Members can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xviii) **Note for Non-Individual Members and Custodians**

- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

B. Voting at AGM:

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

13. A member can opt for only one mode of voting i.e. either in person or through proxy at the meeting or through e-voting. A member who has voted through e-voting shall not be entitled to vote again physically at the venue of the AGM.

14. Any person who have acquired shares and become members of the company after the dispatch of the notice and holding shares as on Cut-Off/ Record Date of 23rd December, 2017, and who have updated their PAN with the Company/DP, should follow the instructions abovementioned to vote through e-voting and those who have not updated their PAN with the Company/DP, can send a mail to investor@cameoindia.com to obtain sequence number.

15. The Company has appointed Mr. A Mohan Kumar, Practicing Company Secretary, (Membership No: F4347, CP. No: 19145) to act as the Scrutinizer. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.

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

ANNEXURE I TO THE NOTICE

Explanatory Statement in respect of Ordinary Business though not required by Section 102 of the Companies Act, 2013

ITEM 4:

M/s. Mitra Kundu & Basu., Chartered Accountants (Firm Registration No.302061E) were the Statutory Auditors of the Company who hold office till the conclusion of the ensuing Annual General Meeting and are liable for mandatory rotation in terms of the provisions of the Companies Act, 2013.

Accordingly, the Audit Committee of the Board of Directors of the Company had, at its meeting held on 29th November, 2017, recommended the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No.117366W/W-100018) as the Statutory Auditors of the Company to hold office for a period of 5 (Five) years from the conclusion of the ensuing Annual General Meeting. The Board of Directors recommends the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No.117366W/W-100018) in place of M/s. Mitra Kundu & Basu., Chartered Accountants, to hold office from the conclusion of this Annual General Meeting till the conclusion of the thirty fifth Annual General Meeting of the Company, i.e. for a period of 5 (Five) consecutive years commencing from the financial year 2017-18.

In light of above, you are requested to accord your approval to the Ordinary Resolution as set out at Item No.4 of the Notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives has any concern or interest, financial or otherwise, in the proposed resolution.

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

ITEM 5:

The Scheme of Amalgamation of Pinnae Feeds Limited (PFL) with the Company was sanctioned by the NCLT, Hyderabad on 14th November, 2017 and the Scheme was given effect to on 27th November, 2017 by filing the order with the Registrar of Companies. By virtue of Clause of 4.10, 4.11 & 4.12 of the Scheme all the borrowing limits sanctioned by the members of PFL be transferred and shall vest with the Company.

At the Annual General Meeting held on 30th September 2015, the members had, by way of Special Resolution pursuant to Section 180(1)(c) of the Companies Act, 2013, approved a borrowing limit of up to ₹ 1,00,00,00,000 (Rupees One Hundred Crore Only) outstanding at any point in time. At the Annual General Meeting of PFL held on 25th September, 2014, the members of PFL had, by way of Special Resolution pursuant to Section 180(1)(c) of the Companies Act, 2013, approved a borrowing limit of ₹ 1,00,00,00,000 (Rupees One Hundred Crore Only) outstanding at any point in time.

In order that the exact extent of the revised borrowing limits pursuant to the Scheme is approved by the members, it is proposed to ratify the borrowing limit of ₹ 2,00,00,00,000 (Rupees Two Hundred Crore Only) by way of consolidation of the borrowing limits of PFL and the Company.

None of the Directors of the Company or their respective relatives is concerned or interested in passing of the resolutions at Item No. 5 of the Notice.

ITEM 6:

The Scheme of Amalgamation of Pinnae Feeds Limited (PFL) with the Company was sanctioned by the NCLT, Hyderabad on 14th November, 2017 and the Scheme was given effect on 27th November, 2017 by filing the order with the Registrar of Companies. By virtue of Clause of 4.10, 4.11 & 4.12 of the Scheme all the borrowing limits sanctioned by the members of PFL be transferred and shall vest with the Company.

At the Annual General Meeting held on 30th September 2015, the members had, by way of Special Resolution pursuant to Section 180(1)(c) of the Companies Act, 2013, approved a borrowing limit of up to ₹ 1,00,00,00,000 (Rupees One Hundred Crore Only) outstanding at any point in time. At the Annual General Meeting of PFL held on 25th September, 2014, the members of PFL had, by way of Special Resolution pursuant to Section 180(1)(c) of the Companies Act, 2013, approved a borrowing limit of ₹ 1,00,00,00,000 (Rupees One Hundred Crore Only) outstanding at any point in time.

In order that the Company is authorised to create charge on undertakings to cover the increased borrowing limit of ₹ 2,00,00,00,000 (Rupees Two Hundred Crore Only) due to the consolidation of the borrowing limits of PFL and the Company pursuant to the Scheme, the Directors recommend the resolution for approval of the members.

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.

ANNEXURE II TO THE NOTICE

Mr. Vikramaditya Mohan Thapar (DIN: 00030967), hails from the noted Thapar Family of industrialists. He is the Chairman of the Company, Chairman & Managing Director of Karam Chand Thapar & Bros. (Coal Sales) Ltd and plays an active role in all the companies that belong to the KCT Group. Mr. Vikramaditya Mohan Thapar is a Chartered Accountant with an experience of more than 50 years in various industrial sectors. He retires by rotation at the forthcoming Annual General Meeting and being eligible for re-appointment offers himself for re-appointment. Details of Mr. Vikramaditya Mohan Thapar as required under the Secretarial Standard - 2 and SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 is given below:

Sl.No.	Particulars	Details
1	Date of birth	5th March, 1947
2	Nationality	Indian
3	Relationship with Directors	Spouse of Mrs. Jyoti Thapar and Father of Mr. Varun Aditya Thapar
4	Date of appointment on the board	23rd November, 1988
5	Expertise in specific functional area	General Management, Finance & Accounts etc.
6	Number of shares held in the company	53,750
7	List of the directorships held in other companies	
	a) Karam Chand Thapar & Bros (Coal Sales) Limited	Managing Director
	b) The Silkbase Company Limited	Director
	c) Indian City Properties Limited	Managing Director
	d) Indicon Westfalia Limited (Formerly Indicon Enterprise Limited)	Director
	e) Thapar Infra Construction India Limited	Director
	f) Bharat Westfalia Engineering Limited	Director
	g) KCT Holdings Private Limited	Director
	h) Barbus Fudiciary Services Private Limited	Director
8	Chairman/ member in the committees of the boards of companies in which he is Director	Member - Share Transfer & Investor Grievance Committee, Corporate Social Responsibility & Nomination and Remuneration Committee - Karam Chand Thapar & Bros. (Coal Sales) Ltd. Member - Corporate Social Responsibility & Nomination and Remuneration Committee - Indian City Properties Limited. Member - Audit Committee - Indicon Enterprises Limited.

THE WATERBASE LIMITED

MGT 11 - PROXY FORM

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

CIN:L05005AP1987PLC018436

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

Phone: 9100018037 Fax:044-30127001

30th Annual General Meeting - 30th December, 2017

Name of the member(s): ....

Registered address: ....

E-mail ID: ....

Folio No/DP ID-Client ID: ....

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

Name: .... Address: ....

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

Name: .... Address: ....

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

Name: .... Address: ....

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held on the 30th December, 2017, Saturday 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 Mr. Vikramaditya Mohan Thapar		
4.	Appointment of Auditor		
Special Business			
5.	Modification of Borrowing Powers of the Board		
6.	Creation of Charges on the assets of the Company		

Signed this .... day of .... 2017.

Signature of shareholder: ....

Signature of Proxy holder(s): ....

Affix Revenue Stamp

Note:

1. 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
2. For the Resolutions, Explanatory Statement and Notes, please refer to Notice of the 30th Annual General Meeting.
3. Please complete all details including details of member(s) in above box before submission.

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

THE WATERBASE LIMITED

ATTENDANCE SLIP

CIN: L05005AP1987PLC018436
Regd. Office: Ananthapuram Village, Nellore, Andhra Pradesh - 524344
Phone: 9100018037 Fax:044-30127001
30th Annual General Meeting - 30th December, 2017

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

I certify that I am registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the Thirtieth Annual General Meeting of the Company to be held on Saturday the 30th December, 2017 at 12:15 P.M. at Registered Office, Ananthapuram Village, Nellore, Andhra Pradesh - 524344.

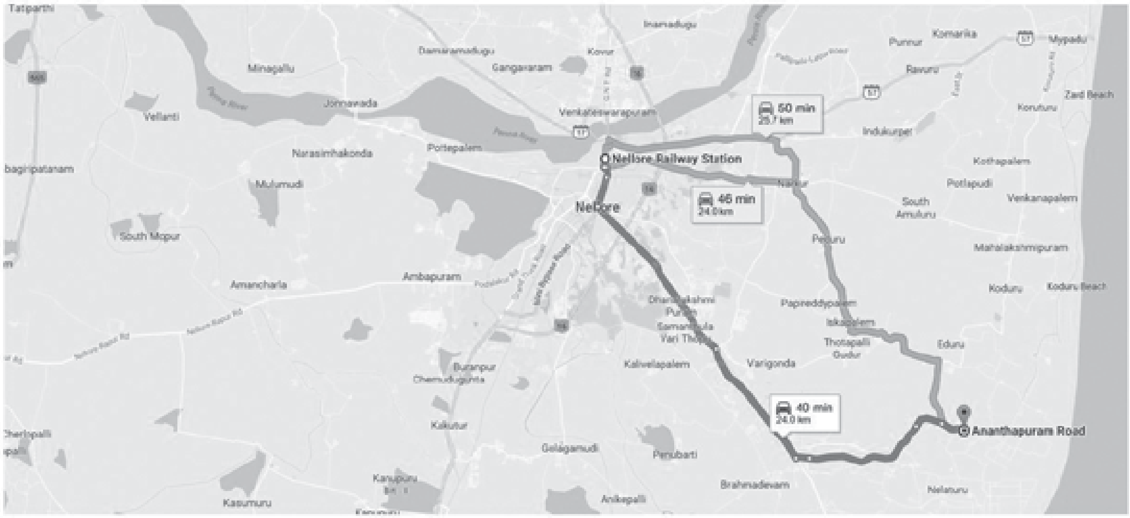
....

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

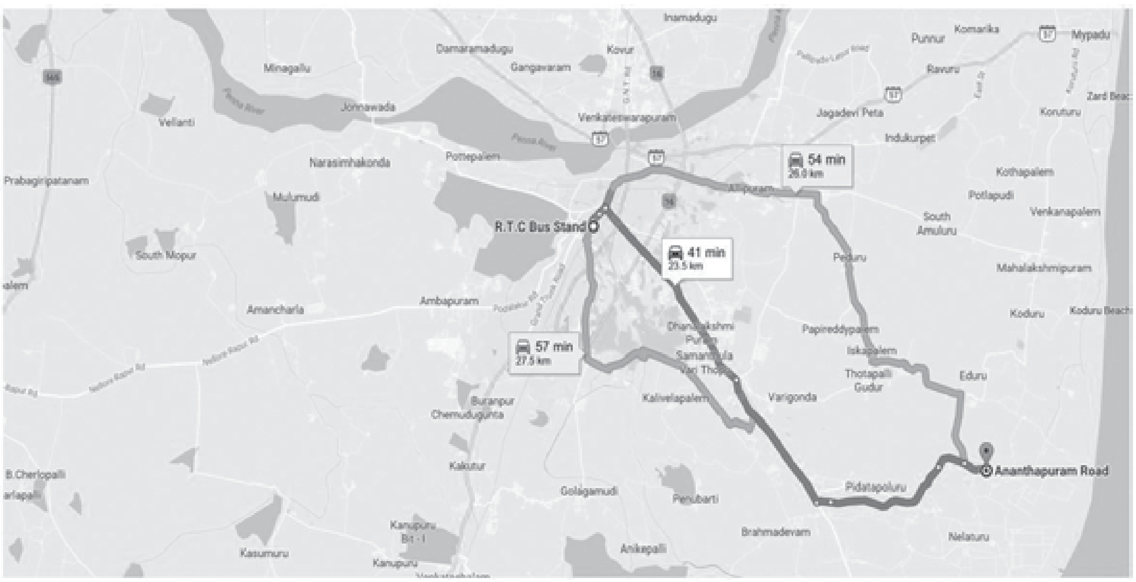
Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Shareholders are informed that no duplicate attendance slips will be issued at the venue of meeting. Members are requested to bring their copies of the Annual Report to the meeting.

Route Map of AGM Venue

From Nellore Railway station to the Registered Office of the Company



From Nellore Bus Stand to the Registered Office of the Company



Safe Harbor Statement:

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

The Waterbase Limited

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

Corporate Office
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