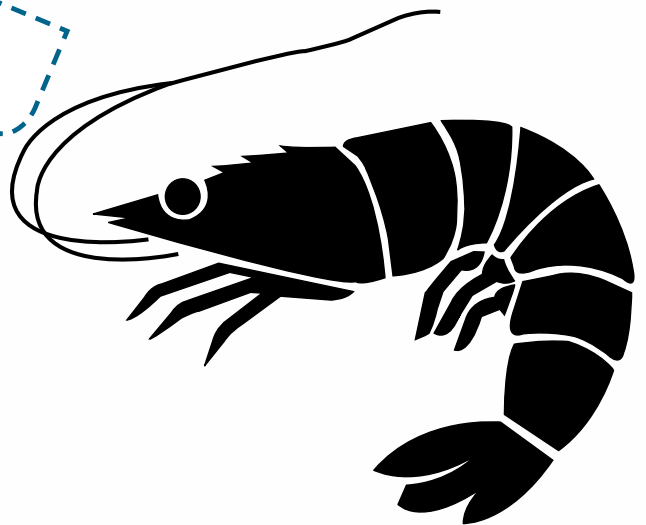
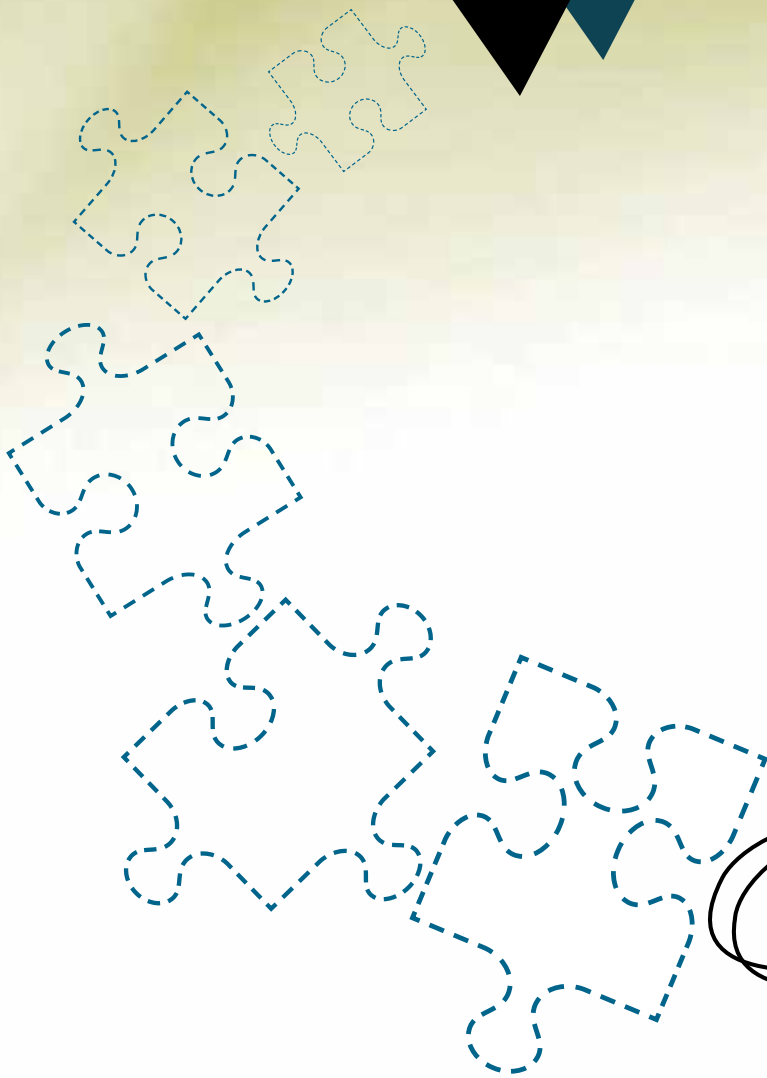


# POISED TO LEAP



31<sup>ST</sup> ANNUAL REPORT  
2017–18

#### Safe Harbor Statement:

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

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## **POISED TO LEAP**

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

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

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

# VISION MISSION & VALUES

## OUR VISION

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

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

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

## OUR MISSION

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

## OUR VALUES

### INTEGRITY

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



### COLLABORATION

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



### EXCELLENCE

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



### QUALITY

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



### RESPONSIBILITY

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



### INNOVATION

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



## FY 2018 AT A GLANCE

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

**1,10,000  
MT**

Installed manufacturing capacity of shrimp feed

**₹344 Cr**  
Revenues

**17%**  
Revenue  
CAGR  
(FY13-18)

**0.2x**  
Debt-Equity

**₹58 Cr**  
EBITDA

**₹7.58**  
EPS

**263**  
# of  
employees

**184**  
# of dealers  
pan India

## FROM THE CHAIRMAN'S DESK



**Dear Shareholders,**

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

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

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

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

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

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

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

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

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

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

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

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

With best wishes,

**Vikramaditya Mohan Thapar**  
Chairman



## OUR KEY STRENGTHS

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

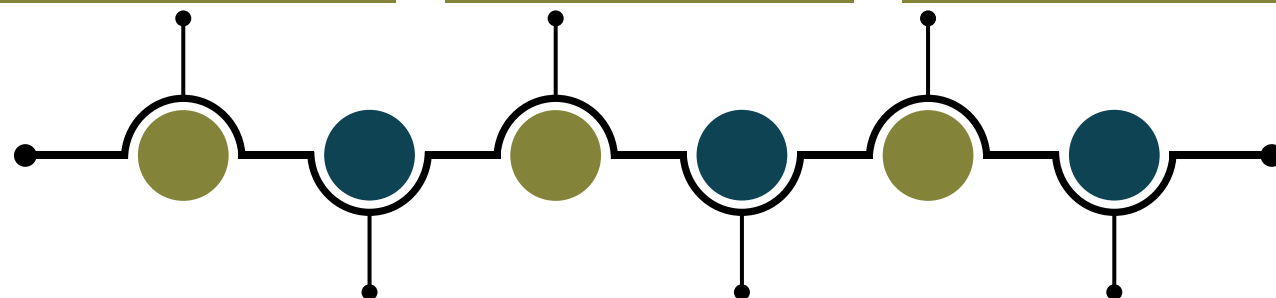
### Quality Control

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

### Technical Expertise

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

### Strong Brands



### Rich Legacy

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

### Financial Position

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

### In-house R&D

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

## FOCUS ON RESEARCH & DEVELOPMENT

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

