



RESPONSIBLE RESILIENT READY

Three large, cooked shrimp are arranged horizontally across the middle of the page, overlapping the text 'RESILIENT' and 'READY'. The shrimp are orange and white, with their heads and tails visible.

34TH ANNUAL REPORT
2020 – 2021

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THE WATERBASE LTD. IN NUMBERS

₹ **213.95** Crores
Revenue

₹ **16.85** Crores
EBITDA

₹ **5.91** Crores
PAT

₹ **190.05** Crores
Networth

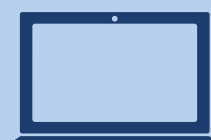
(as on March 31, 2021)

Investor Information

BSE Code: 523660

AGM Date & Time: Thursday,
September 23, 2021 at 11:30 AM

AGM Mode: Video Conferencing (VC) /
Other Audio Visual Means (OAVM)



For More details on Joining the Annual General Meeting
and other Disclosures please visit our website -
http://www.waterbaseindia.com/investor_relations.php

RESPONSIBLE. RESILIENT. READY.

Little did we know, heading into FY 2020-21, what an extraordinary year it would be for the world. In these challenging times, Waterbase has continued to remain Responsible, Resilient and Ready.

Our business is built around shrimp aquaculture – one of the most environmentally sound and sustainable sources of food and nutrition. Our business helps serve global markets with products that offer consumers safe and traceable choices, while contributing to the growth of India's Blue Economy. Our prudent decisions of reducing credit sales and enhancing safety protocols across our operations helped to secure our business while protecting stakeholder interests. Bearing testament to our RESPONSIBILITY.

We have steadily grown since inception, withstanding industry and economy headwinds time and time again. Despite the unexpected twists and turns this year, we are proud to present the progress we have made on our journey of value creation and market leadership. The Waterbase team has demonstrated remarkable solidarity, flexibility and worked tirelessly to ensure business continuity. Proving our RESILIENCE.

The reporting period saw us react quickly and decisively to the crisis – our Business Continuity Plan was deployed immediately which helped us to ensure uninterrupted business, while our focus on strengthening our Balance Sheet give us the strength to seize any opportunities that the external environment will offer going forward. Signalling our READINESS.

This is the firm foundation, upon which we strive to drive our business in the post pandemic world, creating a Responsible, Resilient and Future Ready Organisation.





Corporate Snapshot

PIONEERING SHRIMP AQUACULTURE

The Waterbase Limited was established in 1987 as a fully-integrated aquaculture export-oriented unit. The Company was publicly listed on the Bombay Stock Exchange in 1991 and thereafter, commenced operations in 1993, with a 15,000 MTPA feed plant (India's first pellet feed mill), shrimp farms, a hatchery and a processing plant. Since then, the Company has steadily expanded its operations – tapping into its in-house R&D expertise, augmenting feed mill capacity, foraying into adjacent product segments, new markets and enabling backward integration.

Waterbase is promoted by the Karam Chand Thapar Group, a formidable Indian conglomerate with business interests spanning coal logistics, real estate and aquaculture.



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 maximise 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.



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.

THE WATERBASE LIMITED IN A NUTSHELL

28+

Years of experience

1,10,000 MTPA

Feed mill capacity

257

Team strength

250 Mn PL

Shrimp hatchery

4,000 MTPA

Processing plant capacity

Zero

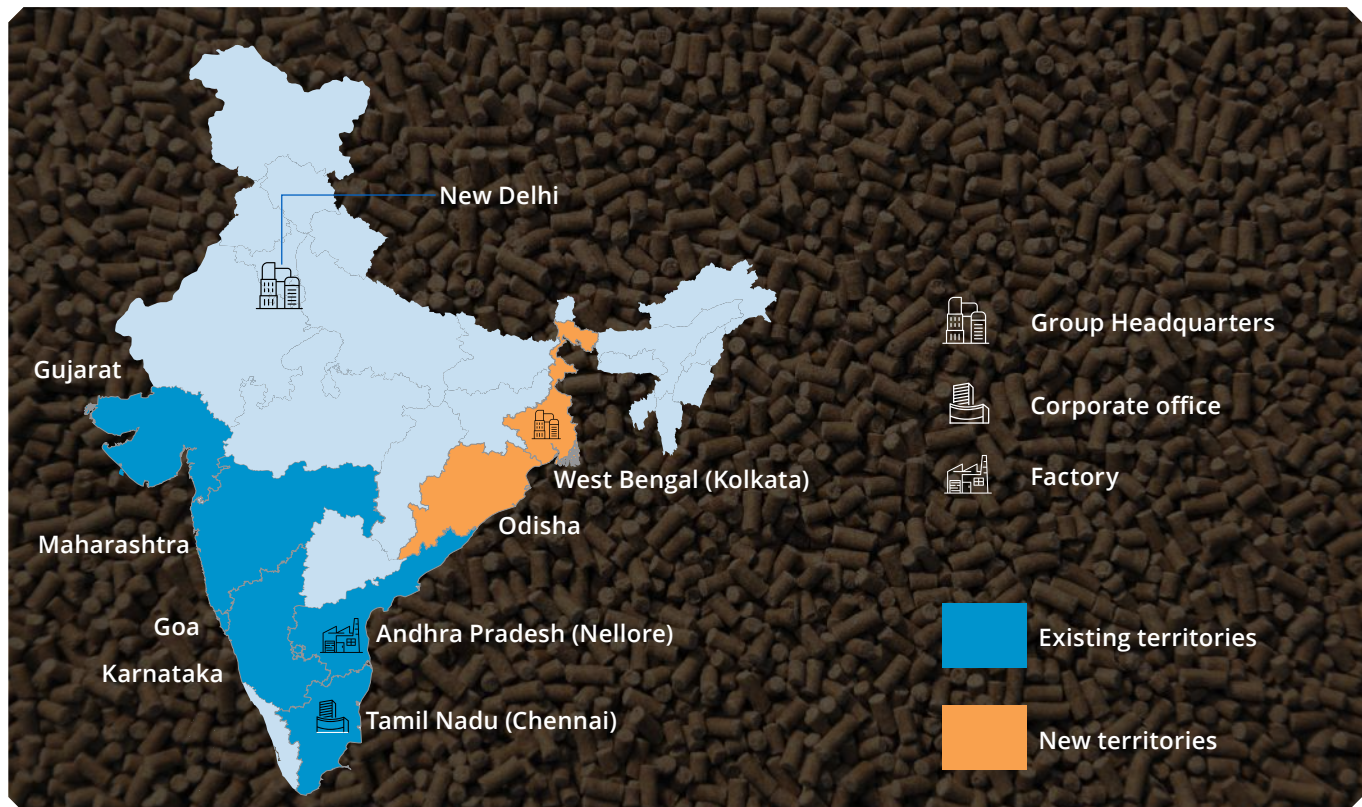
Debt company

DIVERSIFIED REVENUE STREAMS

₹214 Crores
Revenue

Hatchery | Shrimp feed | Farm care | Shrimp processing & exports

WATERBASE OPERATIONS



KEY BRANDS

Feed



Processed shrimp



Farm care



Hatchery



Chairman's Letter

BUILDING A STRONG BUSINESS THROUGH A DIFFICULT YEAR



I consider Waterbase fortunate to be ahead of the curve in terms of scale, efficiency and flexibility – a testament to our ability to respond to and navigate turbulent times. As we regain our operational momentum and global demand reverts back to the pre-pandemic levels, I am confident that we will continue to deliver on our purpose, with a clear and meaningful strategy – like we have for nearly three decades now.

Dear Shareholders,

I hope that this finds you and your loved ones safe and healthy. The last year and half have been perhaps the most unprecedented in recent history. The COVID-19 pandemic has ravaged lives and livelihoods of millions across the world. Social etiquette has been altered, possibly forever. It was also the time that the scientific and medical community shattered geographical boundaries, fostering global cooperation unlike any in the past. Governments and monetary authorities' world over responded swiftly, offering financial assistance to the worst hit strata of the society.

Many countries, including India, are now emerging from the throes of the subsequent waves of infections. As vaccination efforts are ramped up all over, I am cautiously optimistic that better days lie ahead of us. I consider Waterbase fortunate to be ahead of the curve in terms of scale, efficiency and flexibility – a testament to our ability to respond to and navigate turbulent times. As we regain our operational momentum and global demand reverts back to the pre-pandemic levels, I am confident that we will continue to deliver on our purpose, with a clear and meaningful strategy – like we have for nearly three decades now.

On that note, I am pleased to present our 34th Annual Report of your company for the financial year ended on March 31, 2021.

COVID-19

Our response to COVID-19 has primarily focused on ensuring our employees and everyone part of the Waterbase family were safe and healthy, and maintaining business continuity. It has been difficult, but every employee in the organisation rose to the challenge and went above and beyond to help each other and those in their community. Our thoughts are with everyone who has suffered losses during these trying times. The pandemic has brought to the fore, the importance of empathy and compassion, not just for the others, but for oneself as well. The leadership provided guidance and support to help our teams navigate the challenging period, and I am very proud of the role everybody at Waterbase has played in the year gone by.

Industry scenario and Business Performance

The global market for seafood was valued at over US\$110 billion in 2020 and is expected to reach US\$133 billion by 2026, growing at a CAGR of 2.9%. To this end, rising per capita consumption and growing consumer awareness are two long-term industry drivers. Within the global seafood industry, shrimp is one of the most important segments. The global shrimp market is expected to exceed US\$32 billion by 2021, growing at a CAGR of more than 5%, partly due to the high nutritional content of shrimp, which is creating a demand for ready-to-eat and ready-to-cook shrimp recipes and products. Furthermore, low import prices also continue to boost the shrimp demand.

Amidst a tough macro environment, your Company yet again showed positive performance in terms of reporting a Consolidated Revenue of ₹ 214 Crores, EBITDA of ₹ 16.85 Crores and a Profit After Tax of ₹ 5.91 Crores for the year ended March 31, 2021. Our key priority during the year was to shore up our cash reserves and rationalise costs. We are now a debt

free company and are committed to maintaining a strong fiscal discipline and ensuring complete oversight of liquidity matters.

Challenges and opportunities ahead

We recognise that the road ahead is not without its own hurdles. With supply exceeding demand it's a "Buyer's Market" now. Due to lack of domestic market we are constrained to remain dependent on exports. Furthermore, the elimination of tariff on seafood imported from Vietnam to the EU and the withdrawal of the benefit under the Merchandise Export from India Scheme, have dealt a double blow to India's shrimp exports. That said, India's 8,000 km-plus-long coastline and abundant inland water resources offer vast untapped potential for shrimp farming – and at Waterbase, we will continue to support farmers in harnessing this.

Priorities on the radar

We will look to elevate our presence in core markets applying a three-pronged strategy: premiumisation in the feed business, deeper distribution base and fulfilment of all order sizes.

We are keen on capitalising our fundamental strengths to expand our volumes in the feed business, while also moving into adjacent categories and entering new spaces.

We are constantly striving for improvements by building a modern, efficient and sustainable value chain. We will keep collaborating with our business partners to restructure processes and deliver products that are safe and of the highest quality. We are developing innovative products and services, beyond selling feed, with the aim of enhancing value for our customers – firmly entrenching our position in the market as a one-stop solution for farmers.



Amidst a tough macro environment, your Company yet again showed positive performance in terms of reporting a Consolidated Revenue of ₹ 214 Crores, EBITDA of ₹ 16.85 Crores and a Profit After Tax of ₹ 5.91 Crores for the year ended March 31, 2021.

To conclude, on behalf of the entire Board of Directors at Waterbase, I would like to take this opportunity to thank each and every employee for their commitment, contribution and for going that extra mile to build a stronger business to serve farmers a little better every day. I would like to also thank our Shareholders, Customers, Dealers, Bankers, Vendors, Government Agencies for their continued support.

With best wishes,

Vikramaditya Mohan Thapar
Chairman





CEO's Message

ADAPTING TO REMAIN FIT FOR THE FUTURE



Dear Shareholders,

I am delighted to write this letter to you, on the occasion of the 34th Annual Report of The Waterbase Limited for FY 2020-21 and would like to begin by urging you all to stay safe and follow Covid appropriate behaviour.

FY 2020-21 was unlike what any of us expected. The COVID-19 pandemic surprised governments, businesses, and citizens across all our markets. Repeated lockdowns, supply chain disruptions and fewer customers eating at hotels and restaurants had a major impact on seafood demand for most part of the year, thereby affecting the industry at large. Still, the pandemic has shown how Responsible, Resilient and Future Ready the Organisation has become.

Financial Performance

In a year full of unforeseen challenges, the Company was able to show a positive financial performance despite the headwinds. The Company generated a Revenue of ₹ 214 Crores on standalone basis while reporting a Profit after Tax of ₹ 5.93 Crores for the year. Despite a subdued performance, the company continued its focus on improving the quality of revenue streams while also becoming a Debt Free company.

Responsible

During the year, the wellbeing and safety of our employees was our number one priority. We diligently implemented the recommended guidelines and protocols in addition to staggering our production schedules to provide flexibility to the shop floor employees ensuring workplace safety at all times.



We have come a long way from purely being a supplier of shrimp feed to becoming an innovation partner for farmers. Aquaculture is poised to be an important part of the solution in a sustainable global food system, but only if we continue to get better.

We had introduced a stringent credit policy to enhance the quality of our revenues and even as we were undertaking the transition towards an increased regime of cash sales, we were faced with the pandemic which impacted the revenue momentum. However, as we progressed through the year, we have experienced that our decision has led to an improvement in liquidity and strengthening of our financial position on all fronts. By temporarily sacrificing growth in order to transit to a better quality of revenue streams we have significantly elevated the profile of the business.

During the year we have also streamlined our operations and strengthened our capabilities in key areas impacting our competitiveness, such as shrimp health, quality monitoring technologies, improved production processes and R&D.

Resilient

FY 2020-21 was a genuine stress test for all of us, and I would like to thank all our colleagues for their hard work, loyalty and expertise – they have truly gone beyond the call of duty to deliver on their responsibilities amidst this turmoil. Further, their experience, commitment and dedication were instrumental in allowing us to implement the Business Continuity Plan immediately.

We were also fortunate to witness continued support from our loyal customers and suppliers through these times, clearly demonstrating the richness of our multi-year relationships. Further, our indigenously developed processes

and robust technical knowhow enabled us to ensure continued production of feed during a period when availability and pricing of raw materials was highly volatile.

Ready

We have come a long way from purely being a supplier of shrimp feed to becoming an innovation partner for farmers. Aquaculture is poised to be an important part of the solution in a sustainable global food system, but only if we continue to get better. We are also building on the positive feedback on our farm care products and hatchery business; and expanding along such ancillary lines.

While we are still not out of the pandemic, the light at the end of the tunnel is getting brighter every day and the long-term sectoral outlook remains largely upbeat. We expect demand for high quality, safe and traceable products to rise – and believe that it is the perfect time to strengthen our presence across the value chain to optimally pursue opportunities.

On the whole, the year saw us implement mitigating measures, setting the stage for greater profitability and increased competitiveness in a post-pandemic world. In other words, the company is in a good shape to meet the future.

In conclusion

I am proud to say that at Waterbase, quality products and responsible behaviour have been at the core of building a sustainable enterprise and exploring possibilities towards creating a niche position in the aquaculture space. Whether by

developing high-quality shrimp feed or by offering newer solutions in the shrimp healthcare space, we relentlessly focus on delivering world-class products that are synonymous with quality and safety.

We deploy the best available technologies and processes to drive resource efficiency and develop feed of the future which are superior, sustainable and affordable. The ebbs and flows of business cycles notwithstanding, we have focussed on strengthening our balance sheet, focusing on our core business, upholding the highest standards in ethical and responsible business practices and striving towards a shared future of prosperity.

Even when faced with a once-in-a-century global crisis that tested our resilience, we stayed true to our core values and worked together with our stakeholders to embrace a new normal. This is the firm foundation, upon which we strive to drive our business in the post-pandemic world creating a Responsible, Resilient and Future Ready organisation.

Warm Wishes

Ramakanth V Akula

Chief Executive Officer



Strategic Direction

NAVIGATING THROUGH TURBULENT TIMES

Operating environment

Global demand

- The top-consuming nations USA, the EU, China and Japan accounted for 77% of the global shrimp imports by volume and 81% by value in 2020
- US imported 747,000 MT of shrimp, higher by 7% in volume and value, since 2012. Shrimp exports in US have increased 40% since 2012, due to lower prices. Shrimp continues to dominate the US per capita consumption of seafood (4.6 pounds). Frozen, fresh and shelf-stable seafood sales surged in retail in US in 2020, and the gains are largely sustained till now. Though the demand in food service hasn't returned to pre-pandemic level the imports continue to grow, owing to low prices.
- Demand from the EU, China and Japan was impacted due to the virus outbreak. However, imports in emerging markets grew favourably. Since 2012, imports by countries outside USA, the EU, China, Japan and South Korea grew by 78% to 601,000 MT in 2020.
- Vaccination drive across key markets has resulted in improved sentiments and pick-up in demand.

Global supply

- Ecuador exported 676,366 MT of shrimp in 2020, displacing India to emerge as the leading shrimp exporting nation (in volume terms). Its sales to USA and Europe increased 50% and 27% respectively during the year.
- Vietnam and Indonesia, performed reasonably well in 2020, amidst impact of COVID-19, deep market access and focus on US retail.
- Indian exports suffered in 2020, dropping to 575,000 MT (down by 15%), as supply was affected by supply chain disruptions, panic harvesting, incessant rains, disease outbreaks and cyclones on the east and west coasts, among other reasons.
- Supply overall is expected to rebound in 2021 and respond to the returning demand. Higher demand and supply will also possibly, better balance the price level.

40%

Increase in shrimp exports to the US since 2012

