



**Outlast.  
Outlive.  
Overcome.**





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## **OUTLAST. OUTLIVE. OVERCOME.**

The year 2020 is witnessing an unprecedented crisis of historic proportion. As we all work on a 'new dynamic' and reduce the risk of future crises, we are equipping ourselves to show the world that we can rebuild better.

Nonetheless, there are several reasons for us to take comfort in. Our robust financial position provides us with a buffer for the uncertainties ahead. We strengthened our product portfolio, opened new revenue streams, forayed into new markets and increased our customer base.

Our growing ancillary businesses – Farm Care and Hatcheries – will facilitate us to bounce back in the post-COVID business cycle. Further, we are enhancing our visibility, gaining market share in new territories and augmenting presence in core markets. As the global economic environment improves and as several countries begin easing restrictions we are optimistic of a 'V' shaped recovery in the demand for seafood.

**With the wherewithal to Outlast, Outlive and Overcome turbulent times, we are gaining the firepower to weather the storm and get on the path towards a truly transformative recovery.**



## ABOUT US

Promoted by the Karam Chand Thapar Group (KCT Group), The Waterbase Limited (TWL) is one of the leading players in India's high-growth aquaculture industry. We have pioneered the aqua feed industry through our integrated solutions of hatcheries, shrimp feed and farm care products, and are well supported by shrimp processing capacities.

Over the years, we have increased our customer base by expanding our product portfolio and entering new markets in India. Our feed mills and processing facility have various accreditations and certifications and follow all the global compliance and quality standards like USFDA, HACCP, FSSAI and BAP Global.



### 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 VISION

- To 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
- To develop new technologies and impart best practices for the growth of the sector and its contribution to Indian economy

**Our  
Products**



**Feed and  
Farm Care**



**Processed  
Shrimp**



**Hatcheries**



## KEY NUMBERS DEFINING TWL



27

Years of Industry Experience



₹ 325 Crores

Total Revenue



1,10,000 MT

Installed Manufacturing  
Capacity of Shrimp Feed

260

Number of Employees

## OUR MANUFACTURING CAPABILITIES

We operate an ISO 9001:2015 certified shrimp feed mill, a partially integrated aquaculture entity located at Nellore, Andhra Pradesh. Spread over 50 acres, the facility has an aggregate capacity, as given here:

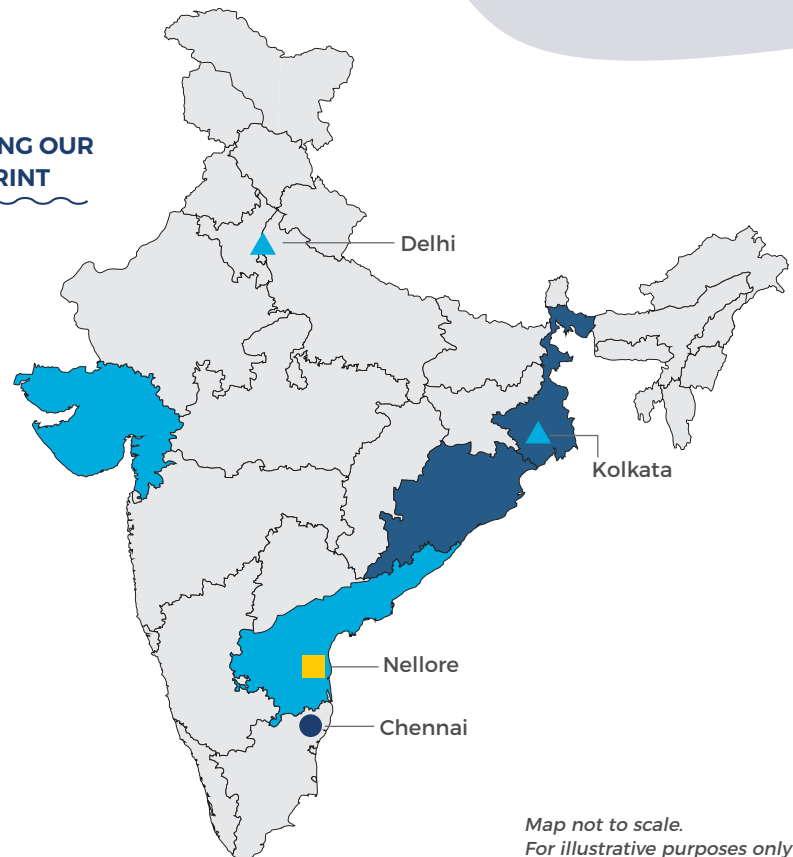
Feed plant

**1,10,000 MTPA**

Shrimp hatchery

**250 million post larvae**

Shrimp processing plant

**4,000 MTPA**GROWING OUR  
FOOTPRINT

● Corporate Office

▲ Group Offices

■ Factories and Hatchery

Key markets



Andhra Pradesh



Gujarat

New markets



West Bengal



Odisha



# OUR KEY STRENGTHS



## STRONG BRANDS

- Several popular brands favoured by shrimp farmers
- Enjoys high recall; synonymous with quality and value



## RICH LEGACY

- 27 years of expertise in business; strong connect with suppliers and farmers
- Inculcated ethical business practices with long-term vision



## QUALITY CONTROL

- Robust manufacturing processes and step by step quality control system
- Global best practices implemented



## FINANCIAL POSITION

- Comfortable debt level with debt-equity ratio of 0.1x
- Demonstrated financial discipline through good and bad years



## TECHNICAL EXPERTISE

- Unparalleled technical expertise, being an industry pioneer
- Well-qualified personnel with rich industry experience
- Products, processes, practices viewed as the gold standard by industry

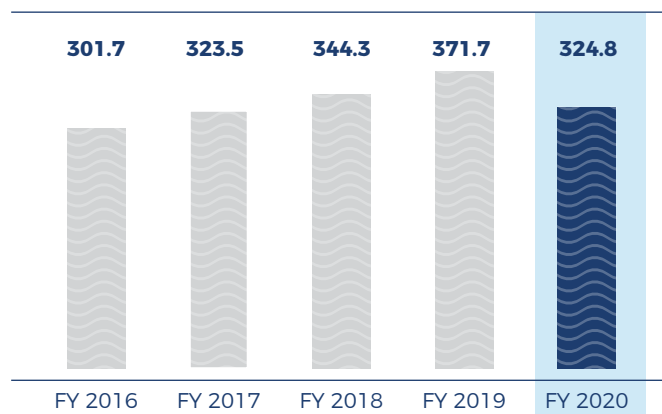


## IN-HOUSE R&D

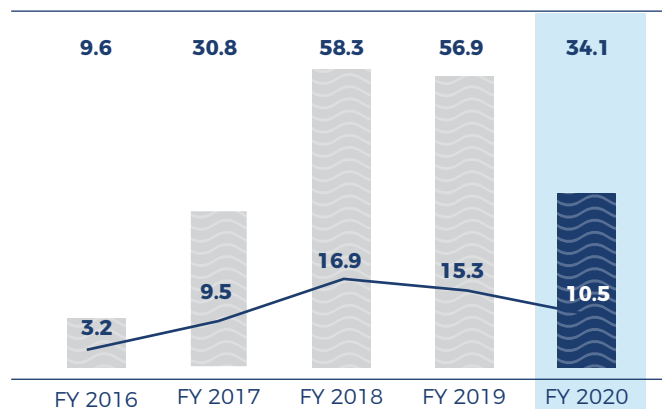
- Working with renowned companies and research institutions in India and abroad
- R&D initiatives meaningfully converted into new products
- Driven improvements in feed manufacturing, farm practices, waste management

# OUR PERFORMANCE TRAJECTORY

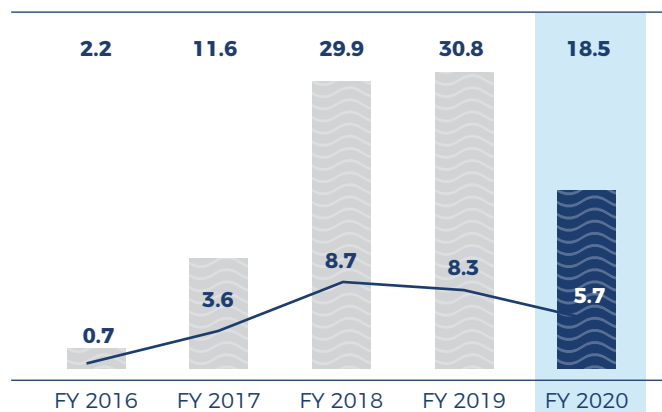
## REVENUE (In ₹ Crores)



## EBITDA (In ₹ Crores) & EBITDA MARGIN (In %)



## PAT (In ₹ Crores) & PAT MARGIN (In %)



# CHAIRMAN'S LETTER TO SHAREHOLDERS



“

**Dear Shareholders,**  
It is my privilege to present before you the Annual Report of your Company for the year ended March 31, 2020. Over the past twenty-seven years, we have played a key role in spreading scientific shrimp farming in India.

We remain focussed on developing, manufacturing and selling of shrimp feed through our state-of-the-art manufacturing facilities located at Nellore in Andhra Pradesh. This is strongly supported by the emerging business lines of Farm Care and Hatchery, which has elevated our offering to our customers.

## **A Disciplined Performance**

Revenue stood at ₹ 324.8 Crores, EBITDA was ₹ 34.1 Crores and Profit After Tax stood at ₹ 18.5 Crores. Despite a challenging macro-environment and testing times your Company has delivered a disciplined performance in FY 2019-20. Your Company maintained a comfortable debt level with a debt-equity ratio of 0.1x thus demonstrating financial discipline through peaks and troughs of business cycles.

## **A Growing Aquaculture Industry**

The demand for seafood has been increasing year on year, largely driven by the growing population, rise in per capita income, depletion of marine catch, increase in the awareness of consuming healthy & nutritious food.

Shrimp production has grown exponentially in the past decade. While Asia is the primary supplier of shrimp across the world, India is a dominant force. India exported 12,89,651 MT of seafood in FY 2019-20 valued at US\$ 6.68 billion. Shrimp maintained its position as the key contributor to the seafood export basket. Export of shrimp during FY 2019-20 stood at 6,52,253 MT, valued at US\$ 4.8 billion. India's large coastline and vast salt ingressed land banks offer a huge untapped potential for shrimp farming. There is a rising demand from consuming countries/regions like US, EU, China and other Asian countries, particularly for value-added products.

## **Expanding Our Business Offering**

Our Farm Care products continue to be well accepted in the market and are complementing the feed business. We continue to expand our feed business by adding more dealers and increasing penetration into newer markets to reduce the concentration risk.





**Our R&D efforts are focussed on enhancing the quality and efficiency of feeds to meet differing farming requirements of aqua farmers.**

Through our Farm Care range, we deliver on yield enhancement and disease management. We continue to expanding our product line and our distribution network. With our foray into Hatcheries in the previous year, we strive to strengthen the product value chain and customers' needs in all facets of the aquaculture business. With this, we now offer farmers the best quality seed for shrimp farming.

We own several popular brands of shrimp feed that are of high quality, fresh, appropriate calorific value, and rich in nutrients. Our shrimp feed enjoys strong acceptance in India's shrimp farming community.

### Growing Capabilities

Our R&D efforts are focussed on enhancing the quality and efficiency of feeds to meet differing farming requirements of aqua farmers. Our 27-year experience in R&D has helped us strengthen our product portfolio and expand our revenue streams. Our R&D set-up is the best locally, with a successful track record of introducing innovative shrimp feeds. We have a proven competence in research and an unparalleled technical expertise in the industry.

Our large repository of data on nutrition, diseases, soil and marine conditions helps in breakthrough initiatives. Our continuous interaction with international experts on shrimp feed nutrition, farm management practices and water quality management helps us in development of specialised farm care products. We conduct farmer training and testing of R&D initiatives under live conditions. We also work closely with reputed institutes in the areas of aqua-feed nutrition research.

### Impact of COVID-19

The sudden outbreak of COVID-19 affected the demand for seafood due to lockdown restrictions and supply chain disruption. Feed sales were impacted due to reduced stocking and exercising strict credit control in all our markets. Further, production costs were affected owing to labour shortages, transportation challenges and social distancing.

### Moving Ahead

As the seafood industry shifts further towards aquaculture and reduces reliance on capture fishing, the long-term prospects of shrimp production in India continues to be positive. India has gained a leadership position in shrimp exports with its long coastline, R&D capabilities, adoption of best farming practices, availability of skilled manpower and government support.

At TWL, we are poised to benefit from these long-term industry opportunities. We are working relentlessly to deliver the highest quality of products and services to our customers. Through our persistent R&D efforts, our single-minded aim is to improve the quality and nutritional parameters of our feed and farm care products.

Today, we do not just sell feed in the market. We work with farmers right from the day they stock the shrimp till the day they harvest and provide them with the right guidance. With this, we continue providing value-added services to our customers.

I take this opportunity to recognise the efforts of our esteemed Board Members who have been guiding us exceptionally. Let us continue this journey together.

On behalf of the Board, I would like to sincerely thank our shareholders, Dealers, consumers, and vendors for their persistent support and confidence in us.

I wish to express my sincere gratitude and appreciation for the contribution of every employee in this journey towards achieving our goals with the highest ethical standards.

Regards,

**Vikramaditya Mohan Thapar**

Chairman

## CEO'S MESSAGE TO SHAREHOLDERS



“

Dear Shareholders,  
It gives me pleasure to connect with you through the Annual Report for the year FY 2019-20. During the year, your Company has made significant progress, with the advancement in our capabilities, product suite, distribution, and our customer base. We are proud of our legacy, furthering our objective of customer-centricity and continuing to maintain our uniqueness.

The Company has paved the way on how to approach aquaculture in a very organised manner, and we have carved for ourselves a place as one of India's leading shrimp feed manufacturers.

Talking about the year under review, FY 2019-20 had been a mixed year as we were able to make advancement in the ancillary business of farm products and hatchery. Lower revenues and elevated raw material prices for most part of the year led to compressed profitability. Our feed business remained under pressure owing to weak demand and lower farm gate prices in our key markets. The outbreak of COVID-19 towards the fag-end of the year disrupted demand and supply.

### Performance in FY 2019-20

Increase in the input raw material prices and decline in revenues impacted our performance. To improve our receivables, we implemented a stringent credit policy which impacted feed sales. Though this will have an impact in the short term, we are confident that these measures will help in improving our liquidity and cash flow position in the coming years.

### Business Review

Our ancillary business of Farm Care performed well as growth remained robust, gaining good traction in the existing and new high-growth markets. We are now focussing on expanding the portfolio to fill in the need gaps. This will strengthen our market position and also help us to capture a larger wallet share of our customers.

The new business of Hatcheries got off to a buoyant start in the previous year and garnered an over-whelming response. It registered a high proportion of repeat orders on the back of solid performance and synergies with the Feed and Farm Care products. A good response to this business clearly indicates the need to scale this up appropriately and achieve strategic imperatives of enhancing yields and profitability.