



Investor Presentation

September 2015



Contents

Company Overview	3
Business Strategy	11
Scheme of Amalgamation - Transaction Highlights	17
Industry Overview	23
Financial Overview	28

Safe Harbour Statement:

Certain statements in this presentation concerning our future growth prospects are forward looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those 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, the success of the companies in which TWL has made strategic investments, 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. TWL may, from time to time, make additional written and oral forward-looking statements, including our reports to shareholders. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company

About The Waterbase Limited



Pioneers of the Aquaculture Industry in India





Company Overview

- First Company to enter the aquaculture business in India in a formal manner – incorporated in 1987 – operations commenced in 1993 – over two decades in the industry
- Promoted by the Karam Chand Thapar Group which has varied business interests ranging from coal, infrastructure, real estate, manufacturing and aquaculture
- Currently focused on manufacture of shrimp feed and processing of shrimp for export
- Headquartered in Chennai, Tamil Nadu with Manufacturing plant located in Nellore, Andhra Pradesh
- Processing facilities are FDA and BAP approved, EU listed and HACCP certified
- Recognized and appreciated for technical expertise, quality of product and R&D initiatives



Robust Growth Momentum...

	FY 2012	FY 2013	FY 2014	FY 2015
Capacity (MT)	20,000	30,000	35,000	35,000
Dealers / Distributors	60	70	90	100

..Resulting in Strong Earnings Performance

Standalone Financials (Rs. Cr.)

	FY11	FY12	FY13	FY14	FY15
Total Revenue	46.8	103.5	157.0	228.2	277.6
YoY Growth	69%	121%	52%	45%	22%
EBITDA	4.4	10.5	11.6	23.3	32.0
EBITDA Margin	9.3%	10.2%	7.4%	10.2%	11.5%
Profit Before Tax (PBT)	0.1	6.9	7.6	20.4	30.2
Profit After Tax (PAT)	0.7	5.6	6.0	13.6	19.5
PAT Margin	1.5%	5.4%	3.8%	5.9%	7.0%
EPS (Rs.)	0.3	2.2	2.3	4.4	5.1
Net Worth	47.6	54.3	60.3	86.7	99.17
Total Loans	25.9	20.3	30.3	13.2	12.5
Cash and Cash Equivalents	10.3	12.4	16.7	24.9	29.5
Current Market Cap (Sept' 15)	403.8				

Key Strengths

Strong Brands

- Several popular brands which are favoured by shrimp farmers
- Enjoy high recall and are seen to be synonymous with quality and value

Rich Legacy

- Over two decades of 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

Technical Expertise

- 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

Quality Control

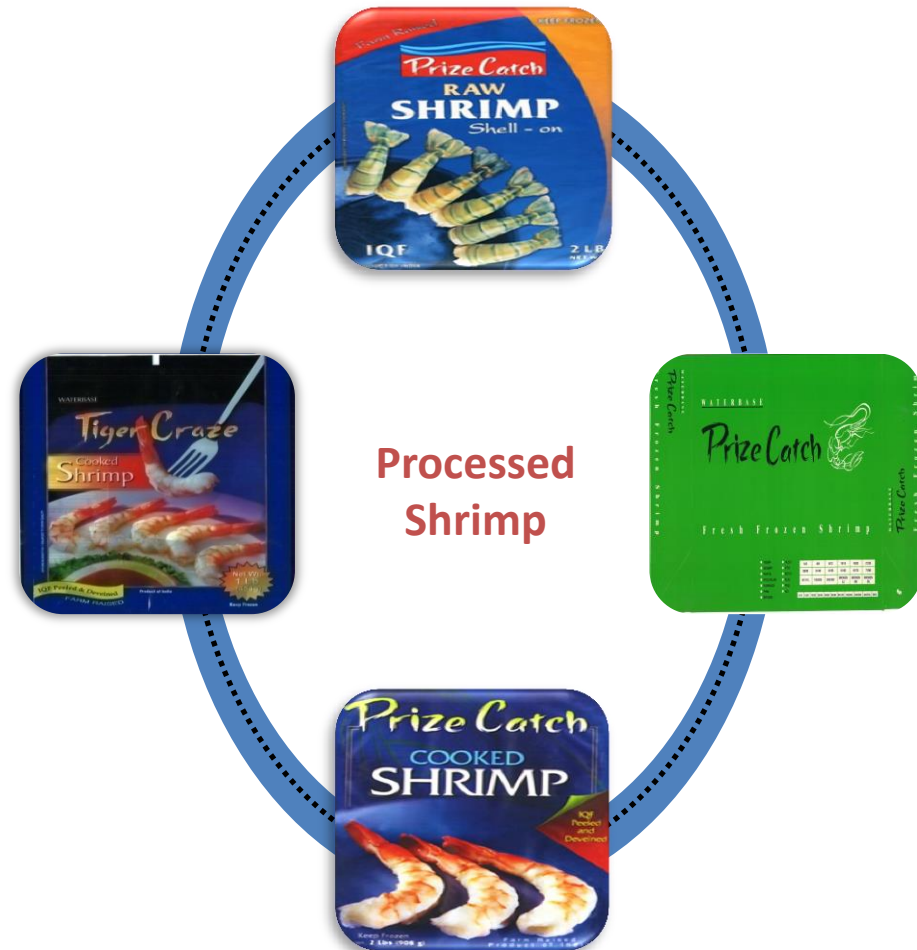
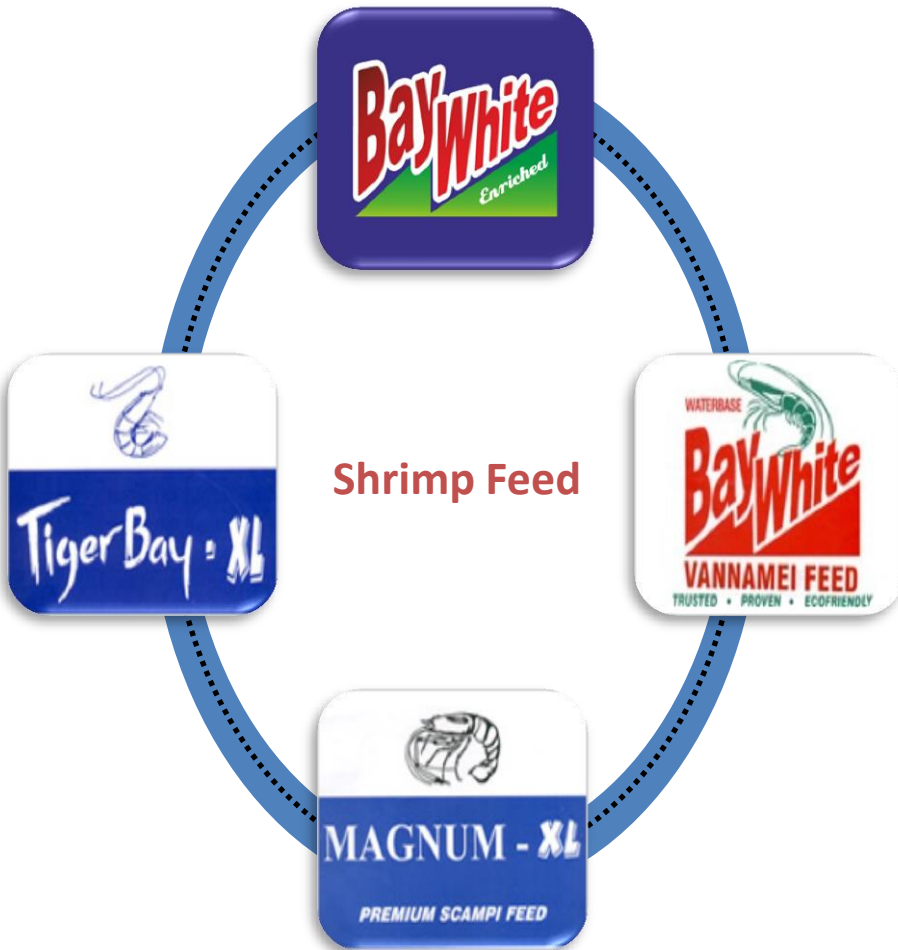
- Robust manufacturing processes and step by step quality control system
- Processing facilities are FDA and BAP approved, EU listed and HACCP certified
- Global best practices implemented

R&D Focused

- Working with renowned 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 manufacture, farm practices, waste management, shrimp processing

Financial Position

- Zero net debt – Existing Cash balances are in excess of debt
- Demonstrated financial discipline through good and bad years for industry



Registered office and factory

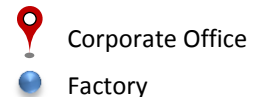
- Ananthapuram Village, T.P. Gudur Mandal, Nellore – 524 344, Andhra Pradesh.

Corporate Office

- No. 37, Thapar House, Montieth Road, Egmore, Chennai – 600 008

Group Corporate Office

- Delhi
- Kolkata



- TWL's world class R&D program and high technology has enabled it to introduce innovative shrimp feeds
 - An example of R&D outcomes is the introduction of functional feeds that go beyond just meeting the basic nutritional requirements of shrimps
- TWL's proven competence in research and unparalleled technical expertise in the industry continues to provide it with a competitive advantage
- Has taken up efforts to train farmers and has worked with renowned research institutions in India and abroad for the benefit of industry
- Works closely with reputed institutes who are involved in Aqua Feed Nutrition Research
- The Company continuously interacts with international experts on Shrimp feed nutrition, water quality management and development of specialized feed ingredients
- All the Research & Development (R&D) activities are carried out in-house in collaboration with such experts/ institutes



Promoting gut health & a stable gut microflora :
Natural antibacterial action

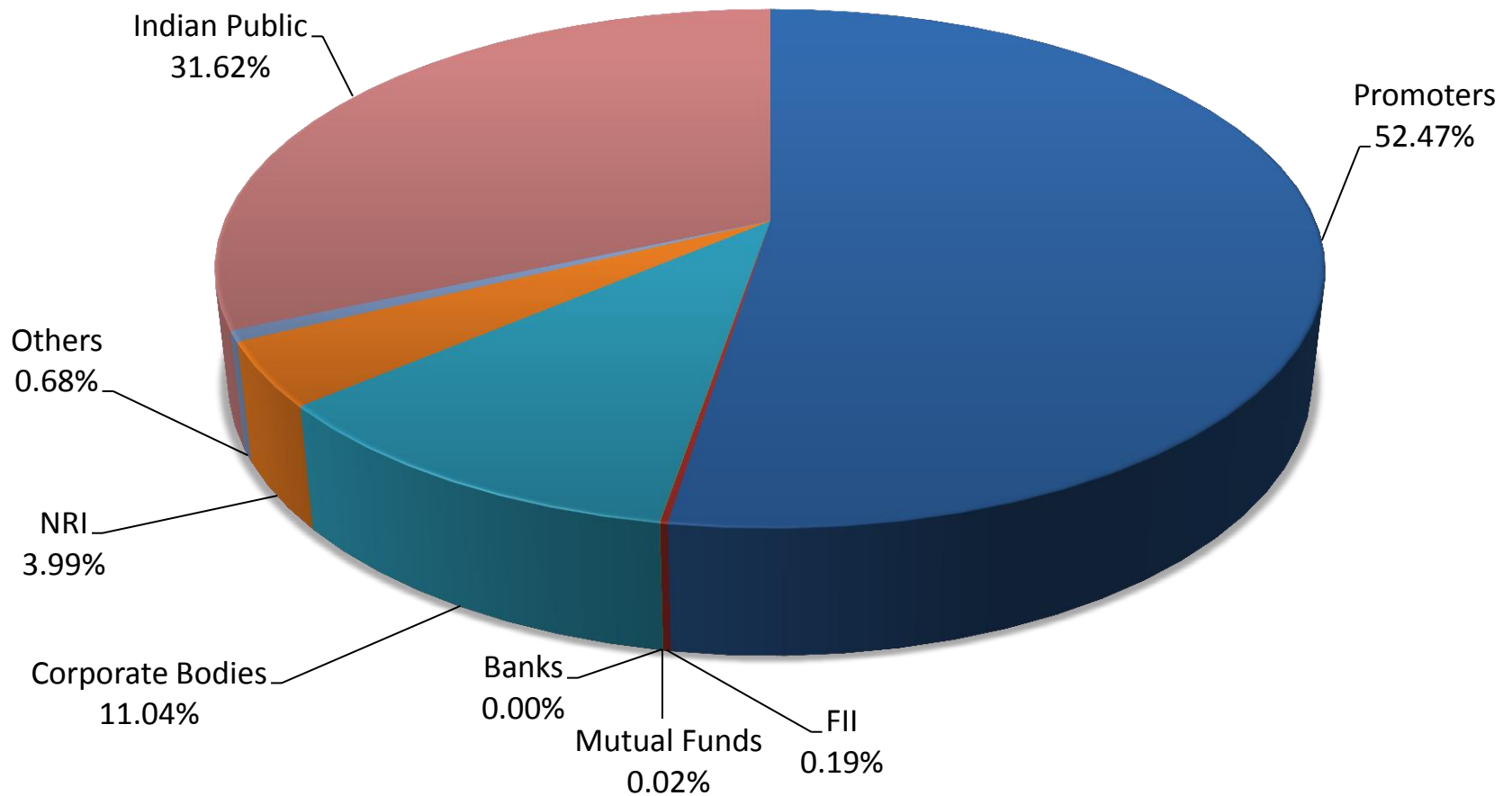


Boosting energy reserves (nutritional status
hepatopancreas)



BAY WHITE Enriched				
USP	Improved hepatopancreas function and stabilized gut microflora through natural bacteriostatic action	Starters	Growers	Action points
Feature 1	Natural antibacterial action	Healthy GUT	Healthy GUT	Stabilization of the gut microflora using natural bacteriostatic action
Feature 2	Enhanced hepatopancreas function	HP Boost	HP Boost	Enhanced energy availability and digestive capacity for fats, improved lipid nutrition

Shareholding Pattern



Data as on 10th July 2015

Business Strategy





Business Strategy

Increase Scale

Enhance Geographic Reach

Diversify Revenue Streams



Increase Scale

Enhance Geographic Reach

Diversify Revenue Streams

- Installed capacity at 35,000 MTPA. Post merger of PFL, expected capacity will be 1,10,000 MTPA to be higher by 300%
- Increase volumes and market share by leveraging on strength of highly skilled technical manpower & brands, wider product portfolio, improved distribution network and value-added services
- Increase in customers, market presence, product portfolio and revenue streams to provide natural hedge
- Increase in scale expected to be margin accretive – incremental revenues to enhance return ratios

Increase Scale

Enhance Geographic Reach

Diversify Revenue Streams

- Widening distribution infrastructure to enhance pan-India presence
- Deepening distribution network with adding new depots, better stocking of wider product portfolio at distributor level and enhanced after-sales service. Dealership network to increase to 130+ dealers from current level of 100
- Focused on identifying and developing new markets for shrimp farming



Business Strategy

Increase Scale

Enhance Geographic Reach

Diversify Revenue Streams

- Entering more verticals within the value chain – set to emerge as an integrated player from farm to fork
- Formalizing plans to set up hatcheries to supply good quality seeds for shrimp farming
- Plan to forward integrate from current set up of toll mfg. (packaging of processed shrimp) into direct exports
- Plan to offer value-added products to farmers/customers/hatcheries such as farm care products, supplemental feeds, larval feeds to improve farm practices, etc.

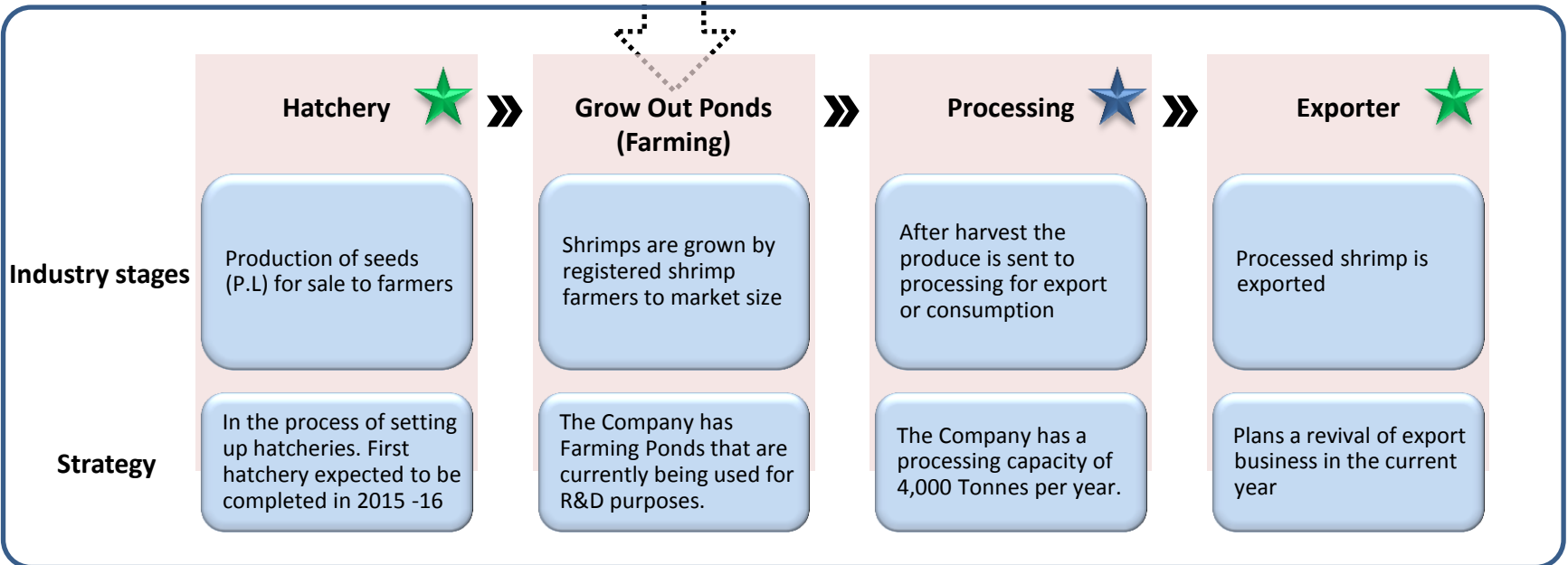
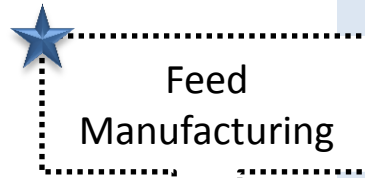
Value Chain – Shrimp Industry

Current Status

- Primary business for the Company

Strategy

- Amalgamating Pinnae Feeds to consolidate operations which will result in tripling of capacity and allow TWL to pursue growth plans



Current Presence



Preparing to enter

WATERBASE

Scheme of Amalgamation - Transaction Highlights





Transaction Details

SWAP-RATIO (4:17)

TWL to issue 4 fully paid up equity share of Rs.10 each for every 17 fully paid-up equity shares of Rs.10 each, held by the shareholders in PFL

APPOINTED DATE OF SCHEME

1st August 2015

TIMELINE

Expect completion by Q1FY17

- Basis of Valuation: Net Assets Valuation (NAV) method and Discounted Cash Flow (DCF) methods have been used to arrive at fair value of assets
- Weightage of 1:4 for NAV : DCF respectively to covers the value in the books as well as the potential return that can be generated from these assets
- Illiquidity discount applied to PFL and valuation of PFL takes into consideration the various qualitative factors relevant to each company and the business dynamics and growth potentials of the business

ADVISORS

<i>Scheme Consultant</i>	KPMG
<i>Fairness Opinion</i>	Saffron Capital Advisors Pvt Ltd.- Category I Merchant Bankers
<i>Legal Advisor</i>	M/s. VGB & Associates
<i>Valuation Report</i>	SSPA & Co., Chartered Accountants

The transaction is subject to satisfaction of various conditions, including obtaining necessary approvals from the shareholders, creditors and regulatory authorities including Securities and Exchange Board of India (SEBI), Bombay Stock Exchange under the Listing Agreement, and sanction of the Scheme by concerned High Courts and / or any other appropriate authority as may be necessary

Transaction Details.. Contd.

Equity Capital pre-amalgamation

TWL	PFL
3.86 crore shares	1.2 crore shares

Swap Ratio

4 : 17

Number of shares of TWL to be issued

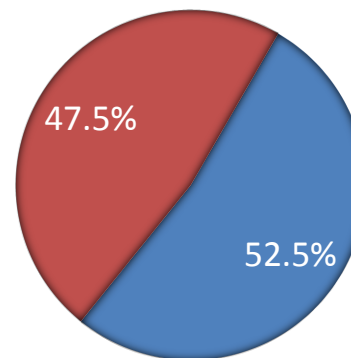
28.2 lakh shares of Rs. 10/ each

Equity Capital post amalgamation

TWL: 4.14 crore shares

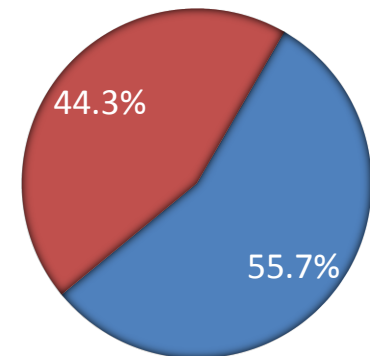
Shareholders - significant value creation

Pre-Amalgamation



~3.9 Crore

Post-Amalgamation



~4.1 Crore

Total No. of Shares

BENEFITS TO MINORITY SHAREHOLDERS

- Tripling of capacity without cash outgo / additional investment
- TWL was operating at full capacity – can now pursue opportunities for growth
- Value accretive for all shareholders - minority to witness limited dilution relative to capacity added

Commenting on the scheme, **Mr. Ramakanth V. Akula, CEO** said, *“This amalgamation will set the platform for the next wave of growth for the Company. In addition to the expansion in capacity for feed manufacturing, we anticipate multiple synergies from the combined operations including better utilization of resources, operating efficiencies from economies of scale, elimination of dual functions and a reduction in administrative and managerial expenditure and overheads. The combined operation will lead to further benefits in sourcing of raw materials and enable us to negotiate better terms with our suppliers.”*

Background - Pinnae Feeds Limited

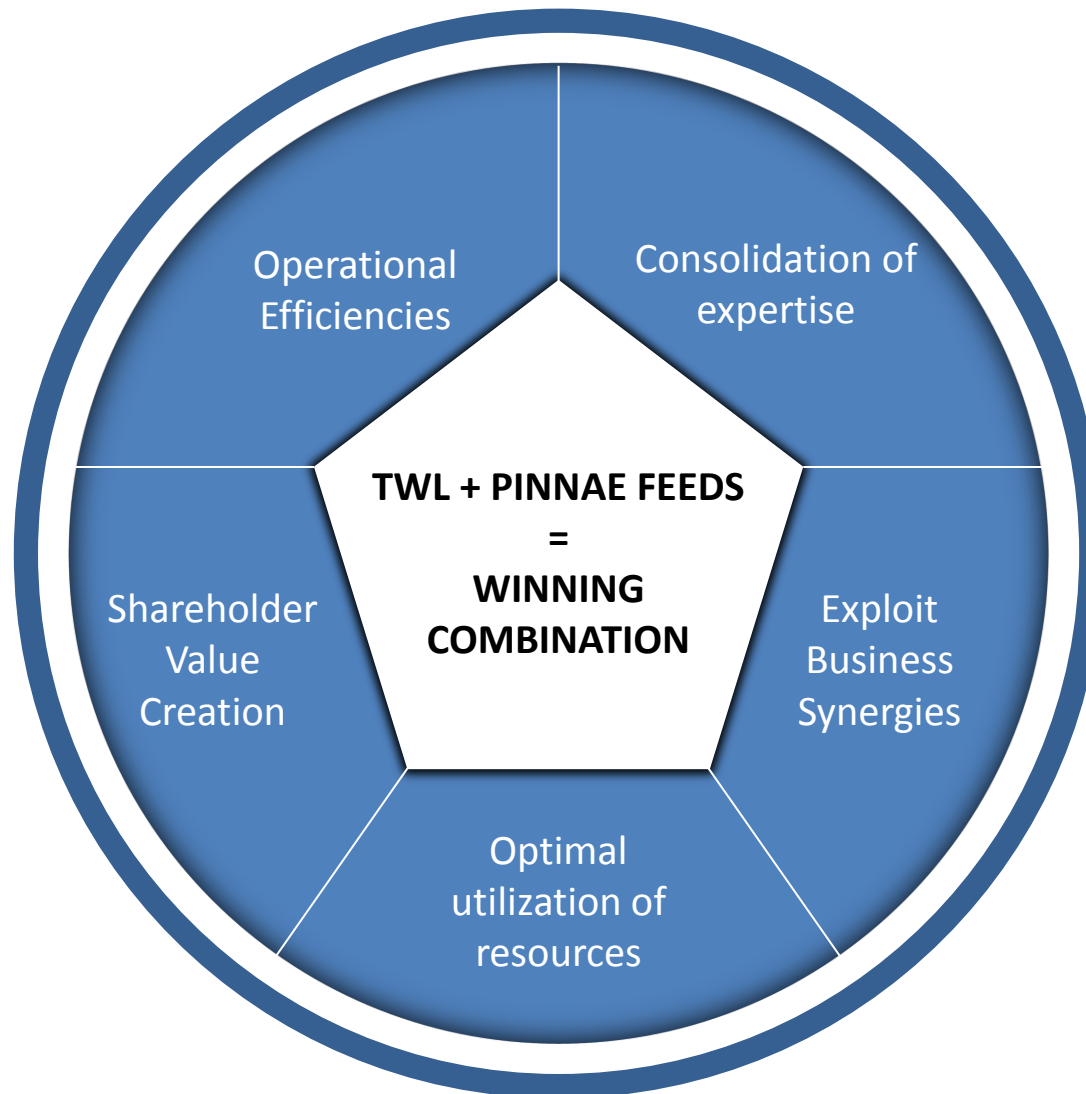
- Pinnae Feeds Ltd. is a wholly owned subsidiary of Karam Chand Thapar & Bros (Coal Sales) Limited; the flagship company of the KCT Group (promoters of TWL)
- Incorporated in July, 2012 with the objective to meet capacity expansion plans for the Feed manufacturing business
- TWL was intended to be the sole customer
- Expansion could not be undertaken within TWL due to restrictions placed by one of its bankers
- **Location :**
 - Manufacturing unit located at Nellore, Andhra Pradesh
 - ~70 Kms away from TWL's factory in Nellore
- **Producer of shrimp feeds :**
 - Expansion undertaken in 2 phases; Phase I which was completed in FY15 comprised capacity of 40,000 MTPA and Phase II which was completed in FY16 comprised the balance capacity of 35,000 MTPA
 - Commenced commercial operation in H2FY14; supplied 6,062 MTPA of feeds to TWL during FY15
 - Post completion of Phase II - Capacity of 75,000 MTPA is now fully operational
 - Aims to supply ~15,000 M.T. of feeds to TWL during FY16
- **Financials :**
 - Revenues of Rs. 36.5 crore in FY15 from supply of feed to TWL
 - Gross Block - Rs. 45.15 crore
 - As of March 31, 2015 - Debt: ~Rs. 46.8 crore (including term loans as well as working capital)





Rationale for Amalgamation

TWL's production capacity will increase from 35,000 MTPA to 1,10,000 MTPA



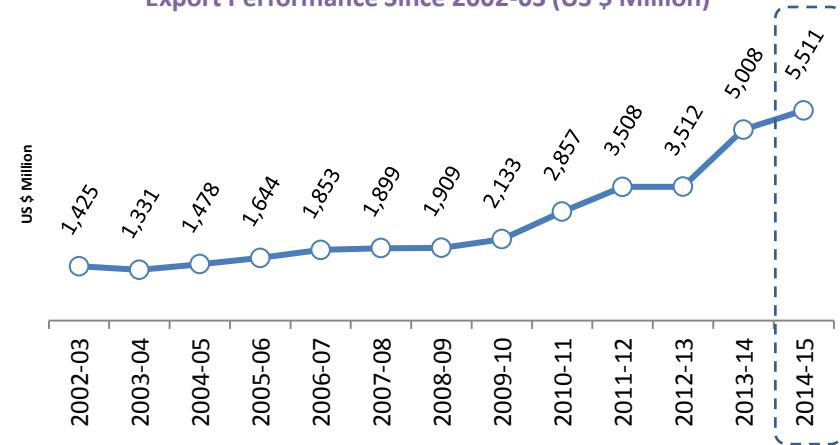
Industry Overview



Robust Industry Growth

- In FY15, Marine product exports from India were at an all-time high of USD \$5.5 billion.
– MPEDA envisages target of US \$ 6.6 billion for the year 2015-16
- Marine product exports crossed all previous records in quantity, rupee value and USD terms.
- USA is the largest market for Indian seafood products with a share of 26.46% in terms of USD followed by South East Asia (25.71%), European Union (20.08%), Japan (9.11%), other countries (8.58%), Middle East (6.04%) and China (4.02%).
- Exports to USA had registered a growth of 16.94% in quantity and 13.39% in USD realization and are mainly attributed to the export of Frozen Shrimp

Export Performance Since 2002-03 (US \$ Million)

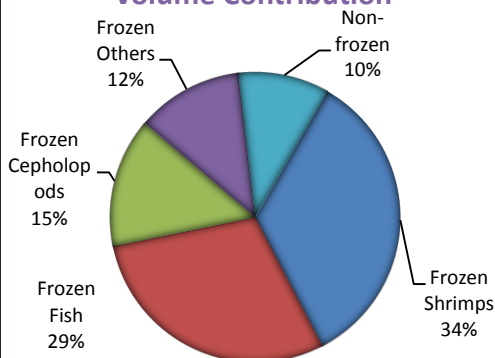


Export Details	2013-14	2014-15	Growth (%)
Quantity Tonnes	9,83,756	10,51,243	6.86
Value Rs. crore	30,213.26	33,441.61	10.69
Value US \$ Billion	5.0	5.5	10.05

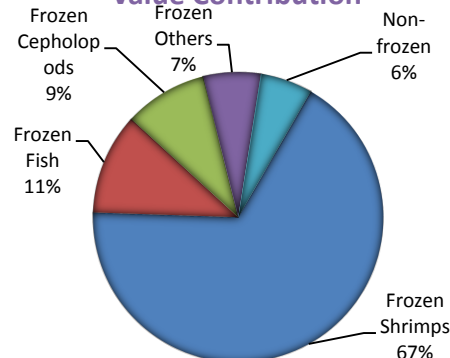
Source: www.mpeda.com

Driven by strong growth in Shrimp Exports

Volume Contribution



Value Contribution



- During 2014 -15 shrimp aquaculture has shown a tremendous growth (30.64%) and achieved highest production
- Frozen shrimp continued to be the major export item in the export basket in terms of quantity and value
- The overall export of shrimp during 2014-15 stood at 3,57,505 MT valued at Rs, 22,468 crore (\$3.7 billion)
- The export of Vannamei stood at 2,22,176 MT recording a growth of 26.90% in quantity and 18.98% in USD terms
- With Vannamei shrimps becoming a money spinner in the Indian seafood exports, the focus has shifted to farmed seafood products and the share of sea catch has come down in the total seafood export basket

	Marine Exports	Shrimps Exports	Others
Quantity in MT	10,51,243	3,57,505	6,93,738
Volume (%)	100%	34%	66%
Value (in Rs. Cr.)	33,441	22,468	10,973
Value (%)	100%	67%	33%

	Shrimps Exports (Quantity in MT)	(%)
USA	1,12,702	32
EU	81,952	23
South East Asia	69,068	19
Japan	30,434	8
Others	63,349	18
Total	3,57,505	100

	Shrimps Exports	Cultured Shrimp	Others
Volume (%)	100%	76%	24%



Factors behind 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 affliction along with other 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

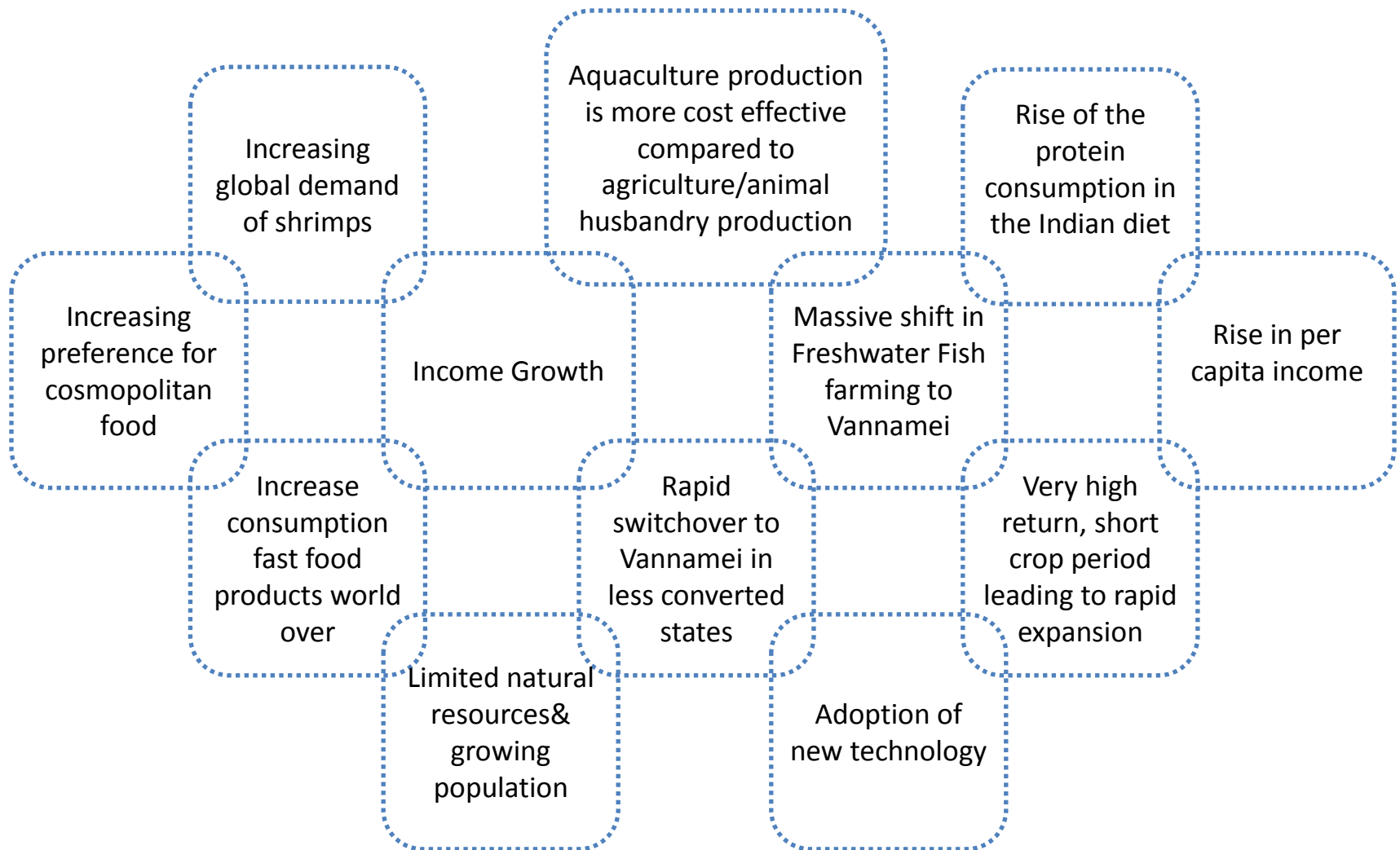
Supply Disruptions In Thailand & Vietnam

Erstwhile key suppliers like Thailand and Vietnam were affected by breakout of EMS, leading to drastic fall in volume.

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

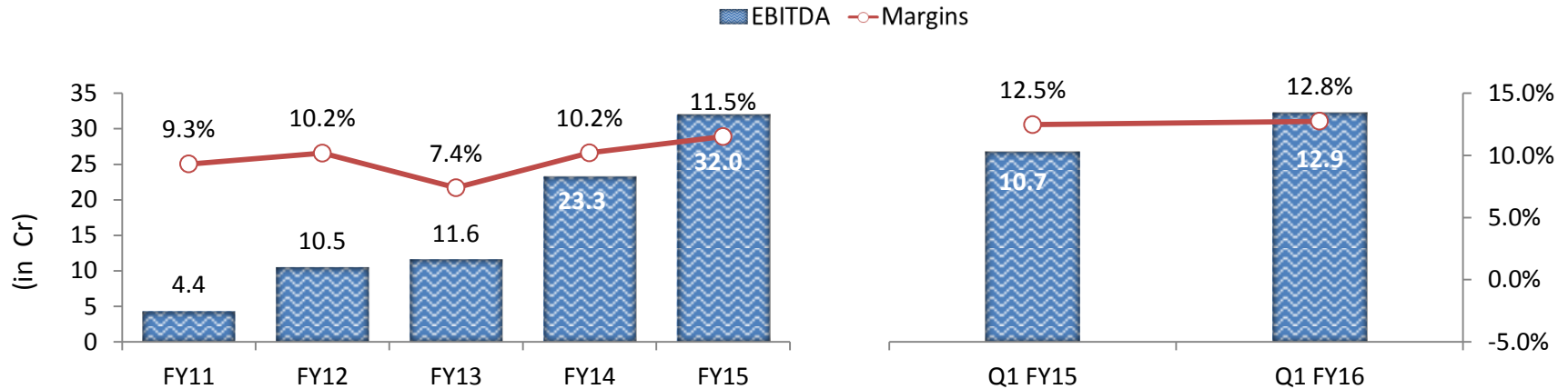
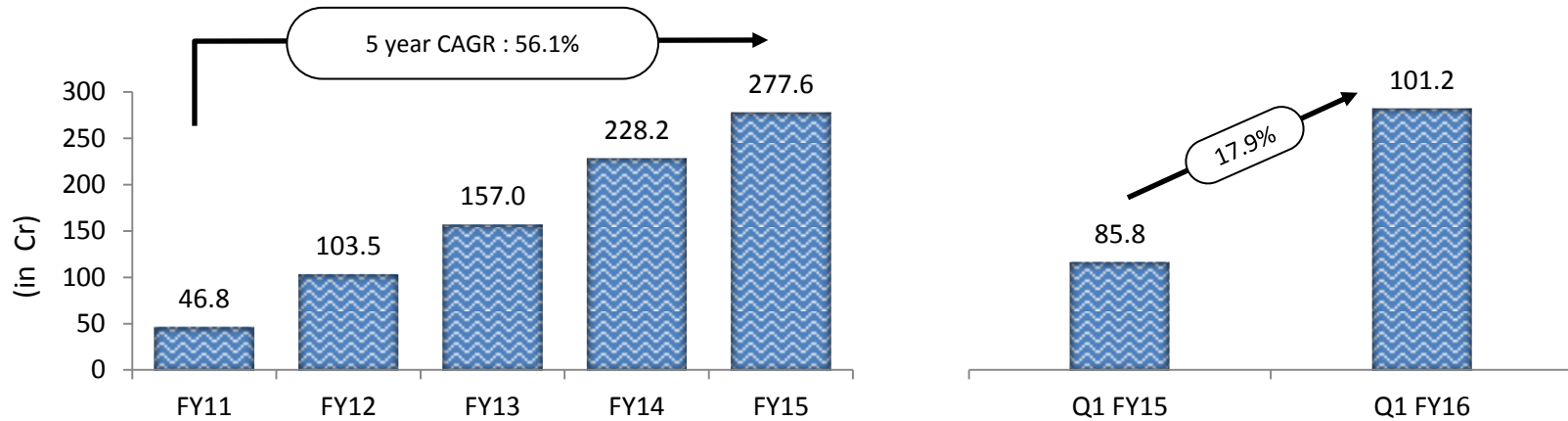


Financial Overview



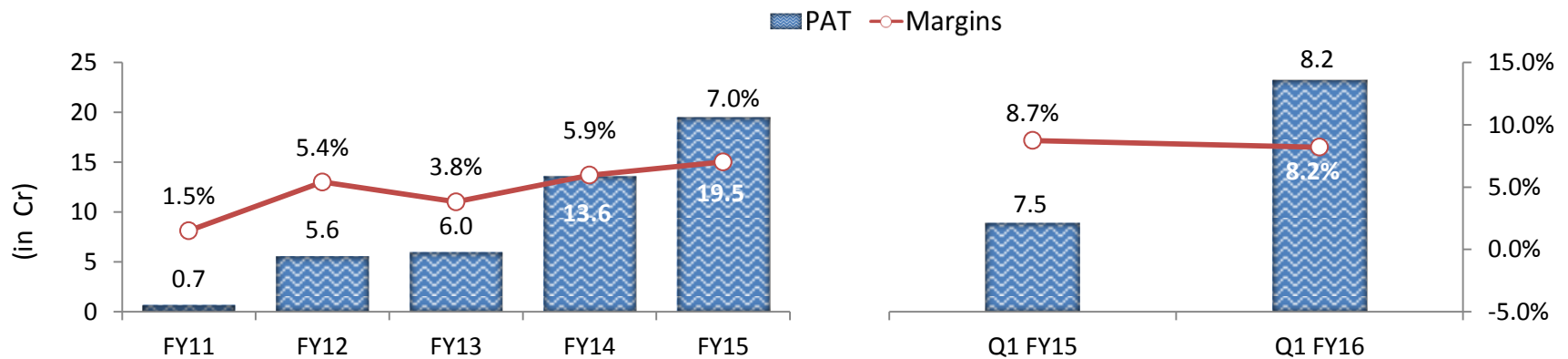
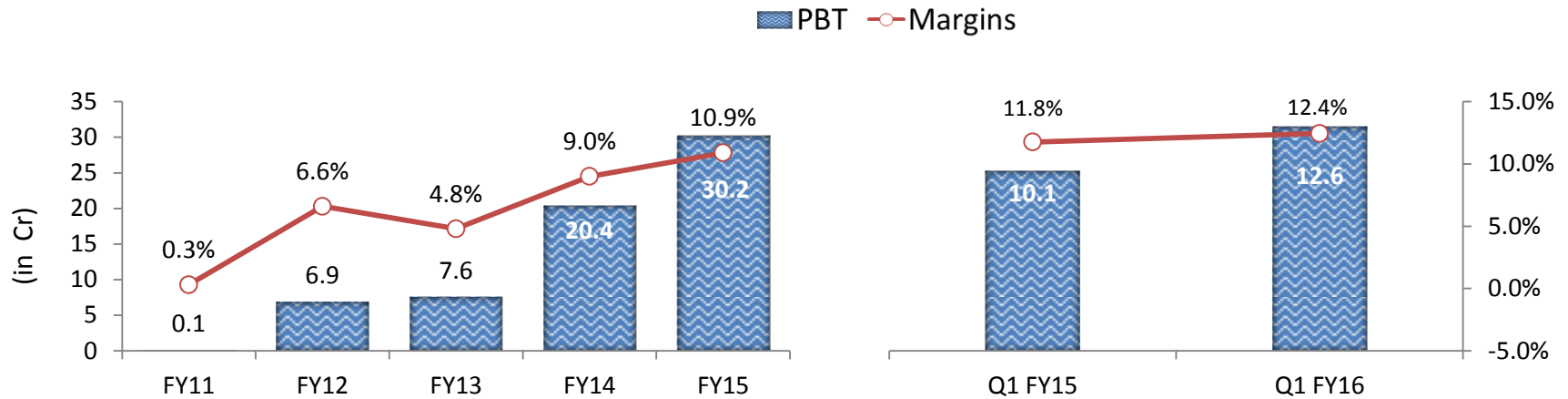
Financial Performance

Revenues





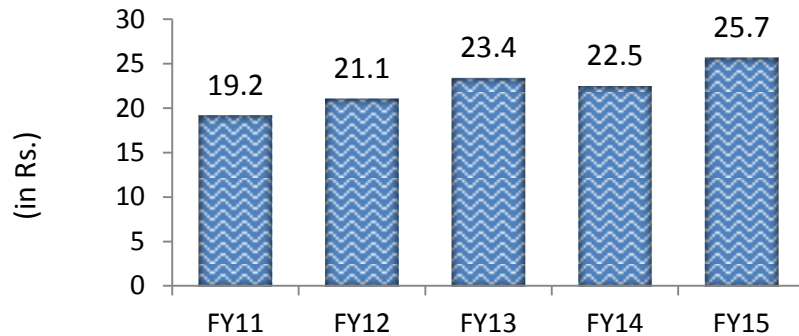
Financial Performance



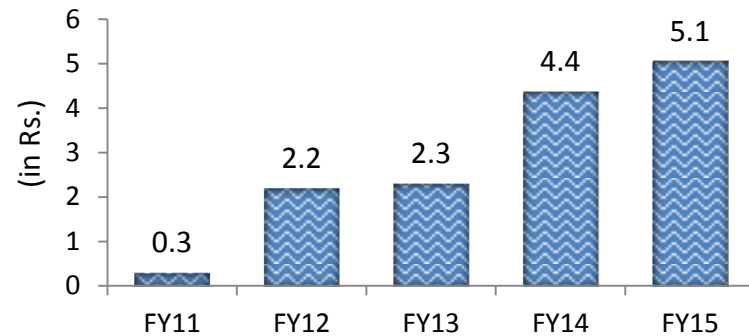


Key Financials

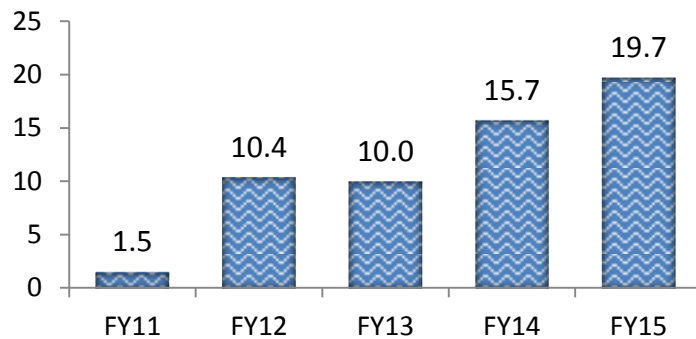
Book Value Per Share



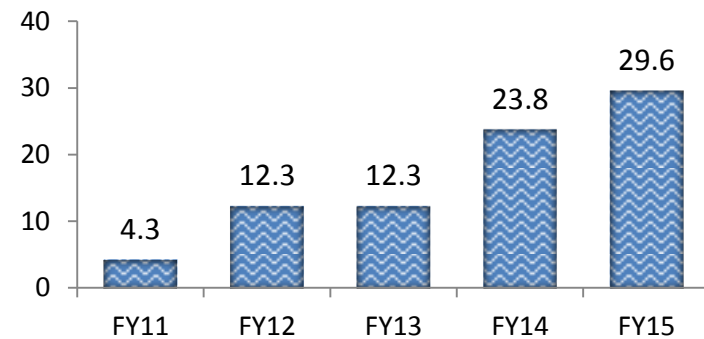
Earnings Per Share



Return on Net Worth (%)



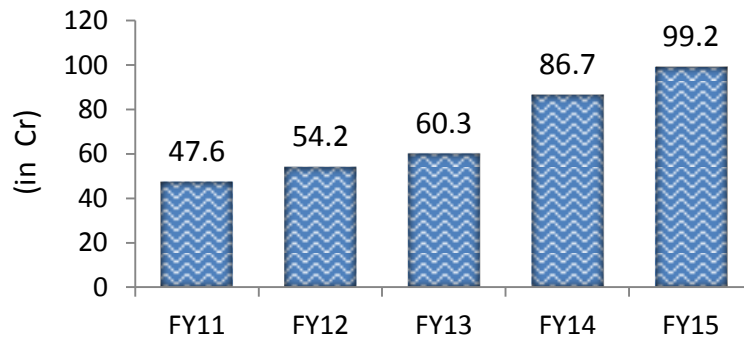
Return on Capital Employed (%)



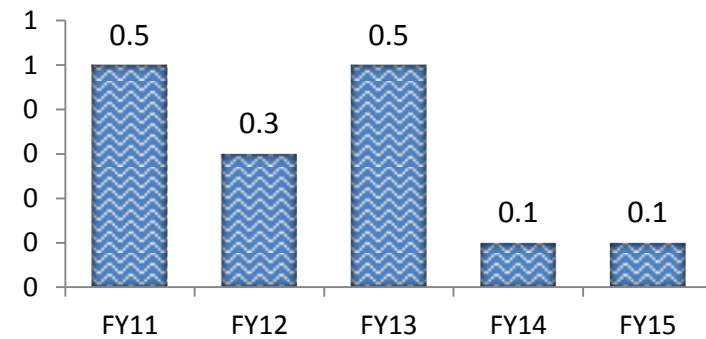


Key Financials

Net Worth



Debt Equity Ratio



Glossary

SPF	Specific pathogen free
FCR	Feed conversion ratio
MPEDA	Marine Products Exports Development Authority
CAA	Coastal aquaculture authority
MTPA	Metric tonne per annum
Broodstock	a group of mature individuals used in aquaculture for breeding purposes
P. Monodon	Black Tiger
P. Vannamei	White Shrimp

Thank You



For more information about us, please visit www.waterbaseindia.com OR contact:

G. Venkatram (C S & CO)
The Waterbase India Limited
Phone: +91 44 30127009 Extn: 202
Email: gvenkatram@waterbaseindia.com

Mayank Vaswani / Devrishi Singh
CDR India
Phone : +91 22 6645 1230 / 1238
Email: mayank@cdr-india.com
devrishi@cdr-india.com