

The Waterbase Limited announces Q3 & 9MFY'16 Results

Q3 Performance impacted by exceptional circumstances – Company submits Insurance Claim of Rs. 19.08 crore for damage due to flooding

Financial Highlights

Q3FY'16

- Revenues for Q3FY'16 were Rs.54.2 crore compared to Rs. 61.7 crore in Q3FY'15.
- Loss for Q3FY'16 was at Rs. 11.9 crore compared to profit of Rs. 4.2 crore in Q3FY'15.
- Revenues and profitability during the quarter impacted by outbreak of disease and flooding in shrimp farming areas.
- The factory remained closed for more than 2 months due to flooding of the factory premises.

9MFY'16

- Revenues for 9MFY'16 were Rs.254.3 crore compared to Rs. 229.2 crore in 9MFY'15 – Up by 11%
- PAT for 9MFY'16 is at Rs.2.02 crore compared to Rs. 15.6 crore in 9MFY'15.

Chennai, February 5, 2016: The Waterbase Ltd. (TWL), pioneer in the aquaculture industry in India and a leading manufacturer of shrimp feed has announced its financial results for the quarter and nine months ended December 31, 2015.

Results Q3 & 9M – FY'16:

- For the quarter ended December 31, 2015 Income from Operations was Rs.54.2 crore compared to Rs. 61.7 crore in Q3FY'15. Loss for Q3FY'16 was Rs. 11.96 crore compared to the Profit After Tax of Rs. 4.2 crore for the corresponding quarter of the last year.

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- For the nine months ended December 31, 2015 Income from Operations was Rs. 254.35 crore compared to Rs. 229.2 crore in 9MFY'15. Profit After Tax for nine months ended December 31, 2015 was Rs. 2.02 crore compared to Rs. 15.55 crore in the corresponding period of last year.

Background to the Results:

- The farm-gate prices prevailing at the start of the 2015 farming season were subdued which led to a cautious approach from farmers as they reduced stocking densities as well as decreased the area under cultivation for shrimp farming.
- As the season progressed, the outbreak of diseases such as white-spot, white feces and EHP in shrimps further hampered the production in farms and impacted the demand for feed.
- Sustained heavy rains resulted in flooding in Nellore District which led to washing away of shrimp farms in the area and also resulted in shutdown of the Company's plant from November 19, 2015.
- During the quarter, Canara Bank, with whom the Company had a litigation, agreed for a One Time Settlement (OTS) of all dues from the Company. Consequently, on 24th November, 2015, the Company had fully settled the OTS, due to which, the profits of the Company has decreased by Rs.3.2 crore, which is reflected under the head "Exceptional Items". Both Canara Bank and the Company are in the process of withdrawing all the proceedings from various forums in connection with the dues.
- The operations at Ananthapuram factory was disrupted from 19th November, 2015 due to unprecedented floods resulting in extensive damage to stock and assets of the Company. A claim of Rs.19.08 crore was lodged with the insurance Company. Of this, the quarterly result considered an amount of Rs. 17.46 crore towards stock damage and is shown under "Extraordinary items". The plant resumed operations on 27th January, 2016.
- The results for the quarter and nine-months should be evaluated in light of the above.

CEO's message

Commenting on the results, Mr. Ramakanth V. Akula, CEO said,

"The performance in Q3 has been impacted by factors outside our control. Outbreak of diseases and incessant rains, which led to flooding, impacted shrimp farming in Andhra Pradesh. If we evaluate the performance for the first nine-months of the fiscal, revenues and profits have been stable due to the strong first half of the year. The shut-down of the factory due to flooding and One Time Settlement with Canara Bank also impacted the performance in the third quarter.

However, there has been progress in several areas which has enhanced our prospects for sustained long term growth. We increased the dealer network both in existing and new markets. The response to our products in new markets has been encouraging. We restarted exports after a long gap.

We are encouraged by the improved sentiment in the farming community towards the 2016 farming seasons and will look to regain the momentum that we displayed at the start of the current fiscal."

Other Highlights

- Due to the heavy rain and flooding, the construction work of the first unit of the Hatchery has been delayed. The Company now expects to commission the unit in Q2FY17.
- The proposed amalgamation with Pinnae Feeds is progressing as per schedule and the Company maintains its time-line to complete the amalgamation. The Company has received consent from SEBI to proceed with the scheme of amalgamation of Pinnae Feeds Limited with the Company on 4th January, 2016. The Company is in the process of filing the Scheme before the Hon'ble High Court of Judicature at Hyderabad.

Outlook

- The global prices for shrimp have been largely stable over the quarter. However, in India, due to the circumstances prevailing in the market there has been low availability of shrimp for processing and export. As a result, there has been a sharp improvement in the farm-gate prices. This has improved the outlook for the 2016 farming season and it is expected that farmers will increase area under cultivation as well as the stocking densities. However, since the price increase is largely attributable to domestic factors rather than international factors some moderation is expected at the time of harvesting.
- The Company has restarted operations at its plant in Nellore from January 27, 2016. The Company can also source feed from the plant of Pinnae Feeds Limited. The combined capacity of both plants is 1,10,000 MT.

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About The Waterbase Limited:

Registered Office: Ananthapuram Village, Nellore – 524 344, Andhra Pradesh

CIN: L05005AP1987PLC018436

The Waterbase Ltd. (TWL) is one of India's leading aquaculture companies. The Company is currently focused on manufacture of shrimp feed and processing of shrimp for export. TWL operates an ISO 9001:2008 Certified Shrimp Feed Mill which is located near Nellore in Andhra Pradesh.

Promoted by the Karam Chand Thapar Group, TWL owns several popular brands of shrimp feed that are of high quality, freshness, appropriate calorific value and rich in nutrients. Its shrimp feed brands enjoy strong acceptance in the shrimp farming community in India. Its processed shrimp is marketed across Europe, Japan and in USA.

Over the last two decades, the Company has played a key role in spreading scientific shrimp farming in India and has provided training and support in farming techniques to several thousands of farmers across the Country. The Company's R&D efforts are focused on enhancing the quality and efficiency of feeds to meet differing farming requirements of aqua culturists.

TWL is listed on the Bombay Stock Exchange of India (Scrip Code 523660). Over the 5 years ending FY15 it enjoys a Revenue CAGR of 61.22%.

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

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