

The Waterbase Limited

November 14, 2025

Facilities	Amount (₹ crore)	Rating ¹	Rating Action
Long-term / Short-term bank facilities	93.81	CARE BBB-; Stable / CARE A3	Downgraded from CARE BBB; Stable / CARE A3+
Short-term bank facilities	5.03	CARE A3	Downgraded from CARE A3+

Details of facilities in Annexure-1.

Rationale and key rating drivers

Revision in ratings assigned to bank facilities of The Waterbase Limited (TWL) is considering continuous subdued financial performance in FY25 (refers to April 01 to March 31) and H1FY26 with the company incurring cash loss. The subdued performance over recent quarters is attributed to the decline in the company's operational performance marked by lower capacity utilisation (CU) of the shrimp feed unit. Ratings revision further considers the increased debt level and reduction in liquidity buffer available with the company.

However, ratings continue to derive strength from the experience of its promoters with long track record of company's operations in the shrimp feed industry and it being a part of the Karam Chand Thapar (KCT) group. Ratings also factor the partially integrated nature of its operations with an established brand presence and marketing network, company's comfortable capital structure with nil term debt, and its adequate liquidity. Additionally, ratings also take cognisance of initiatives taken by the company for diversification of its revenue by venturing in processing shrimps on their own instead of third-party processing, farm care products, and frozen sea food. Ratings continue to remain constrained by the exposure to raw material price volatility, geographical concentration of revenue and risks inherent to the seafood industry. Ratings further continue to remain constrained by the exposure to raw material price volatility, geographical concentration of revenue and risks inherent to the seafood industry and working capital intensive operations.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Ability to sustain scale of operations and improvement in profitability with profit before interest, lease rentals, depreciation and taxation (PBILDT) margin above 4% on a sustained basis.
- Ability to maintain its healthy leverage while sustaining improvement in operating cycle at less than 90 days.

Negative factors

- Continued losses resulting in further deterioration in debt coverage indicators and liquidity profile.
- Any major debt-funded capex resulting in deterioration in capital structure.

Analytical approach: Standalone

Outlook: Stable

The 'Stable' outlook assigned to TWL's long-term rating considers the company's strong leverage position with expectation of improvement in total operating income (TOI) and reduction of loss in the medium term and availability of need-based support from the KCT group.

Detailed description of key rating drivers:

Key strengths

Experienced promoters with long track record in the shrimp feed industry

TWL has long track record of over three decades in the shrimp feed industry. It is a part of the KCT group, which is spearheaded by Vikramaditya Thapar and his son, Varun Aditya Thapar. Vikramaditya Thapar has been in the shrimp feed industry for almost

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

three decades and thus has long experience in the seafood business. The promoter group is well supported by experienced personnel. KCT group has interests in sectors ranging from coal logistics, real estate, and aquaculture.

Partially integrated operations with strong brand and established marketing network

TWL is predominantly a shrimp feed manufacturer with a processing facility for shrimp. The company has increased its integration and presence in the value chain post commencement of hatchery with 250 million post larvae capacity from October 2018. The company sells shrimp feeds under the brands, Bay White-Advanced, Maximy, Tiger XL, and Vanamax. It sells shrimp feeds characterised by high quality, freshness, appropriate calorific value, and rich in nutrients through an established network of over 164 dealers primarily in the country's coastal areas. TWL enjoys long-standing relationship with its network of dealers with top 10 customers contributing ~39% sales in FY25 and ~36% sales in H1FY26.

Diversification into farm care products and frozen sea food

TWL had diversified its product offering through launch of its farm care range of products under the brand, Baylife, and frozen sea food products (processed shrimps and pasteurised crab meat) under the brand, Prize Catch. Contribution from farm care, processing and hatchery business improved to over 50% of TOI in FY25 and H1FY26 against ~43% in FY24.

Comfortable capital structure

Overall gearing remains comfortable at 0.28x as on March 31, 2025 (0.15x as on March 31, 2024). The company does not have term debt on its books. The borrowing of TWL comprises only working capital borrowings, which has increased in FY25 and H1FY26 owing to operating losses. The average working capital limit utilisation for the last 12 months ended October 31, 2025, was ~47%, which provides cushion to its liquidity.

Liquidity: Adequate

TWL had liquidity in the form of cash and cash equivalents of ₹10.98 crore as on March 31, 2025, out of which ₹10.51 crore has been pledged against bank guarantee and sanctioned working capital limits. The company does not have term debt on its books and moderate working capital limit utilisation. The average working capital limit utilisation for the last 12 months ended October 31, 2025, was ~47%, which provides cushion to its liquidity.

Key weaknesses

Subdued financial performance in FY25 and H1FY26

TOI moderated from ₹339.25 crore in FY24 to ₹277.89 crore in FY25, due to decrease in shrimp feed sales by ~35% in FY25. The reduction in sales volume was due to change in credit policy by TWL from credit to cash and carry model. In H1FY26, TOI grew by ~25% over H1FY25 driven by increased revenue from processed shrimp segment, while revenue from feed business witnessed decline of ~20%. The company continues to incur operating loss in FY25 and H1FY26 in view of low CU leading to under absorption of fixed overheads. The CU of the shrimp feed unit of TWL continued to remain low at ~13% in FY25 and H1FY26 (~20% in FY24). The CU for processed shrimp unit was moderate at ~57% in FY25 (~53% in FY24) and improved significantly in H1FY26 to ~87%. On an overall basis, profitability margin is expected to remain under pressure in FY26.

Working capital intensive operations

The company's operations are working capital intensive considering credit period offered to dealers and stocking of raw materials (depending on prevailing market prices). There was slight deterioration in operating cycle in FY25 to 124 days (112 days in FY24) because of decrease in average creditors' period and increase in inventory holding period. However, the company has recovered its receivables from Gujarat region in FY24 and FY25 and reduced its outstanding debtors to ₹41.18 crore as on March 31, 2025, against ₹86.63 crore as on March 31, 2023. In H1FY26, the operating cycle improved slightly to 98 days.

Volatility in raw material prices

Raw materials' cost constitutes major portion of the company's cost of sales (~71% in FY25 against ~74% in FY24). The major raw materials are agro products, such as soya, wheat flour, and fish meal. Other raw materials include fish oil, mono-calcium phosphate, minerals, Vitamin C, and binders, among others. Since availability of major raw materials is seasonal and depends on climatic conditions, the raw material costs are volatile. The company has limited ability to pass on the increase in raw material prices. There has been significant increase in the soya and fish meal prices in the past few years, which have however moderated in FY25 and have remained stable in H1FY26.

Geographical concentration risk in an intensively fragmented and competitive market

TWL derives 48% of its revenue from exports of processed shrimp with majority exports to China and Belgium. While domestic market contributes 52% of revenue driven by shrimp feed segment. The feed industry is driven by regional demand and supply

because of transportation constraints and perishable products. TWL's domestic sales remain geographically concentrated with ~75-80% of contribution from Andhra Pradesh. The company has lower presence in other geographies such as Tamil Nadu, Maharashtra, West Bengal, and Odisha. Low capital intensity and low entry barriers facilitate entry of unorganised players, leading to high competition and fragmentation. Though the organised market is dominated by few major players in the shrimp feed segment, the higher capacity in the industry compared to demand leads to intense competition.

Risks inherent in the seafood industry

The main threat to shrimp industry is from outbreak of diseases. The Indian shrimp exports industry is highly fragmented given the low entry barriers and significant competition in the export market from other competing countries and threat from other seafood varieties. Government policies keep varying depending on other macroeconomic factors such as anti-dumping duties, and inflation among others, which increase expenses of the companies operating on the seafood industry. The prospects of shrimp feed business remain linked to the shrimp industry's performance.

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast moving consumer goods	Fast moving consumer goods	Food products	Animal feed

TWL was incorporated in November 1987 as Thapar Waterbase Limited and commenced commercial operation in 1993. It is promoted by the KCT Group with Varun Aditya Thapar as the company's chairman. TWL is a partially integrated aquaculture entity, consisting of a feed plant having an installed capacity of 110,000 metric tonne per annum (MTPA), a shrimp hatchery of 250 mn post larvae and a shrimp processing plant with an aggregate capacity of 5,000 MTPA (increased from 4,000 MTPA in September 2022), all at Nellore, Andhra Pradesh. The shrimp feed mill produces high-quality shrimp feed for both brackish and fresh-water shrimp farming. As a part of its integrated activities, the company works closely with its farmers by providing them quality inputs such as feed and other farming inputs, post larvae, and buying shrimps directly from their farms. TWL also has a cold storage facility capable of storing 1300 MT of finished products.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	339.25	277.89	168.86
PBILDT	-3.80	-18.09	-7.32
PAT	-10.44	-18.15	-8.70
Overall gearing (times)	0.15	0.28	0.34
Interest coverage (times)	NM	NM	NM

A: Audited UA: Unaudited NM: Not Meaningful; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT/ ST-Cash Credit		-	-	-	66.00	CARE BBB-; Stable / CARE A3
Fund-based - LT/ ST-CC/PC/Bill Discounting		-	-	-	13.00	CARE BBB-; Stable / CARE A3
Non-fund-based - LT/ ST-Letter of credit		-	-	-	14.81	CARE BBB-; Stable / CARE A3
Non-fund-based - ST-BG/LC		-	-	-	5.00	CARE A3
Non-fund-based - ST-Forward Contract		-	-	-	0.03	CARE A3

Annexure-2: Rating history for last three years

Sr. No.	Name of the Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT/ ST-Cash Credit	LT/ST	66.00	CARE BBB-; Stable / CARE A3	-	1)CARE BBB; Stable / CARE A3+ (05-Feb-25) 2)CARE BBB; Stable / CARE A3+ (22-Aug-24)	1)CARE BBB+; Stable / CARE A2 (06-Dec-23)	1)CARE BBB+; Stable / CARE A2 (08-Sep-22)
2	Non-fund-based - ST-BG/LC	ST	5.00	CARE A3	-	1)CARE A3+ (05-Feb-25) 2)CARE A3+ (22-Aug-24)	1)CARE A2 (06-Dec-23)	1)CARE A2 (08-Sep-22)

3	Fund-based - LT/ST-CC/PC/Bill Discounting	LT/ST	13.00	CARE BBB-; Stable / CARE A3	-	1)CARE BBB; Stable / CARE A3+ (05-Feb-25) 2)CARE BBB; Stable / CARE A3+ (22-Aug-24)	1)CARE BBB+; Stable / CARE A2 (06-Dec-23)	1)CARE BBB+; Stable / CARE A2 (08-Sep-22)
4	Non-fund-based - ST-Forward Contract	ST	0.03	CARE A3	-	1)CARE A3+ (05-Feb-25) 2)CARE A3+ (22-Aug-24)	1)CARE A2 (06-Dec-23)	1)CARE A2 (08-Sep-22)
5	Non-fund-based - LT/ST-Letter of credit	LT/ST	14.81	CARE BBB-; Stable / CARE A3	-	1)CARE BBB; Stable / CARE A3+ (05-Feb-25) 2)CARE BBB; Stable / CARE A3+ (22-Aug-24)	1)CARE BBB+; Stable / CARE A2 (06-Dec-23)	1)CARE BBB+; Stable / CARE A2 (08-Sep-22)

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated facilities - Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT/ ST-Cash Credit	Simple
2	Fund-based - LT/ ST-CC/PC/Bill Discounting	Simple
3	Non-fund-based - LT/ ST-Letter of credit	Simple
4	Non-fund-based - ST-BG/LC	Simple
5	Non-fund-based - ST-Forward Contract	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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