



A Division Of White Organic Agro Ltd.

## “The White Organic Agro Limited Q1 FY 2019 Earnings Conference Call”

**August 10, 2018**



A Division Of White Organic Agro Ltd.



**MANAGEMENT: MR. DARSHAK RUPANI -- MANAGING DIRECTOR, THE  
WHITE ORGANIC AGRO LIMITED  
MR. VISHAL CHAVDA -- CHIEF EXECUTIVE OFFICER  
(FARMING), THE WHITE ORGANIC AGRO LIMITED  
MR. KUNAL BHAYANI -- CHIEF EXECUTIVE OFFICER  
(RETAIL), THE WHITE ORGANIC AGRO LIMITED  
MR. KEVAL SHETH -- HEAD (EXPORTS), THE WHITE  
ORGANIC AGRO LIMITED**



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**Moderator:** Ladies and Gentlemen, Good Day and Welcome to the White Organic Agro Limited Q1 FY 2019 Earnings Conference Call. This conference call may contain forward-looking statements about the Company which are based on beliefs, opinions and expectations of the Company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '\*' then '0' on your touch tone phone. Please note that this conference is being recorded.

I would now like to hand the conference over to Mr. Darshak Rupani -- Managing Director, The White Organic Agro Limited. Thank you and over to you, Mr. Rupani.

**Darshak Rupani:** Thank you. Good Morning everyone and a warm welcome to all the participants to the earnings call of The White Organic Agro Limited for the First Quarter ended 30th June, 2018.

Today, I am joined by Mr. Vishal Chavda -- CEO (Farming); Mr. Kunal Bhayani CEO of Retail; and Mr. Keval Sheth who is the Head of Exports.

I hope that all of you had a chance to look through our Q1 FY 2019 result update presentation or looking through it right now. I will first take the opportunity to introduce our Company to you.

White Organic Agro Limited is purely involved in the organic farming activity and the only listed entity in the organic space. Currently, the Company offers over 250+ premium products in 12 major categories and 17 subcategories through our fully integrated online portal and retail stores. Range of our product offerings includes grains, pulses, edible oils, fresh vegetables, fruits and ghee, medicinal herbs and capsules, organic health supplements, snacks and many more.

The Company's packaging facility is in close proximity to our cultivation area Rajkot, Gujarat. The Company sells all the products under a single brand name called White Organics. The Company follows a strong philosophy to provide customers with pure and unadulterated organic food products, directly from the farm to stores. This eradicates the chances of getting products contaminated.

Our process is designed in such a way that tie-ups with farmers directly helps us to eliminate the whole chain of suppliers, wholesalers and retailers and distributors. It helps us achieve our goal of healthy food products and in a way makes farmers to sell their produce much easier effectively and at a decent price.



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White Organic Agro Limited recently bagged new order from Innovative Cuisine Private Limited for 65 metric tonnes of organically cultivated residue free cluster beans. This is because of set Company standard we follow stringent organic farming practices only. This whole process of the new client began after that quality check thing visited our organically certified farms and after scrutinizing stringently followed organic farm practices. The client showed interest in the long-term association with White Organic Agro Limited.

Going ahead the management is hopeful to cultivate different organic products proposed to us by Innovative Cuisine Private Limited by following the same stringent organic practices of organic farming.

Let me now share with you a small brief about Innovative Cuisine Private Limited. The Company manufactures products locally and distributes it internationally under the brand name Deep Foods, Deep Foods offers a wide range of more than 650 different products. The Company have a chain customer way and distribution network in U. S., Canada and many other nations.

Our biggest strength has been our unadulterated organic product offerings and right sourcing, which has helped us create more and more confidence in the minds of our customers. Leading to a stronger relationship and a continues flow of repeat orders and new orders. We are very hopeful about the future given the high opportunity in the organic market domestically as well as globally. Our product offering is such that we are able to cater to existing and increasing in the organic products demand.

We hope to gain immensely by serving the best service to our clients. We are also focusing on expanding our self-leased land and have identified farms that suit our requirement. Currently, we cultivate, harvest and farm our organic products in 1,360 acres of self-leased farms located in and around Rajkot, Gujarat. Recently in May 2018, we added another 160 acres of land to our existing 1,200 acres. The additional 160 acres of land is located in Chotila and Sylva region, Gujarat. The land is fully equipped with good drainage system and can grow many types of plants.

On the regulations front, officials of APEDA governed body which runs on the guidelines of global organic farms regularly inspect our farm. We have never led them down and on the guidelines, they have asked us to follow. APEDA also keeps a record of overall organic business activities carried out by the Indian organic market that is each transaction of buy and sell. Throughout the whole financial year end 2018, we have outperformed our expectation and witness tremendous demand for organic products not only domestically but also globally. And now we are confident to continue the same momentum in this financial year.

Considering this huge demand uptick and customer awareness of organic produces, recently the Company have identified a land piece in Maharashtra for leased organic farming as well. For which, the management is confident that we will add great value to its current organic farming operations. This will be our first venture outside of our current area of operations which is Gujarat. Key personnel from the Company have visited the land area located in Maharashtra and they are confident of taking the talks ahead to the next level. The management of the Company have taken this step to enter in Maharashtra with a view to diversify the risk from our current of area of operation which is Gujarat. Adverse climatic conditions are something which can affect any business in agriculture. Post our entry in Maharashtra the Company will further explore many options to enter other territories of India to do organic farming. The management is very focused, particularly in choosing the land area. Also, the region pertaining to the suitability of certain crops because of which the Company is not focusing on conventional crop and only looking for crops which are sturdy in nature. Our very first step before selecting any crop is to secure the buyer who will buy the entire tranche of produce. Post which we go ahead with the cultivation process.

Our collaboration with Future Farms LLP has strengthened White Organic Agro Limited to widen its horizon. Product portfolio offerings and establish strong presence across the western region of India in the organic market. With the vision of spreading our footprint in the global market and creating visibility for our brand White Organics in the international market.

The representatives of the Company participated in the Global Fest 2018 that is BIOFACH - World's Leading Trade Fair for Organic Food. At this event there was Rs. 2,950 exhibitors in total from more than 88 different nations. We witnessed interest for our Aloe Vera and Moringa from 40 different wholesale consumers. They were delighted to see our range of products offerings for both Aloe Vera and Moringa.

We are extremely optimistic from the response received from international players for our organic product range. As mentioned in our previous earning concall, I would like to inform you that our expansion plans continue to remain robust, but we are doing more and more due diligence on the leased farms to be acquired. This is in terms of the soil test, water availability, connectivity to the highways, etc. the management is hopeful to reach to the target of 3,000 acres of self-leased land farm by the end of this financial year that is Holi 2019.

However, our growth target in terms of our financial performance continues to remain the same. Now, I sincerely thank the entire team of White Organic Agro for their untiring efforts, hardwork, sincerity and high dedication. Also, I would like to thank our valued shareholders who's support and faith in our Company has given us the determination and ammunition to go from strength to strength.

So from an overall business perspective that is all from my side.

I will now hand over to Mr. Vishal Chavda, who will take you through the financial performance of the Company for the first quarter ended 30th June, 2019. Thank you.

**Vishal Chavda:**

Thank you, Darshak bhai and a good day to all the participants. I will share highlights of our consolidated financial performance following which we will be happy to respond to your queries.

For the first quarter to start with, I am happy to share that for the first quarter, the Company has achieved net revenue of Rs. 74.75 crores with a significant year-on-year growth of 327% from Rs. 17.49 crores in the same quarter last year. This is mainly on account of greater demand globally and increasing awareness of health benefit for using organic food produces.

The EBITDA stood at Rs. 4.58 crores in Q1 FY 2019, an increase of 406% as compared to Rs. 0.91 crores in Q1 FY 2018.

PAT for Q1 FY 2019 is at Rs. 4.66 crores as compared to Rs. 1.50 crores in Q1 FY 2018. This represents a growth of 211% year-on-year. Our EPS in Q1 FY 2019 stood at 2.66 registered a growth of 122% as compared to Rs. 1.20 in Q1 FY 2018.

This is all from our side and now we can open the floor for Questions and Answers.

**Moderator:**

Thank you very much. Ladies and Gentlemen, we will now begin the Question-and-Answer Session. We take the first question from the line of Parth Kotak from Fortune Finance. Please go ahead.

**Parth Kotak:**

Sir, I would just like to know regarding the cluster beans production of 65 MT that we have already started selling the product or if not when will the revenue start flowing in?

**Vishal Chavda:**

Since the plantation of cluster bean took place on 16<sup>th</sup> of July 2018 usually the cycle of a cluster bean is of 90 days and the production starts approximately on 45<sup>th</sup> or 46<sup>th</sup> day. So, considering this scenario say by 1<sup>st</sup> of September the production should start, and it will last for another 45 days.

**Parth Kotak:**

Alright. And sir, what is the revenue that we are expecting from this particular order?

**Vishal Chavda:**

This specific order is a pilot project which we have started doing it. So rather than the revenue the Company is more concerned about the quality what we will produce for this specific. Again, if you ask me in terms of figures it is around Rs. 40 lakhs but it is just a pilot project and every three months we can keep on repeating the same thing so we can expand it to the level we want.

- Parth Kotak:** Alright. And sir, just to get a sense, revenue has actually decreased when it is compared to the last quarter. So, what has changed, if you can throw some light on the same?
- Vishal Chavda:** For an agricultural Company summer is the least expected in which the nature is usually not so much in support. Thereby if you consider Q2 or Q3 figure, we expect them to be the highest during the year.
- Darshak Rupani:** Just to add-on to what Mr. Vishal Chavda said, generally in any agriculture the summer seasons are not really good and generally our Q1 ends on 30th June, we witness our first rains in the first week of July in Rajkot. So, it has been a normal practice that Q1 would be a bit lesser than Q2, Q3, and Q4.
- Parth Kotak:** Alright. And sir, also, margins have improved substantially for that matter of fact. So, is this increase in realizations or operational efficiencies have increased or what has changed?
- Vishal Chavda:** There is an increase in realization because we did some value addition products as well and that have fetched us more revenues.
- Moderator:** Thank you. We would take the next question from the line of Raju Basani, Individual Investor. Please go ahead.
- Raju Basani:** My first question is like when we can expect this AGM, Annual General Meeting because small investor like me also want to participate in the Annual General Meeting.
- Vishal Chavda:** It should be in the last week of September.
- Raju Basani:** Last week of September. And one more question, sir, like how we account for the tax structure because when I go through the statement some income quarter's I do not see the tax whereas only in the Q4 we normally deduct the tax. Like if you can tell us what is the tax structure than whether we fall in 20% bracket or 30% bracket?
- Vishal Chavda:** Certainly, Mr. Raju. As you are aware this Company works in a couple of verticals. The self-leased land farming is a tax-free business there is 0% tax. But the ICS group of farming that we do that comes in the normal tax bracket. So, it is a blended tax structure of the Company and you have seen in this quarter we have made some tax provisions on the proportionate basis.
- Raju Basani:** Right. And one more question, like recently we heard about this international order of 65 metric tonnes or 60 metric tonnes. It is something like the start of, the beginning of the international orders that we had discussed in the last conference call because that time you said ICS level-III that would be starting somewhere in September that is what I heard from you.

- Vishal Chavda:** Yes, exactly, sir. So, by November 2018 we will be fully converted to organics. But there are few of the companies who usually go with the lab test report also. So, at this stage we will not wait, we will not stop expanding our business. But in November we will try to test the opportunity that comes to our way. And similarly, this Innovative Cuisine who were interested to evaluate our production in terms of lab reports have agreed for a pilot project, we are already undergoing it and once we clear it, then we can have a bigger order size from the Company.
- Raju Basani:** Okay. Great, sir. And one more question, sir, I could see the trade income, as well as the, agri income can you just give a little bit what will be the difference in the trade income as well as agri income?
- Vishal Chavda:** The trade of good grains that is mentioned in the segment reporting, it includes the buyout from the farmers and selling it to B2B market. Basically, ICS farming that we do on the 2,800 acres of land with 530 farmers. It is a buy and sell. So that is why the segment reporting says trading. Indirect cultivation from the Company's end.
- Raju Basani:** But why this agri income is showing very less contribution. May I know the reason behind it?
- Vishal Chavda:** Sir, as I mentioned to the previous analyst as well, the first quarter is always really not good in numbers for the agro business that is the reason it is a bit less.
- Raju Basani:** Okay. And one more small question, it is like any retail expansion, was there any retail store expansion plan this quarter or next quarter that is opening new stores in the metro cities?
- Kunal Bhayani:** Hi. This is Kunal. So, we are into the advancement for finalization of retail stores in Mumbai as well as Pune, so there are various talks going on with some of the vendors and the Company for expansion of franchised outlet. So shortly, we will be able to give you a brief on the expansion of retail stores. So as expected, we are going to open 40 retail stores in 2019-20. So, it is under the observation and surveillance from our end and we will shortly update you with the same.
- Raju Basani:** Yes, that is great, sir. Can I ask one more question, if I can tell because I know you are operational in Gujarat and you are going to Maharashtra as well I think in part of next quarter because even I also come from the rural back ground even my family own more than 20 acres of land. Are there any plans to look at the expansion at Telangana or Andhra Pradesh state as well?
- Vishal Chavda:** Not at the moment, let us just focus on the western region of India. In the agriculture business, unless and until you have a presence on the farm, it is very difficult to manage the labors. We want to establish ourselves to ICS III-level first have some secured international buyers and then only we will be expanding to the regions of India.



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- Moderator:** Thank you. Next question is from the line of Shrinath Sridhar from ICICI Securities. Please go ahead.
- Shrinath Sridhar:** Sir, I am new to this Company, so just to understand, all your produce that you do is it on your own land or is it part owned, and part leased?
- Vishal Chavda:** It is totally a leased land.
- Shrinath Sridhar:** Everything is leased?
- Vishal Chavda:** Yes.
- Shrinath Sridhar:** Okay. And secondly, what proportion would be exports and domestic?
- Vishal Chavda:** Sir, once we are fully converted to the organic, we will find a better market for our products in the international market rather than what we find in the domestic market. So, our preference would always be expanding more in the export segment but it again depends on the opportunity which will come to the way as it goes by, sir.
- Shrinath Sridhar:** Okay. What proportion is organic and non-organic? Is it the other one?
- Vishal Chavda:** We do not deal in the non-organic product at all, sir. There is usually a period of conversion under which you certify yourself to be fully organic. In that terms we have covered around 80% of the timeline and another 20% should be finished by November 2019.
- Shrinath Sridhar:** Okay. So currently everything is B2B sales, right?
- Vishal Chavda:** There is retail segment also. Darshak bhai will share with you.
- Darshak Rupani:** We have a very small portion going to B2C as well. We have a retail store in Mumbai through which we cater to B2C as well but that is very proportionately very small.
- Shrinath Sridhar:** Okay. Sir, since your EBITDA margins is around in the 5% to 6% range. So, can i I assume that B2B can give you this margin. What margins can B2C gives you?
- Darshak Rupani:** I am sorry, can you come back, please?
- Shrinath Sridhar:** Given that now you are almost 100% B2B and you are earning about 6% EBITDA margins, so what kind of margins can we see in B2C segments and what is the roadmap? In how many years, to what proportion would you like to take your B2C market?



- Darshak Rupani:** To be very frank, we are not keen on expanding on the B2C segment too much. The reason being our production is in tonnes and we cannot sell a lot of products in tonnes in B2C. B2C we can hardly sell few grams or kgs per stores. So, we are not really expanding on the B2C front. About the EBITDA margin that you said it will certainly improve once we reach to the IC III-level. Right now, we are at around 6% to 7% EBITDA margin that should go up to 7% to 10% EBITDA margins.
- Shrinath Sridhar:** When you get to IC III it will be 7% to 10%?
- Darshak Rupani:** Yes, we are looking at that.
- Moderator:** Thank you. Next question is from the line of Rohit Nagraj from Sunidhi Securities. Please go ahead.
- Rohit Nagraj:** Pardon me for my limited understanding. If you could give me how the entire organic process starts for the farming because I understand that it takes about three years to cleanse the land, so that you get the pure organic product, if you could explain me that?
- Vishal Chavda:** Unusually there maybe few of the residues which were there in the land, so when we start from the zero, we stop using any of the chemical or any other pesticides or fertilizers. But whatever is present in the land because of the previous farmer working on that land may have the effect of it on your final production. So even the practical understanding and the Government will say to remove such residual effect, the maximum amount of time which is required for few selected chemicals is of three years. If you do not put a single drop of fresh new pesticides or fertilizers which are chemically made, then your production will not have any kind of residual effect and will not have ill effect on somebody's health. So that is how the timeline of three years is being defined for organic farming.
- Rohit Nagraj:** Okay. And if you also give an understanding about the entire value chain, how much of seeds cost, how much is natural fertilizers cost and what will be the cultivation cost for produce from the farming perspective?
- Vishal Chavda:** Usually we expect a top-line of around Rs. 2.25 lakh per acre and a bottom line of around Rs. 1 lakh to Rs. 1.5 lakh per acre and the remaining differences of the expenses that we incurred to towards the process is usually the line length that we follow, in terms of figures.
- Rohit Nagraj:** Okay. So just in terms of percentages what could be the expenditure, I mean you say about 50% profit margin, so the 50% cost how does it comprise for different heads maybe say the labor cost or farming cost?
- Vishal Chavda:** Initially it is land development cost after which is there is plantation cost which includes seed material and the labor after plantation cost there is a maintenance cost which includes the

pesticides and the fertilizers what are organically we produce within our farm and the labor cost there is electricity cost, there is a cost towards the water level, water that we bring out of the well and at last there is harvesting cost, once the final product is in our hand, we do the value addition, so again there is few value addition cost involved so this is how the entire chain of things are being maintained.

**Rohit Nagraj:** Okay. Fair enough, sir. Sir, in terms of expansion, what would be the expansion plan and how would it be phased out over a period of time?

**Vishal Chavda:** Sir, expansion could be in two ways, one is in terms of increasing the amount of land on which we are doing cultivation that is one way of expanding our business, another is whatever we produce, how can we do the further value addition of it? If I grow Aloe Vera leaf then I make a pulp out of it, from pulp I make freeze dried powder from freeze dried powder I make some kind of juices. So, this is how things goes on. So, freeze dried powder is just stage at which we have recently identified and now we are finding, and approaching towards the market of freeze-dried Aloe Vera powder.

**Rohit Nagraj:** Okay. And for expansion, do we need any significant funds, maybe if we want to go in for increased lease land farming or IC farming?

**Vishal Chavda:** Of course, without fund, nothing can move.

**Rohit Nagraj:** Right. So how much would that be the amount in terms of maybe next couple of years, how much we need and how are we going to fund that?

**Darshak Rupani:** It is basically a very niche CAPEX oriented business. But if we go for a freeze-dried unit, 100% freeze-dried powder unit based in Gujarat, we need a CAPEX of Rs. approximately 60 crores. But unless and until we have a secured buyer for next five years or seven years, we would not be installing any such capacity.

**Rohit Nagraj:** Okay. So, it completely depends on a firm order?

**Darshak Rupani:** Yes, certainly.

**Vishal Chavda:** So even as of now what we have found a way out is we are getting the job work done for our freeze-dried Aloe Vera powder. The Company who is doing job work for us has got the experience of more than 20 years in this field and is a leader in India. So, we get our pulp getting job work done of freeze-dried Aloe Vera power and with the samples, we are approaching the buyers, once we secure the buyers, we will go ahead with the CAPEX that we need to do. Even the lab reports we have got of the pilot project, we have checked our freeze-dried power in the lab which is SGS Lab, European Lab and PEV Lab are the three biggest lab

available in India in which we now have a very good results and very good reports for our product. So now it will be easier for us to approach the international market with those reports.

**Rohit Nagraj:** Okay. and generally speaking what the acceptance or growth rate in the Indian market and the international market is, just to get a perspective, I know it is a very basic question or I know as now the organic is not accounting significantly in the overall market but just a perspective about how the growth can be panned out.

**Vishal Chavda:** The organic segment it goes hand in hand with the standard of living what is prevailing within the society. So, the amount of awareness what you will find in Mumbai for an organically grown product, you may not find equal stuff in Rajkot. The reason being the kind of product or the awareness towards the healthy lifestyle that is involved. So is not the case with the international market, they understand the standard of living are better than the Indian markets overall and they understand the organic aspect of the food stuff. So, it is easier to approach those buyers and considering the dollar and rupee differentiations, we find a better opportunity in the export market for the organic stuff.

**Rohit Nagraj:** Okay. And for the indirect cultivation, how do we keep a quality check on the product, I mean what is the process, do we have our own employees, who usually go and check the farms, and do you have any stringent quality checks for the final product also, I mean does it have any contamination or so?

**Vishal Chavda:** Sir, we do have a team of 12 MRS degree holder to whom 40 to 50 farmers are allocated to each of them. Each of our employee visits around 5 to 6 farm a day. He will analyze them and he fills the farm diary. A farm diary is a 40 page document suggested by APEDA and our auditors IMO control in which you keep on noting everything that you do on our farms. Even in his absence there is a possibility that farmers may use chemical or pesticides or fertilizers, in that scenario whatever batch we will be harvesting at the end, we will undergo a lab test report for that specific batch and it is a condition with the farmer that in case if you fail in that specific batch then you will be deleted from our group. So, for a farmer, if he gets deleted in the third year of conversion, again he must start his entire process from zero. So, he will also be worried that my produce should not get rejected this is how the control things comes in place.

**Rohit Nagraj:** Right. And generally, does the farmer get premium for producing organic crop against the conventional crops?

**Vishal Chavda:** It is like if it is a 1st year or 2nd year or 3rd year of conversion or is fully converted accordingly the premium gets decided, it ranges from 5% to 30% in a wholesale B2B market for a farmer.

**Rohit Nagraj:** Right.

- Moderator:** Thank you. Next question is from the line of Bhuwan Silhare, Individual Investor. Please go ahead.
- Bhuwan Silhare:** Sir, I just want to know in December 2017, the promoter's shareholder pattern was around 27.56% and in March 2018, it raises to 2% around. So, was there any specific reason for this?
- Vishal Chavda:** Actually, if you see the promoter have taken 10 lakh shares on the financial issue got converted in March 2018. So gradually the promoter's stake from 34 lakh shares to increase to 44 lakh shares, overall percentage-wise, it dropped down to 2%.
- Bhuwan Silhare:** Okay. So, is there any further plan for reduction, shareholding?
- Vishal Chavda:** The promoter intends to increase its stake by 5% every year as per the creeping acquisition norm.
- Moderator:** Thank you. We take the next question is from the line of Hardik Shah, Individual Investor. Please go ahead.
- Hardik Shah:** So, this quarter we have paid tax, I wanted to understand that is this trend going to continue and if yes, then what tax bracket do we fall into?
- Vishal Chavda:** Yes, we are going to continue the same trend but as we know that it is a blended kind of tax structure for the Company and final tax amount will come in Q4 itself.
- Hardik Shah:** Okay. So, I was aware that we have leased, or we are looking for a land in Maharashtra. So, have we identified the land and if yes, what will be the dynamics in terms of rental or what kind of products are we going to grow with what margins, industry size, etc.?
- Vishal Chavda:** Sir, we have already found a land nearby Mumbai and we do have two options for that land either we undergo Agroforestry which is a very easier crop to manage or we undergo a cultivation of vegetables or the flowers because the Mumbai city is close, and we can reap heavy margins out of it. So, we are just analyzing the amount of waterfall that is happening in that specific region of that land and basis of that we will take a long-term decision whether to undergo Agroforestry or whether to go for vegetables and flower cultivation.
- Hardik Shah:** Alright, sir. My last question, sir. Do we have any new products in pipeline if yes, then when will be they launched?
- Vishal Chavda:** Specifically, from the farming side, we are mainly concentrating on two products – one is Aloe Vera freeze-dried powder and another is Moringa dry leaf power. We already have samples ready with us, we have undergone best of the lab reports which are very much satisfactory and now we have started approaching the buyers for it in the international market. So right now, we

will mainly focusing on these two products because we found them to be the highest level of value addition as of now with us.

**Moderator:** Thank you. We take the next question from the line of Rohit Nagraj from Sunidhi Securities. Please go ahead.

**Rohit Nagraj:** Pardon me because I was not available for the earlier call, so this question might be answered. I just wanted to know the trade receivables at the end of FY 2018 have been around Rs. 52 crores as against our revenue of about Rs. 190 odd crores. So, is this a trend? because we keep the inventories for the next season? Is there any specific reason for the same?

**Vishal Chavda:** I am sorry, I did not really get your question, you are talking about the inventories.

**Rohit Nagraj:** So the receivables have been about Rs. 52 odd crores against our total revenue of about Rs. 190 crores for FY 2018. So, is this in general almost say four months of receivables?

**Vishal Chavda:** We generally have the trade cycle of 50 days to 90 days depending on the product to product. We have supplied a lot of products I mean huge trench in the March in 2018, which we received in April or May 2018 that is the reason but that is not the case. Normally its around 30% you can say yes.

**Rohit Nagraj:** Okay. I mean probably by end of June quarter again the trend has been normalized?

**Vishal Chavda:** Yes. It certainly yes.

**Rohit Nagraj:** Okay. And just one minor question, as I see the quarterly financials which have a minority interest for the last three quarters and in the first quarter the amount is zero, so is there any change?

**Vishal Chavda:** We only have the minority interest in the March quarter nothing before that and the minority interest is basically the 25% of the holding of Future Farms which is not held by the Company.

**Rohit Nagraj:** Right. So, any reason why it was not in this quarter?

**Vishal Chavda:** It will be taken in the quarter of March 2019.

**Moderator:** Thank you. We take the next question from the line of Hardik Shah, Individual Investor. Please go ahead.

**Hardik Shah:** Do we have any plans to raise debt in the coming years?

**Vishal Chavda:** No. No, we are not planning to raise any kind of debts.



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- Hardik Shah:** Can you give a rough guidance for the next three to five years, what will be our top-line and bottom-line in terms of margin?
- Vishal Chavda:** We are expecting a 25% growth on a year to year on the top-line and bottom-line as well.
- Hardik Shah:** And we expect the margin improvement, or it should be remained the same?
- Vishal Chavda:** Yes, the bottom-line would certainly improve once we reach the IC III-Level. As we mentioned in the first or second question the EBITDA margin should improve from 7% to 10%.
- Moderator:** Thank you very much. Well, Ladies and Gentlemen that seems to be the last question for today. I would now like to hand the conference over to Mr. Darshak Rupani for his closing comments.
- Darshak Rupani:** Thank you to all the participants who have joined for the concall. I would request any of the participants who are interested to know more about the business, to visit the farms in Rajkot and get in touch with our IR, Bridge Investors Relations who can arrange for the same. And also, do visit our flagship store at Central Mumbai, Ghatkopar. Thank you.
- Moderator:** Thank you very much. Ladies and Gentlemen, on behalf of White Organic Agro Limited, we conclude today's conference call. Thank you all for joining us. You may now disconnect your lines now.