



Venky's (India) Limited

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29th November, 2023

Mr. K Hari

The National Stock Exchange of
India Limited,
'Exchange Plaza',
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051.

The General Manager, DCS-CRD

Corporate Relationship Dept.,
Bombay Stock Exchange limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001.

Dear Sir,

Subject: - Transcript of Conference Call held on 9th November, 2023.

Please find attached herewith the transcript of the conference call for investors and analysts held by Venky's (India) Limited on Thursday, 9th November, 2023 at 02.30 P.M. IST.

Kindly take the said information on your record and acknowledge the receipt.

FOR VENKY'S (INDIA) LIMITED

**ROHAN BHAGWAT
COMPANY SECRETARY &
COMPLIANCE OFFICER**

Encl: As above



“Venky's Limited
Q2 FY '24 Earnings Conference Call”
November 09, 2023



MANAGEMENT: **MR. N. K. TOSHNIWAL – GENERAL MANAGER, OIL SEED SEGMENT – VENKY'S LIMITED**
DR. VIJAY TIJARE – GENERAL MANAGER, POULTRY SEGMENT – VENKY'S LIMITED
DR. P. G. PEDGAONKAR – POULTRY SEGMENT – VENKY'S LIMITED
MR. DEEPAK KHOSLA – GENERAL MANAGER, AHP SEGMENT – VENKY'S LIMITED
MR. J. K. HANDA – CHIEF FINANCIAL OFFICER – VENKY'S LIMITED
MR. ROHAN BHAGWAT – COMPANY SECRETARY – VENKY'S LIMITED

MODERATOR: **MR. NILESH PATIL – ICICI SECURITIES**



Moderator: Ladies and gentlemen, good day and welcome to the Q2 FY24 Earnings Conference Call of Venky's Limited, hosted by ICICI Securities. As a reminder, all participant 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 star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Nilesh Patil from ICICI Securities. Thank you and over to you, Mr. Patil.

Nilesh Patil: Thanks, Michelle. On behalf of ICICI Securities, we welcome you all to Q2 and H1 FY24 Results Conference Call of Venky's India Limited. We have with us Senior Management represented by Mr. N.K. Toshniwal, General Manager, Oil Seed Segment, Dr. Vijay Tijare, General Manager, Poultry Segment, and Dr. P. G. Pedgaonkar, Authorized Person, Poultry Segment, Dr. Deepak Khosla, General Manager, AHP Segment, Dr. J. K. Handa, Chief Financial Officer, and Mr. Rohan Bhagwat, Company Secretary, Accounts and Finance. Now I hand over the call to the management team for their initial comments and then we will open the floor for question and answer session. Thanks and over to you, sir.

Rohan Bhagwat: Thank you, Mr. Nilesh. I am Rohan Bhagwat, Company Secretary, Venky's India Limited. A very good afternoon and thank you all for joining us today for the conference call of Venky's India Limited.

The company had published financial results for the quarter and half year ended 30th September 2023 along with information for investors on 7th November. I hope you all have gone through the same. Today we have with us the unit heads to answer all your queries in respect of their respective segments and the area of operations.

Before we start discussing the company's performance, I would like to mention that some statements made in today's discussion may be forward looking in nature and may involve risks and uncertainties. After the end of this call, in case you have any further questions, please feel free to reach out to the investor relations team. I will now hand over the call to Mr. Jeevan Handa, our CFO, to make the opening comments. Over to you, Mr. Handa.

J K Handa: Good afternoon and a very warm welcome. I am Jeevan Handa, CFO. Once again, I am pleased to interact with all of you on the Venky's Earning Calls. I hope you have gone through the quarterly results and also the information to investors.

We are always trying to give as much information as possible to our investors and I hope you are satisfied with our approach. As you all have seen from the published results, the overall financial performance of Venky's for the quarter ended 30th September 2023 has been much better as compared to the quarter ended 30th September 2022. After witnessing a subdued performance in terms of realisation in the month of July 2023, the poultry and poultry product segment performance improved in August and September, during which this segment has been improved realisations from the sale of day-old chicks and grown-up broilers.



Profit margins of this segment has also improved due to lower cost of maize and soya as compared to the second quarter last year. The animal health product segment and the oil feed segment performed in a satisfactory way. Coming to the current quarter, though there is a fall in the realisations for the poultry products, we are hoping that the trend will be reversed from the end of November by which the fasting period and other religious festivals would have been over.

Thereafter, we are hoping that the consumption will start improving, thereby improving in our realisation as well. With this briefing, we now would like to answer your questions. You may please go ahead with your questions. Thank you.

Moderator: Thank you very much. The first question is from the line of Viraj Mehta from Equirus PMS. Please go ahead.

Viraj Mehta: Hi sir. Congratulations for a good set of numbers. Sir, my first question is, if you look at the general trend of day-old chicks or if you look at the pricing in the other segments, the prices have significantly fallen post September, in October and in the first week of November by almost 25% to 30% as per our understanding. Can you corroborate those numbers and if that is the case, then do we go back to Q1 kind of margins?

Management: In fact, yes, as regards to your question, the chick prices, what was there in first quarter and the chick prices what was there in second quarter. In fact, the second quarter as traditionally is weak. However, the second quarter was different from August 15 onwards.

So, the prices started improving from August 15 onwards and the chick price was comparatively better from August 15 onwards till October end. So, put together, the realization of chick has improved. However, chick price is directly correlated with the bird price.

Since the bird price started sliding down, the chick price also has shown the similar effect. So, the chick price and bird price was more or less having the similar trend of downwards from 15th to 20th October onwards. So, we expect that this trend is likely to reverse because bird prices as is mentioned in earlier remark of our CFO, the bird price is likely to improve by end of November. So, the similar trend is expected to be followed by chicks as well as broiler hatching.

Viraj Mehta: Okay. And sir, can you throw a bit of light in terms of, if you look at our longer term averages of margins in our poultry segment itself, even in the best of the time, like let's say even in last quarter, we are way away from our longer term averages. In your view, by what time can we return to longer term average margins for our poultry segment?

Management: In terms of poultry, if we see last few quarters, few years, few quarters, I mean traditionally Q1 is comparatively better compared to Q2. However, trend is not the similar as far as Q, I mean FY23-24 is concerned. So, it is directly related to the feed prices.

So, if we see in terms of margin, whenever the feed prices are less, that time the margin percentage is comparatively higher. And as it is evident that compared to last year's first six



months versus this year's first six months, feed prices are quite comfortable. So, the margin percentage has gone up.

So, similar trend is also expected. However, it all depends on the overall range all over India, the likely output of maize as well as soya. As far as initial figures are concerned, the sowing was less and it is expected that the 10%-15% as of now the sowing percentage has gone down.

But the final figures are expected and by end of November, we are expecting that this should cross to the last year's figures of maize and soya. So, we expect that the overall margin is likely to be retained or would be better with regard to feed prices going down. But I think we have to wait till November 8 for the final figures to come and the final output of soya and maize to come.

Viraj Mehta: And, sir, what has been our volume growth in the first half and in this quarter, please, on a Y-o-Y basis?

J K Handa: In regard to the volume of layer chicks, broiler chicks, broiler hatching eggs, and severe birds, we are having the birds constant. I mean, last year, the quantity sold in last year versus this is almost the same. And even we are having the packed production for the remaining period of this coming quarter as well as the next quarter also. So, the volume is not a constraint. We are having empty sufficient numbers to sell.

Viraj Mehta: Right. And, sir, are we seeing, my last question would be, are we seeing any improvement in our agro business, in our oil business? Is there any improvement in margins that we can expect from Q3?

Management: Sir, in oilseed segment, you see the edible oil prices are pressed almost by 50% from its highest level. Right. And the raw material is controlled by the minimum support price by the government. And we do not see until this final elections are over in May, we do not think that government will impose the import duty on edible oil. As of today, the duty is nil on the imports of oil. Unless and until the duties are improved, we are likely to see the margin will be under constraint only.

Viraj Mehta: Okay, sir. Thank you and good luck.

Moderator: Thank you. We will take the next question from the line of Keshav Garg from Counter-Cyclical PMS. Please go ahead.

Keshav Garg: Sir, I am trying to understand that, what is -- what was our average broiler realization during FY '23, during first quarter and second quarter and what is it currently and what is the breakeven level for us for broiler meat?

J K Handa: As far as the broiler prices is concerned, for the first six months, this current year, the broiler prices is INR 88.17 is the realization in comparison to last year, it was INR 96.74. So, the realization is on the lower side by almost INR 8.57 over the six-month period, this year versus corresponding period. In regard to the broiler chicks, the old chicks, prices in this quarter, six



months, it is INR 28.01 against previous period is INR 25. So, there is a up of INR3.01 in the broiler chicks price.

Keshav Garg: And sir, what are these prices currently of broiler as well as chicks?

J K Handa: As far as the current prices are concerned for broiler bird, it is a ranging, current prices is INR 62 to INR 64 in the northern region wherein Venky is having the production for sale. As far as the broiler chicks is concerned, the current prices are almost INR 32 per bird.

Keshav Garg: Sir, so are we breaking even on the overall basis in our poultry segment?

J K Handa: In the current month, it is not, but likely to improve after third week or fourth, last week of November onward after this Diwali festival as well as the Chhath Puja, when the consumption will start moving positively. And the trend is also showing. The lowest prices of broiler chicks was INR 22 which has increased to INR32 to INR34 as of today.

And similar is the broiler bird price which was also almost INR58 to INR60 which has grown up to INR64 to INR66. The trend is positive, which will continue from the fourth week onward as per our expectation.

Keshav Garg: Sir, also if you could give us some idea about the movement of feed prices during the first half and currently?

Rohan Bhagwat: Just a moment, we will give the data.

J K Handa: As far as the feed prices are concerned, feed prices up to September closing the feed prices which includes the soya and maize was on the lower side in regard to the corresponding period. But from October onward, since the festivals are there, Dussehra as well as the Diwali, so lot of constraints are there on account of the transportation, labour, movement and all.

So the prices are on the higher side in regard to soya and maize and which is likely to be there because the alternative resources of ingredients like bajra and rice and all due to the MSP and all, so that there would be a pressure on the maize, major ingredients. So prices are going to increase to the extent. It may not be the lower side in the days to come. But from February-March onward, since the new crop will join in the Bihar region but in the Maharashtra also, in other pockets wherein the small production is there, it may be stable but it's likely to be upside.

Keshav Garg: And sir, during the last con call in May, you had indicated that we were expecting a volume growth of around 7%- 10% in oilseeds, 8%- 10% in poultry and 15%- 17% in animal health products for FY '24 year onward. Sir, so now that half year has passed, would you like to revise your volume guidance?

Management: Oilseed, we will be trying to make the volume side consistent like last year and we do not see any growth because edible oil prices are under severe problem. They have almost crashed by 50%. So we are finding it difficult to maintain even the same level but we are sure that we will maintain, we will achieve the last year's volume this year also but growth is not possible.

Keshav Garg: And sir, what about the poultry and animal health product volume growth?



- J K Handa:** In terms of broiler chicks, this six-month period, we sold broiler chicks to the extent of INR5.21 crores. Against corresponding period, it was INR6.15 crores. So there was little on the lower side quantity sold, which is likely to be up in the remaining period because that is the consumption period and likely to be more placed as far as numbers are concerned. During the first six months, we sold almost INR4.16 crores, kgs material sold.
- Against corresponding period was INR3.91 crores material which is likely to be increased during the coming quarter as well as in further, I mean last quarter because this is again a consumption period month so everybody will like to have more birds and more quantity available for sale in comparison to the first half.
- Deepak Khosla:** And for animal health product lines, Deepak Khosla here, we are around 12% growth as compared to last year six months versus this YTD six months and we would like to see the same growth for the balance six months.
- Keshav Garg:** Great sir. Sir, just one suggestion sir, if you could just mention the broiler chick volume as well as the realizations in your investor presentation sir, then the time can be better utilized on other aspects of the business and lastly sir, in the AGM you had told us that, the receivables will come down significantly but sir, we see even though the revenues have declined, the receivables have gone up marginally. So sir, when can these receivables come down?
- J K Handa:** We are very much working on this particular area which is a matter of concern. Even last time also, you raised this question and the management and the entire team is working on this issue for the reduction of the out-standing in domestic market as well as in-house also.
- Keshav Garg:** Sure sir. Thank you very much and best of luck.
- Moderator:** Thank you. We will take the next question from the line of Nilesh Patil from ICICI Securities. Please go ahead.
- Nilesh Patil:** Yes, thanks for the opportunity. Just wanted some more clarification on the feed prices. We have come to know from some of the external resources that there is some volatility expected in the feed prices. As such, most of the companies have indicated a stable outlook but could you please elaborate a bit on your outlook on the feed prices, please?
- Management:** The feed prices, we are likely to see it will be more stable because maize and soya, they are two main ingredients which might face a little bit upward trend but rest of the other ingredients like the energy source like oil, like vitamins and other factors, they are quite lower side. So overall, we do not see the feed going to be higher than as of today.
- Nilesh Patil:** Yes, okay, thanks. And we said that volume growth is not possible into oilseed business on account of price drops and that of a huge quantum. So could you please elaborate a bit more on that front?
- Management:** See, what has happened, the internationally edible oil prices have crashed and India, because of the inflation rate, we are allowing at a much lower duty the imports of the oil just to keep



the inflation into a check. And another side, the local, the raw material, they are governed by the MSP prices. So the MSP prices keep going up every year.

Today now we are in a situation where at this current MSP and with current oil prices, it is not workable, profitable. And up to May, until the elections are over, we do not see government revising their duty on edible oil imports on upper side because of the election regions and because they want to keep until the inflation is also in the check.

So we feel up to March, I think we will have a pressure on the margins and volume also. But after that, yes, this is our strength area. And whenever the market little bit picks up, we will become much more stronger than today.

Nilesh Patil:

Yes, thanks. Thanks a lot for the information. And the other question that I had is on your borrowing position. So when I look at from 2019 onwards, so it has come down. But over the last couple of years, it is now kind of stabilizing around INR180 crores odd. So what kind of outlook do you have on your borrowings? So do we expect some of it kind of lessening or what kind of outlook do you have on borrowings?

J K Handa:

Yes. In this quarter ended September '23, the total borrowings is INR170 crores. Against corresponding September '22, it was INR197.74 crores. So earlier, the term loan component was there for the animal health product division, the new project which is coming up, so which is also -- SPF project that is paid off. And for AHP, Animal Health Product, we have not taken the loan from outside sources. It was accruals only. So all the term loan component is over.

This INR170 crores is related to the working capital limits only, which is spread into the different zones and locations for the different businesses. So in any case, this is the minimum number of working capital facilities which will be there. It is not going to get down further to the major extent.

Nilesh Patil:

Yes. Okay. Thank you. And on the capex front, in the last call, we had mentioned that we have started one project on animal health care, which is estimated to cost about INR50 odd crores rupees. So what is the progress on that? And could you please indicate some of the, you can say, target for FY25?

Rohan Bhagwat:

Yes. So what happens, this project is likely to be completed earlier by June. But by December, overall, the regulatory compliance will be completed. And last quarter of this financial year, the production will start moving from that particular unit. And this particular plant will be dedicated for the treatment segment of the poultry, which is a very important area and product mix which is required for this line. This will definitely give us an edge in the coming financial years.

J K Handa:

Thank you. In regard to the capitalization of the project, the total project cost was INR67 crores. So all capitalization is already over. So which is met from the internal accruals only. So nothing is left out as far as the capitalization is concerned, only the regulatory part is pending. So mostly it is going to be started by December 23 onwards.



- Moderator:** We'll take the next question from the line of Harsh Mantri from Flute Aura Enterprises, Private Limited. Please go ahead.
- Harsh Mantri:** Hi, sir. Congratulations on both set of numbers. Sir, continuing the previous question only on the capex cycle. So what are the future plans for capex? Because given the industry dynamics are rising in the regular component, which can fluctuate the revenue as well as the margins. So what we are doing in terms of further increasing our top line growth?
- J K Handa:** In regard to the capitalization, in the next two to three years, there is not having a major project which is to be having the capitalization. As far as the capacity is concerned, we are having ample capacity on account of our layer segment, for broiler segment, for seed milling capacity, for SPFX, for AHP, for oil seed, and all the segments are having ample capacity which is yet to be fulfilled in the days to come or years to come.
- So there is absolutely no need to do the capitalization except the INR40 crores, INR50 crores for the existing units which are there for poultry, in all the units. That may be a normal capitalization which shall be incurred from the internal accruals only.
- Harsh Mantri:** Sir, and what are our current capacity utilization levels? Segment-wise, I may ask?
- J K Handa:** Okay. As far as the broiler is concerned, for the laying capacity, it is utilized in this quarter, September. It is to the extent of 74% utilization. In regard to the laying capacity, it is 57% utilization. In regard to the feed mill, it is 37% utilization. In regard to the SPFX, it is 59% utilization. In regard to the AHP and other I mean, animal health products, and the liquid and powder put together, it is almost 90% utilization. But the new project will come, so there will be an increase in the available capacity to utilize. In regard to the oil segment, again it is 62% utilization, and the remaining is yet to be utilized.
- Harsh Mantri:** Okay, sir. So we have ample opportunity in CAPH terms to cater the further demands.
- J K Handa:** Absolutely. Absolutely.
- Harsh Mantri:** And sir, the new plant which will be coming live in December -- after December, what revenue addition we can expect from it, and what would be the capital consumption from the same for poultry?
- Management:** In this new project, first thing, this project will be as per the regulatory compliance which is required by the Government of India, that's very important. As compared to the previous plant and this plant, regulatory compliance will be there. Then it will give us additional volume, at least 15%, 18% in the next financial year, to give us a little boost with the availability and with this extra capacity. Yes. Thank you.
- J K Handa:** In regard to the capacity utilization, out of the total AHP segment, 43% is the in-house, outside sale and 57% is the in-house sale.



- Harsh Mantri:** And one more question in regards to our franchising company on outlets and Venky's Express and Experience. So what are the current levels and how we are looking forward to expand that segment? Some special incentives from management to focus on this?
- Management:** Yes. Presently we have 14 Venky's Express outlets and we have franchises outlet 38. And some new outlets for franchising is likely to come up in the next one month. And to focus on these outlets and the business of fast food restaurant chain, now we are working on the introduction of certain new products which will be more appreciable. Of course, we continuously keep on introducing the new products and we are working on that. Likely, we will be introducing these products in the next 2 to 3 months. And we expect good growth with the introduction of new products.
- Moderator:** The next question is from the line of Pankaj from Equiris Wealth. Please go ahead.
- Pankaj:** Thank you for the opportunity. I just want to know what is the current feed conversion ratio for boiler and layer chicken? For current, is there any material change in comparison to previous year?
- Management:** Yes, there is a tremendous improvement as far as efficiency part is concerned. I mean, most of the credit goes to the genetics also and to the management also. Earlier, for production of 1 kg of broiler, we used to require almost 1.7 kg of feed. However, now with the current trend, from that efficiency has improved to the level that we require 1.5 kg of feed for production of 1 kg of chicken. So, there is a saving of 200 grams per kg of meat. So, that is on account of completely productive efficiency which is contributed to the genetics and management.
- Moderator:** The next question is from the line of Nirav Seksaria from Living Root Analytics. Please go ahead.
- Nirav Seksaria:** I just wanted to know. I just missed you in the middle, sir. So, could you mention again the new capacity that we are setting up for animal health? What sort of revenue can we see to add?
- Management:** Yes, for animal health, this quarter, the last quarter of this financial year, we will see the onset of production from this new plant, that's one. And in the coming year, we will have two advantages with this new unit. One, regulatory compliance as per the new requirements set by Drug Department, Government of India. And secondly, it will give us additional volume in the top line, around 15% to start with. Thank you.
- Nirav Seksaria:** So, we can scale up our revenue by 15% going ahead with the help of new plant, right?
- Management:** Yes, yes, definitely. We have a lot of new introduction in the place for the new plant. Once it starts, this will definitely, these new products will roll out from that facility.
- Nirav Seksaria:** So, it will add like 15 to 20% of volume?
- Management:** Yes, yes, definitely. Very stable business and this will give us a little additional top line in the coming years.



Nirav Seksaria: And what kind of steps are we seeing to scale up our animal health business since it reaps us higher margins compared to poultry and point segment?

Management: Yes, what happens, we will focus definitely on poultry first. Then we have other companion animals and dairy sector also, partly we deal with. But in this plant, we have major focus will remain on the treatment of poultry sector. Basically, the drug product which is required for the treatment of the animals, that is the very specialized area. That will be the main products from these new units. And then will be - some products which are outlets to antibiotic growth promoter that also will be rolled down from this plant. Thank you.

Nirav Seksaria: Thank you so much.

Moderator: Thank you. The next question is from the line of Keshav Garg from Counter-Cyclical PMS. Please go ahead.

Keshav Garg: Sir, I am trying to understand that the domestic poultry industry has already seen two years of minimal profitability. And maybe last year the industry as a whole made a loss. So now, if we see the past pattern, there used to be a three-year cycle. So now, with this year, recovery was expected because I am assuming that due to the losses, the supplies would have been curtailed, whereas the demand is continuously increasing. So why is it that still poultry prices are down at a lower than break-even level, even adjusting for the seasonal variation that we are seeing due to festival, etcetera?

Management: Yes, thanks for this question. Very nice analysis, Mr. Garg. In fact, if you see for last two years' phenomena, as you rightly pointed out, it was a cyclical phenomenon. At some point of time, the profitability was extraordinary, and at some point of time, it was either break-even or marginal losses. So last year has recorded, I mean, hardly any profit, and it was completely at a break-even level.

So this year, the phenomena was there were two Shravans, and everybody was expecting that the demand will go down because of two Shravans. And so everybody corrected their production to such a level that demand was not that less compared to the production, and production was much more less than the demand. So definitely, the overall realization has gone up. So that is the reason why you have seen that our second quarter was comparatively, or rather much better, compared to last three-year second quarter.

So sometimes what is happening, I mean, most of the people are expecting a similar pattern to happen, and they are correcting their production or adjusting their production. So the results are completely surprising, either this way or that way. So with regard to your question, if you see, the poultry has reported a profit of INR34 crores for first six months for this year. As against last year, if you have seen that, it was, I mean, muted or to the extent to the loss.

So third quarter and fourth quarter, definitely the overall demand-wise, we are expecting that the overall demand for poultry is likely to go up, because traditionally third quarter and fourth quarter is good as far as consumption is concerned. So we are expecting that this cyclical phenomena to happen in such a way that third quarter and fourth quarter should support to the



poultry consumption, and we expect that profitability has to be better for third quarter and fourth quarter.

Keshav Garg:

Sir, if you see the past, I mean, the past experience, then, sir, even in the upturn, the prices usually sustained for one, one year and 1.5 years, two years. So, for example, if we see FY '17, FY '18, FY '19, all were healthy years. Sir, whereas here, in one quarter itself, since prices were buoyant, so, I mean, the supplies could come and the prices are again down?

Management:

With regard to the analysis of last completely five years, if we see five years back, the weaker section or open market was dominant. So that percentage of weaker section or open market was to the tune of almost 40%, and professional players were 60%. Over a period of time, slowly, slowly, weaker section was unable to sustain and cope up this uncertainty.

So, slowly, slowly, they either have reduced their capacity or they have exited from the industry. And the professional player share has gone up to the extent of 70%. So, today's market, vis-a-vis the market of 2016-'17, if we compare, today professional players are holding 70% of the placement, and against open market, 30%.

So, the phenomena in the year '15-'16 was almost 40% was professional player and 60%, or rather 50%-50% was open market and professional player. So, the sustaining capacity or loss bearing capacity has increased now. So, the phenomena has gone to such an extent that earlier it was only one month or two months of losses, and eight months to ten months were of profit. Now, the phenomena has changed that now we are witnessing almost three months to four months of losses, and three to four months of breakeven, and three to four months of the profitability.

So, that's the reason why the results what we are seeing earlier, and the results what we are seeing today is completely different. So, the phenomena which was there for a year has now travelled to the extent of two years. So, this is a gross analysis from our side.

Keshav Garg:

Sir, and also, sir, our parent, sir, they are selling the parent birds to, I understand, almost everybody, maybe except for Shaguna. Sir, so in that case, is there no production discipline that if you supply more parent birds, obviously, there will be overcapacity. So, on that side, can we expect any revision?

Management:

Sir, these are the market forces. I think market decides and market governs. I mean, the overall, I mean, what should be the quantity placement from franchisee, breeders or the people who are already there into the market. So, I mean, most of the players, they are going for a disciplined placement. So, the placement is mostly constant on a year-round basis. So, I am not sure about the placement expectation and placement pattern from franchisee and associates for coming months or coming year together.

So, as I rightly said, as I said initially that most of the people are professional now. So, their placement is disciplined placement. So, almost 70% of the players, they hardly deviate their placement despite the market situation.

Keshav Garg:

Sure, sir. Thank you very much. Thank you.



- Moderator:** Thank you. The next question is from the line of Harsh Mantri from Flute Aura Enterprises Private Limited. Please go ahead.
- Harsh Mantri:** Thank you, sir. Sir, one more question on oilseed segment. So, can I please get a bifurcation of the realization in the total top line on the revenue of oil as well as the revenue of the oilseeds? And what is the normal percentage?
- Management:** Generally, the ratio is 45 to 55.
- Harsh Mantri:** And this holds for almost all of the portals or is there some decision? Based on the raw material inputs we have.
- Management:** Sir, when the oil prices have gone up, the realization has gone up to even 55% also on oil. Now, it has dropped down. So, it is around 40% now.
- Harsh Mantri:** Okay, sir. Thank you.
- Moderator:** Thank you. The next question is from the line of Nirav Seksaria from Living Root Analytics. Please go ahead.
- Nirav Seksaria:** Yes, sir. Just one follow-up on the portals segment. So, sir, as we have seen, there is a certain shift in the festival season. Have we seen...
- Moderator:** Seksaria, your audio is not good, sir. We are hardly able to understand what you are speaking.
- Nirav Seksaria:** I was saying, sir, this year we have seen some shift in the festival season because of which have we seen some reduction in volume in the portals segment?
- Management:** Yes, as mentioned earlier, because of the festival season, there was a big reduction in overall production by industry. So, because of which the realization has gone up despite of the festival season. But on a year on...
- Nirav Seksaria:** Sir, in Q3 till now, till the month of -- In October also, we have seen that Navratri has shifted from September to October. So, have you seen some reduction in volume or anything as such?
- Management:** We don't see much difference there.
- Nirav Seksaria:** Okay. And the volume going ahead for the poultry segment is expected to be strong?
- Management:** Yes.
- Nirav Seksaria:** Okay. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.
- Madhur Rathi:** I wanted to understand, what are your plans for our QSR, the [inaudible] boards that you provide to QSR segment and where can the segment grow in the next three years to five years?



Management:

Yes. Venky's works in various QSRs in India. And what we see that most of the QSRs are expanding their business activities in India. And these business activities are very strong. And what we experience that the growth of these QSRs was continuous. It was little affected during the COVID period and lockdown period. But the QSRs are growing.

And we expect that whatever projections they are shared with us, there will be continuous growth of more than 10% approximately with various QSRs. And not only the QSRs are expanding, their menu items in the QSRs are also expanding. And most of the expansion is happening in chicken. Of course, some of the QSRs are also into the veg products. But most of the expansion is on chicken. So we expect good growth through these QSRs. And it is likely that some more QSRs will join in Indian business.

Madhur Rathi:

Sir, I just wanted to know that are we trying to become a pan-India player and increasing our revenue share from these players for Venky's as we are present in 11 states? So I just wanted to know that some of the players that supply like breakfast, foods and all, so they have been consistent in growing their share in QSRs, like providing the QSRs. So I was just asking from Venky's perspective, can we see that in the future?

Management:

Venky's is a prominent supplier to most of the QSRs. Some of the QSRs are buying their chicken in a frozen state. And also the QSRs who are buying frozen chicken and chicken products, we have suppliers to them pan-India. And those people who are only buying chilled chicken, so the chilled chicken, when it is there, then our activities are only for the regional area. But for frozen chicken, it is pan-India.

Madhur Rathi:

Sir, where can we see the revenue going for the next three years- five years?

Management:

So we will share that revenue to you for what is the projection for the next year. As I shared to you that we are experiencing a continuous growth of 10%. From the QSR sectors, or 10%.

Madhur Rathi:

Okay, thank you, sir.

Management:

Thank you, sir.

Moderator:

Thank you. Ladies and gentlemen, as there are no further questions today, I would now like to hand the conference over to the management for closing comments. Over to you, sir.

Rohan Bhagwat:

Thank you all for participating in this call. In case any queries have remained unanswered, please feel free to send us an email and we will respond accordingly. I wish you all a very happy Diwali. Thank you.

Moderator:

Thank you very much, sir. Thank you members of the management. Ladies and gentlemen, on behalf of ICICI Securities, that concludes this conference. We thank you for joining us and you may now disconnect your lines. Thank you.