

Ref: AFL/BSE & NSE/2018-19/

28th February, 2019

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NSE Code: AVANTIFEED

Dear Sir,

Sub: AVANTI FEEDS LIMITED – Audio Conference Call for Investors conducted on
19th February, 2019 - Transcript of the Audio Conference Call – Reg.

Ref: 1. Our letter Ref: AFL/BSE & NSE/2018-19 dated: 15.02.2019.
2. Regulation 30 of SEBI (LODR) Regulations 2015.

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Further to our letter first cited, we enclose herewith the transcript of the Audio Conference Call for Investors conducted on 19th February, 2019 regarding the Un-audited Financial Results of the Company, for the Quarter Ended 31.12.2018.

This is for your information and record.

Thanking you

Yours faithfully
for Avanti Feeds Limited



C. RAMACHANDRA RAO
JOINT MANAGING DIRECTOR,
COMPANY SECRETARY & CFO



Encl: As above.

Transcript

Conference Call of Avanti Feeds Limited

Event Date / Time : 19th November 2018, 4 PM IST

Event Duration : 1 hour 21 minutes 59 secs

Presentation Session

Moderator: Good evening, ladies and gentlemen. I am Honeyla George, moderator for the conference call today. Welcome to the Avanti Feeds Ltd. Q3 FY19 Post Results Discussion conference call hosted by Karvy Fintech Private Ltd. At this moment, all participants are in listen-only mode. Later, we will conduct a question and answer session. At that time, if you have a question, please press * and 1 on your telephone keypad. Please note this conference is recorded. I would now like to hand over the conference to Mr. Sherwin Fernandes from Karvy Fintech Private Ltd. Thank you and over to you sir.

Sherwin Fernandes: Thank you, Honeyla. Good evening to everyone present on the call. On behalf of Karvy Fintech, I welcome you to the Avanti Feeds Ltd. Q3 FY19 Post Results conference call. From the management, we have Mr. C. Ramachandra Rao, Joint Managing Director; Mr. Alluri Nikhilesh, Executive Director, Avanti Frozen Foods Private Limited; Mr. M. Venketeswara Rao, GM, Corporate Affairs and Mr. P.V. Rajashekar, DGM, Finance & Accounts. I'll now hand over the call to Mr. C. Ramachandra Rao. Thank you and over to you, sir.

C. Ramachandra Rao: Thank you Mr. Sherwin.

Good Evening Ladies and Gentlemen,

We extend a warm welcome to all of you for this Investors Conference Call today, to review the un-audited financial results of Q3 FY 19.

Along with me here, are Mr. Nikhilesh, Executive Director of Avanti Frozen Foods, Mr. P.V.Raj Shekhar, D.G.M.- F&A, Mr. M.V.Rao –G.M. - Corporate Affairs and Mr. P. Muthyam Reddy, Manager – Finance & Accounts.

The results for this quarter are already with you for some time now and we are sure that you would have gone thru them. However, I would like to share with you some of the key indicators from the results.

Consolidated Financial Results for Q3FY19 and Nine Months period ended 31.12.2018 as compared to corresponding period of FY18 and FY17.

Let me first take up the consolidated results for the quarter Q3 FY19 and Nine months period ended 31st December 2018 as compared to the corresponding period of FY18 and FY17. I would like to draw the attention of the Investors particularly for the performance



of the FY17 also, for this period because, we consider it to be more comparable. So now, if you look at the performance, the revenues for the quarter ended '18 is Rs 849.00 crores as against Rs.722.00 crores in the previous quarter and the PBT is 13.45% as against 22.33% in the corresponding quarter of FY17 and for the quarter FY16, it is 12.78%. So if you look at the FY16 compared with FY18 for this quarter, it is marginally higher.

If you look at the 9 months period ended 31st December '18 the PBT is 12.22%, whereas it was 22.38% for 9 months period ended 31st December, 2017 which was very high as an exceptional year as we have been selling all the way. Compared to 31st December '16 which was 10.54%; there is a significant increase in the PBT which we would like to emphasize on that.

COMPARISON OF FEED BUSINESS PERFORMANCE IN Q3 FY19 WITH Q3 FY 18 :

During Q3FY19, the feed sales turnover was Rs.606.97 crores as compared to Rs.551.22 crores during Q3 FY18, registering an increase of 10%. In the previous quarter, Q2FY19 concall, we had stated that the shrimp culture reduced by about 25-30% due to low farm gate prices. During Q3FY19 the farm gate prices improved by about 10% as compared to the farmgate prices in Q2FY19 which encouraged farmers to resume shrimp culture.

The PBT from feed business is Rs.84.33 crores in Q3 FY19 as compared to a profit of Rs. 143.16 crores in Q3 FY18, a decrease of by Rs.58.83 crores. The decrease in profitability is on account of significant increase in prices of main raw materials i.e. Fishmeal, Soya DOC and Wheat Flour and also other raw materials like Vitamin Premixes, without corresponding increase in feed price. The comparison of the main raw material prices between Q3FY19 and Q3FY18 are like this :

Fishmeal is Rs.89.00/Kg in Q3 FY19, whereas it was Rs.76.00/Kg in Q3 FY18. Similarly, soya is now in Q3, Rs.41.00/Kg as against Rs.30.00/Kg in Q3 FY18. Wheat flour is Rs.26.00/Kg in Q3 FY19 against Rs.22.00/Kg in Q3 FY18. As we have been maintaining that the high profit margin during the previous year in FY18 was due to significant decrease in the prices of the above mentioned raw materials during FY18 compared to earlier year that is FY17. Prices of these raw materials have gone up in FY19.

A comparative statement of the prices during Q3 of FY17, FY18 and FY19 are like this:

For Q3FY19, for nine months period ended 31.12.2018, it is around Rs.95.00/Kg whereas it was about Rs.85.00/Kg the earlier year. In FY17 it was again Rs. 94.50/Kg. Similarly soya DOC the average price is about Rs.41.00/Kg which was Rs.32.00/Kg earlier and Rs.38.00/Kg in FY17. Similarly, wheat flour it is in the current quarter three, nine months it was Rs.24.00/Kg; earlier it was Rs.21.00/Kg and Rs.21.58/Kg. Fishmeal prices ranged between Rs.89 per Kg to Rs.100 per Kg during the nine months of FY19 with an average of Rs.95 per kg. It can be seen that the fishmeal prices are almost in the same range as it was in FY17 whereas in FY18 there was a steep fall in fishmeal prices.

The soya DOC price has been around Rs.37.00/Kg to Rs.41.00/Kg for the nine months of FY19 with an average of Rs.39.00/Kg, a marginal increase over average price in FY17 which was between Rs.34 to Rs.39 per Kg. The average price of wheat flour has increased by about Rs.2 per kg during Q3 FY19 as compared to average of Rs.21.58/Kg in FY17. It may be observed from the above, that the current raw material prices are more



or less comparable with that of the prices of FY17. FY18 was an exceptional year with steep fall in RM prices resulting in a significant fall in raw material cost compared to that year which have gone up again in FY19.

We have made a comparison of % of RM cost and % of PBT to sales for FY16, FY17, FY18 and 9 months of FY19. It is observed that the RM % to sales was 80%, 79.43%, 71% and 81.36% respectively during these periods. The PBT margin before other income was 11.73%, 12.65%, 21.13% and 10.53% respectively. From the above analysis, it may reasonably be assumed that the sustainable margins in feed business would be around 10% to 12% depending upon RM prices which constitutes significant part of cost of production of feed.

PERFORMANCE OF SHRIMP PROCESSING & EXPORT BUSINESS:

Q3FY19 COMPARED TO Q3FY18:

I will just go through the shrimp processing performance, Q3 FY19 compared to Q3 FY18. The revenue for Q3FY19 stood at Rs.228.41 crores as against Rs.155.21 crores in Q3FY18, registering an increase by 47%. In volume terms exports increased from 2124 MT in Q3 of FY18 to 3174 MT in Q3 FY19, an increase of 49%.

The PBT in Q3 of FY19 is Rs.29.64 crores as against Rs. 18.65 crores in Q3 of FY 18. In terms of percentage the PBT has gone up to 13% from 12%. The increase in profit margin by about Rs.10.99 crores is mainly on account of increase in volume of exports by 1,050MT in Q3FY19 compared to Q3FY18 and decrease in Raw material prices and increase in sales of Value Added products.

Comparing exports, quarter on quarter basis, the export turnover increased to Rs.228.41 crores in Q3FY19 as against Rs.201.71 crores in Q2FY19 registering an increase of 13%. In terms of volume of exports 3174MT has been exported in Q2FY19 as against 3055MT, an increase of 3.90%. The PBT in Q3FY19 was 12.93% as against 12.50% in Q2FY19.

Industry Overview :

Now, let me share with you the current status of the shrimp culture industry in India.

The estimated shrimp production in the country during 2018 is about 5,75,000Mts and basing on the current situation the forecast for 2019 is on the same level as in 2018.

The global shrimp production and supply is estimated to be 3.7Mn tones in 2018 as against 3.3 Mn tones in 2017 registering a growth in supply of about 12%. This sharp increase in supply is mostly driven by India and Ecuador. However, the forecast for 2019 is that the production and supply will be at the same level as in 2018. This information we have taken from the Report of Rabo Bank on the situation of crustaceans particularly shrimps.

On the export price front, the forecast is that, by and large, it will remain at the same level during 2019 as in 2018.



Government's Support :

The Govt. of India has created a separate Department for Fisheries under the Ministry of Agriculture to emphasize thrust on Fisheries Sector. Earlier, it was under the Dept. of Animal Husbandry, Dairying and Fisheries, in the Agricultural Ministry.

Several incentives have been announced during Jan- August 2018, by the Dept. of Animal Husbandry, Dairying & Fisheries providing support to shrimp/prawn culture along with fisheries extending financial assistance for development & renovation of ponds, subsidy to inputs etc., which will go a long way in making shrimp culture sustainable on a long term. The Government is now permitting setting up Brood Stock Multiplication Facility by private sector, which is expected to make domestic seed at considerable price compared to imported Brood Stock seed.

FEED CONSUMPTION:

Having said that, coming to the feed specifics, since shrimp production in India during 2019 is estimated to be at the same level as in 2018, the demand for shrimp feed consumption is estimated to remain flat during 2019 at the same level as in 2018 which is about 10 to 11 lakh tones.

The Company is estimating a sale of about 4,75,000 Mts in the calendar year 2019. The Company's market share has increased from 41% to 43% in 2018. It is Company's endeavor to retain the existing market and strive for an increase of 1% to 2% of market share in 2019. The focus would be on further strengthening technical support to farmers to achieve higher yields while maintaining high quality standards of the feed.

As the farm gate prices have stabilized, the farmers have resumed shrimp culture during Q3 and it is expected that the main culture period which starts just now, will see normal stockings comparable to the levels in 2018.

As I mentioned earlier, assuming raw material and other costs remaining at the same level as in FY17, the PBT on feed business is expected to be around 10% to 12%.

SHRIMP PROCESSING AND EXPORT :

Now, I request Mr. Nikhlesh, to give a brief view of the present scenario of the Shrimp Processing and Export Division.

Nikhlesh:

Good evening everybody, this is Nikhlesh. For the frozen division we have recorded a strong performance year to year even though the market has been weak to stable, we have managed to increase business with existing customers and also add a new account. Our focus on value addition and market diversity is slowly paying off. We are now supplying a variety of value added products such as shrimplings, marinated products, skewers and vacuum packed products amongst others which is in direction with our strategy. We intend to scale up these lines on positive response on our products. That is a very positive news. Our reliance on the US market has reduced from almost 85% for 9 months last year to 72% to 73% this year. We are opening up new markets such as Korea,



China and Japan. So we are essentially opening up new opportunities for the company and slowly want to scale up these accounts. We expect to add more new accounts and also further scale up our sales to our existing customers. In accordance to this we are going to scale up our production to meet these demands. A lot of ground work is being done by the team to add in high value customers into our business. So we expect some positive news this year. Going forward we expect just to give an overall situation for the exporters, there is more value being demanded by the market So companies with a strong supply chain and a transparent supply chain in India will show in more value to the customers. So our strong presence in the market should be a very positive and strong advantage compared to our competitors. Thank you.

C. Ramachandra Rao: Okay,

now we will take the questions from the investors.

Question and Answer Session

Moderator: Thank you sir. Ladies and gentlemen, we will now begin the question and answer session. If you have a question, please press * and 1 on your telephone keypad and wait for your turn to ask the question. If you would like to withdraw your request, you may do so by pressing * and 1 again. Participants are requested to ask two questions in the initial round and may join the queue for more questions.

The first question comes from Mr. Nithesh Jain from Aditya Birla Mutual Funds. Please go ahead.

Nithesh Jain: Hi, good evening Mr. Nikhilesh and Mr. Rao, how are you sir?

C. Ramachandra Rao: Fine thank you.

Nithesh Jain: I have a couple of questions. Number one is what is the initial sign of the latest shrimp farming which you mentioned when the stocking just started. So how do you see that happening, is it normal, is it below average or it is better than expected what we thought actually in the beginning of the year? This is point number one, and going by that same logic or extending the same question, Mr. Rao what do you see the total shrimp production? You mentioned 5,75,000 metric tons production in current year which is flattish, so what is your best estimate for the next complete financial year? This is question number one.

C. Ramachandra Rao: Got it. Let me first answer your first question with regard to the stocking situation. The stocking situation is that the farmers are generally encouraged by the farmgate prices. As of now, the farmgate prices are very attractive. The farmers have started stocking but there is a little delay because of the climatic condition but now it is going in full swing. Farmers are very enthusiastic to do it. That news is very positive development that has taken place in the early part of the year. As we go, the first quarter to the second quarter, the first crop should be normal as we expected. It may not be much higher than last year but definitely it may be marginally higher than last year's similar production....may be 5% to 10% the increase. But definitely it will not come down, that's what are expectations as of now. Now coming to the second question....



Nithesh Jain: Go ahead.

C. Ramachandra Rao: Shrimp production is also more or less the same. Marginally 25000 tons maybe higher than what it was last year that is what the expectation as of now.

Nithesh Jain: Okay and sir, secondly on the raw materials, basically on the soya, wheat and the fishmeal, what are the recent trends? Have they stabilized or are they going up from Q3 level, going down or flattish? How are they behaving now?

C. Ramachandra Rao: Fishmeal is almost the same level. It is around Rs.90/- Kg. Soya is a little disturbing, because you might have seen in the last couple of weeks the prices have started going up but we hope that it will come down again. It will be around Rs.39/- Kg to Rs.40/- Kg is our expectation. That's the range which we are expecting....the soya DOC. Coming to the wheat flour in March normally the new crop comes. So we have to wait and see how it comes and as of now the crop is very promising. Last year it really did not impact much on the price though it was a good crop. This year we have to see whether prices marginally come down. As of now that's what the situation is. If we can get a couple of rupees down for DOC it will be very good.

Nithesh Jain: Current DOC prices are around Rs.44, Rs.45 sir?

C. Ramachandra Rao: It depends upon the quality. It is actually fluctuating. It is between Rs.41 and Rs.43; that is the landed price including freight and all those things it will cost around Rs.42. Rs.43, Rs.44 is also there. Average pricing depends upon the feed price. We take it at Rs.42, Rs.43.

Nithesh Jain: So basically not a very big increase from Q3 level of Rs. 40....that's why...

C. Ramachandra Rao: Yeah, not big increase. It was Rs.39 and odd...last year it will be around Rs.40, Rs.41 on an average because we take weighted average it will be around Rs.41, Rs.42.

Nithesh Jain: Sure, one last question to Mr. Nikhilesh. On the processing shrimp export side, given the very strong performance in Q3 and given the new plant being commissioned and ramped up smartly, what is the total volume expectation for the next financial year? This year we are like 10,000 tons type of shrimp export. So what do you see the FY20 would look like?

Nikhilesh: We will be doing a little over 11,000 this year but for the next year like I was saying before that they are looking to add in more accounts and produce more, so you can expect 5% to 10% increase.... comfortable increase to next year.

C. Ramachandra Rao: See it will be more....as Mr. Nikhilesh said, I will add to what he said, the value added products we are increasing where you have the higher top line may not be in absolute terms, it may not really kick off that much but it will definitely have an improvement over that. We say another 10% we can expect next year increase.



Nithesh Jain: Yeah because the absolute 10% growth number looks low given the capacity is now 22,000 tons...so that means we will be utilizing only 50%, to 60% only....value added percent.

Nikhilesh: The business is a very cyclical business, it depends on when the material is available, so we have to take more advantage during that period. If you look at it right now when the farmers are re-stocking, the output of raw material is very less, so we can't really run the factory on full production because there is no availability of raw materials. But once the season starts, that time we need to take most of the cream out. That's usually how it works.

Nithesh Jain: Alright sir, got it thank you very much, I really appreciate it.

Moderator: Thank you sir. The next question comes from Mr. Abijeet Dey from BNP Paribas mutual fund. Please go ahead.

Abhijeet Dey: Good evening gentlemen. I have one question regarding the recently enacted SIMP guideline by the US customs. What impact do you think it will have on the overall domestic shrimp export industry and is Avanti Feeds ready for it? Thank you.

Nikhilesh: Hi, this is Nikhilesh, the SIMP rule came into effect from January 1st but with the US Government shut down, now they are implementing it, so it is in full swing. But, again.... coming to your question, the SIMP documentation which we were supposed to give to the US NOAA is basically a creditability document showing from where the product has come from. We used to give it to the local government and now we need to submit to them as well and we are perfectly equipped and we already have a team working on the SIMP documentation for every shipment that is going through, we've been sending it right from October, so we are pretty much comfortable because we have the right infrastructure to cater to this requirement.

Abhijeet Dey: Okay and do you think the rest of the industry is also upto it or it will take some time and in the meanwhile exports from India can be impacted?

Nikhilesh: I really don't think there will be a major impact. I think any company which has a strong foundation can cater to this documentation. So I think everybody is already giving it and they are comfortable with it. It does not impact any imports.

Abhijeet Dey: Okay. On a similar note there have been some news article saying that the US is also keen to cut down the use of antibiotics during the harvesting.... during the culture period. So do you think there is an issue with Indian exports on this front or we are relatively okay?

Nikhilesh: I think this issue is the same as the one we had with EU. Basically all the companies are more rigorously checking their products for antibiotics. I cannot speak about the other companies but we are well equipped. For our exports to EU and other countries, there are stringent antibiotics checks. We have been able to go through smoothly, so it shouldn't have a major impact.

Abhijeet Dey: Okay thank you very much.



Moderator: Thank you sir. The next question comes from Mr. Dhivyesh Mehta from Dinero Wealth. Please go ahead.

Dhivyesh Mehta: Hi sir, I really missed the first part of the question in the first question in which you guided in terms of the volume target for this year and in terms of the shrimp volume...?

C. Ramachandra Rao: Shrimp production in the country in 2018 was 5,75,000 metric tons. We forecast that it should be on the same level....may be 25,000 more, that's what we are expecting -- around....6,00,000 tons should be the forecast for the current year, that's what I said.

Dhivyesh Mehta: What is the feed volume we are expecting for our company in the last quarter? So overall, if you can guide some figure for the same?

C. Ramachandra Rao: The total consumption was about 10,00,000Mt to 11,00,000 Mt in India in 2018, that is the total consumption of which we have sold about 4,30,000 tons and we expect to sell about 4,75,000 tons in the current year i.e 2019.

Management: If you are talking about FY, the turnover will remain the same in FY18.

C. Ramachandra Rao: Normally we are taking calendar year.... for the market purpose we calculate on a calendar year basis because the culture is taken on the calendar year basis.

Dhivyesh Mehta: And Sir, how do you see the shrimp products getting penned in the export markets in terms of demand and in terms of acceptance sir?

Nikhilesh: I am sorry; can you ask the question again?

Dhivyesh Mehta: I am saying how do you see your shrimp products getting accepted in the export market in terms of the demand and in terms of the acceptance?

C. Ramachandra Rao: It is only after the acceptance of the importer only we export....

Dhivyesh Mehta: No, I am saying in terms of the quality compared to the competitors...how well they accept it?

Nikhilesh: Are you talking about Avanti's quality?

Dhivyesh Mehta: Yeah in terms of product quality sir...

Nikhilesh: Product quality has always been the number one priority for us. Our importers and customers have very much appreciated the new products that we come up along with our existing products and there has been a positive reception of whatever new product that we have started. That is very positive; so as I was saying before, we are trying to get in more orders on these lines.

Dhivyesh Mehta: Oh, thanks, that's it from my side. Thanks a lot.



Moderator: Thank you sir. Next question comes from Mr. Puneet Mittal from Global Core Capital. Please go ahead.

Puneet Mittal: Hello? I see that you have now started to export upto China and I remember in one of your earlier calls you had mentioned that one of the reasons that you were not very aggressive on China is because China requires more of raw shrimp rather than value added products. Is that correct?

Nikhilesh: Yes, the amount of value addition required by China is very less because the market has just been opening up and the pace at which it is opening up is very positive.

Puneet Mittal: So my question is basically from our perspective because we are also into the feed business, wouldn't it make sense to even export raw shrimp because we would eventually be able to update the inventory from the farmers and sell the feed; so unlike other processing companies since we have the feed business as well, wouldn't it just be a value added by even exporting raw shrimps rather than value added?

Nikhilesh: I think raw shrimp makes the bulk of our exports, so the main commodity that moves out of the factory is raw shrimp. We export raw shrimp not only China but the rest of the world as well.

Puneet Mittal: How much of the raw shrimp that we supply goes to countries like Vietnam which in turn converts it into value added product and re-exports? Do we have any sense of that?

Nikhilesh: We don't supply anything to Vietnam.... it's almost zero right now. But we supply direct to China.

Puneet Mittal: Okay. Just one last question...it was highlighted before, that the government is trying to put up a lot of initiatives to encourage fisheries and I think they have announced a couple of them in the latest budget as well. But on the ground, do you see any material difference because of these changes, initiatives by the government?

C. Ramachandra Rao: The National Fisheries Development Board (NFDB) is actually the Nodal Agency for implementing most of these incentives announced by the Government. As far as the financial assistance, the NFDB is coordinating with NABARD and other institutions. They are in the process of formulating the requirements and selection of beneficiary and they are in the process of doing it because as you know the government, it takes time for them to frame the rules and regulations and implement them. We hope that this is definitely a positive move which will help particularly the shrimp culture farmers to get assistance from the Government. Definitely it will go a long way in sustainable development of the shrimp culture. It is definitely a good initiative by the Government but it will take some time to get implemented in full swing. They have just started that.

Dhivyesh Mehta: Okay understood, thank you so much that's all from me.

Moderator: Thank you sir. The next question comes from Mr. Ayush Mittal from Mittal and Company. Please go ahead.



Ayush Mittal: Good afternoon Sir. It is good to see the company coming back with this kind of performance. My question is to Mr. Nikhilesh. Sir if we see the past announcement of the company expansion done in the processing segment, it seems that we have been really ambitious and we want to scale up but you have guided for 15% kind of growth. What are the reasons why we have not been able to scale up on this?

Nikhilesh: Hi Ayush, just to answer your question, this is highly labour intensive industry where all the products are handled by the workers. So the customers that we deal with...some of them are really high end customers and all of them have really stringent quality control. So we need to train up every worker to make sure that they follow the system. You can see that every year we are scaling up step by step, so we are in the right direction. Eventually going forward, you can see us moving in this direction as well.

Ayush Mittal: But did the growth that you intend to achieve.....I think earlier at the AGM you mentioned that you intend to reach 70%, 80% utilization in a couple of years...?

Nikhilesh: So right now our capacity is 22,000MT of the finished product. So this year I said we are going to do a little over 11000MT. But you must also understand the industry how it works. I was telling a previous question we cannot expect 100% utilization throughout the whole year because sometimes material is not available....

Ayush Mittal: I think 70%, 80% utilization for the whole year. I am asking for number for FY20 basically

C. Ramachandra Rao: Here it is....22000MT is the installed capacity of the plant. The exact utilization of the capacity depends upon the....as rightly Mr. Nikhilesh said the industry, the culture situation, the market price, the total production, how much of the value added products, how much raw products, the conventional products that we are exporting.... these are all the determining factors for capacity utilization. Because of the seasonality itself, the 22000MT....100% achievement cannot be done. It is the machine capacity i.e. the installed capacity. We can go up to as you rightly said about 75% to 80% capacity utilization can be achieved. That again depends upon the total culture situation, market availability and the export prices and the workings and we plan according to that. We have for planned for 50% to 55% now. Maybe around 60% to 65% we plan to achieve in 2020. Then we will grow into 80% in the following year, that is what is our plan.

Nikhilesh: To add on, we are definitely looking into scaling it up and we are working towards it. You can see it in the numbers from quarter to quarter as well.

Ayush Mittal: Okay. Sir my second question is not utilizing the cash going forward as we are surplus cash of around Rs.700 crores plus and we are generating so much of cash flows. What are your thoughts on utilization going forward? Do you plan to do any buyback or higher dividend in future?

C. Ramachandra Rao: As of now there is no plan to buyback but the Board is fully ceased of the issue. We know that there is cash flow, Board believes that this is not conducive time for any big CAPEX or big investment. What we have in 2019 is definitely going to be a challenging year as you rightly said get all the capacity utilization both in the feed as well as the processing, stabilize that and go on working and at the same time, we



are working on the various alternative investment opportunities for utilizing the surplus funds; but as of now, we have no plans to buy back the shares.

Ayush Mittal: Okay thank you. I will get back in the queue.

Moderator: Thank you sir. The next question comes from Mr.Dharmik Patel from Active Alpha Group. Please go ahead.

Dharmik Patel: Hi good evening. I have a couple of questions. First, what is the role of Thai Union in our business?

C. Ramachandra Rao: Okay is there one more question or this is the only question...Thai Union?

Dharmik Patel: Yes, I have one more question.... My question is what is the role of Thai Union in driving our business and secondly can you elaborate more on your value added services business in terms of your plans, your products and your revenue growth principles?

C. Ramachandra Rao: First part of the question I will answer. The role of Thai Union in our business is, as you are aware, they have 25%(approx..) in Avanti Feeds investment and we have a technical collaboration agreement with them for exchange of technology with regard to feed formulation and also marketing. For both we work together depending upon the requirement of the Indian conditions. We keep on exchanging our technical processes and we do it on an on-going basis. That is as far as the feed is concerned....we work together. As far as the processing is concerned, Avanti Frozen Foods, they have 40% investment and they are closely working with us in development of the processing business. And I think Mr. Nikhilesh will give a little bit more on the areas where we have co-operation with them.

Nikhilesh: Thai Union...I am sure you are aware, they are one of the world's largest seafood companies and they are also in the shrimp business...so essentially in the seafood business. So as strategic partners they help us on a variety of issues – what are the new developments, what are they hearing about, what's happening in other markets because their presence overseas is also very large. So it is always very important and very helpful that kind of inputs both at the Board level and also at the floor level where we have their technicians visiting us from time to time and also some of our staff going there to get trained by them and also giving our ideas and improve their process as well. So it goes both ways. It is more of a partnership and trying to develop each other.

Dharmik Patel: And regarding my second question?

Nikhilesh: In the value added business the focus of the new plant was to basically scale up the value added production. So what value we have added to the existing product that we had in the factory before is that we started cooked production and that's been stabilized and we are doing a lot of sales in that. We started shrimp rings last year so it is basically a cooked product as well where we put in a sauce and it is mainly for Christmas and December sales. Apart from that we are doing marinated products where we marinate the product freeze it and sell it to the customer, through a food service channel. Apart from that we are doing skewers which are used for barbeques and also in seafood restaurant chains. So it's been only 1, 1-1/2 years since we started the new



factory, it takes time to develop these products. We have exported the first batches of them. We have received positive response and this year we plan to increase the existing orders to higher level.

Dharmik Patel: So just one follow up question. Are we marketing our own brands through Thai Union?

Nikhilesh: Thai Union doesn't essentially buy our products. They are also a processor. We sell our brand to a limited set of customers but mostly we sell it on third party brand where like contract manufacture we pack in brands that the customer requires. They have their own brands so we pack for them.

C. Ramachandra Rao: We do not sell to Thai Union.

Dharmik Patel: Okay.

Moderator: Are you done with your questions sir?

Dharmik Patel: Yeah, thank you.

Moderator: Thank you sir. The next question comes from Mr. Prem Takkar from Unilazer Ventures. Please go ahead.

Prem Takkar: Hi sir, I just had a few book keeping questions. Can you help me with the feed volume for this quarter and Q2 2019?

Management: In current quarter what we are discussing the turnover is 93600 metric tons. Another one what you...?

Prem Takkar: Another one is Q2 2019, the previous quarters

Management: That is 85000 metric tons.

Prem Takkar: Got it. And sir, just wanted to understand, you had said that shrimp prices have improved recently...so if you can quantify that...maybe you can take an example of 30 count shrimp prices, how are they currently? How were they in the previous quarter and how were they last year....if you can just give us the trend in the pricing of 30 counts shrimp?

C. Ramachandra Rao: It is around Rs.480 now. Today's prices are Rs.480 to Rs.490 for 30 count. We can't really give you what was the price at this point of time last year. We don't have that figure ready with us, but we can give you the present market price of 30 counts...it is Rs.480 to Rs.490 today.

Prem Takkar: Got it. Sir just a last question on the cost of production of the farmers. So I understand that our shrimp feed realization has been.... the realization is around like Rs.65 and it hasn't changed much. So I understand that the cost of production of farmers also do not go up much but their profits go up higher or lower depending on which shrimp price is. So how do they deal with it? I just wanted to understand what would be the breakeven price of 30 count shrimp for them....so if you can just give some color on their cost of production and how do they deal with it?



C. Ramachandra Rao: See, on an average 30 counts cost of production will be around Rs.325.... that would be a range. Rs.300 to Rs.325. But if you take today's price, the farmer is making a very good profit on that. It is a very encouraging aspect of it, but if you look at last year 2018, the farm gate prices fell very sharply and that was the reason why the farmers were hesitant to continue the culture. That was the real issue. But this time we are confident that they will be able to do culture as some correction has taken place in pricing. Just now the farmers have realized it is the range of profit that they are going to make and we have the confidence that they will take up culture....as you rightly said, they will breakeven. What is breakeven, in technical parlance what we check is the minimum profitability of 20% to 25%, I think it is very workable on a long-term basis. If they expect very high profits besides what they did earlier, then it will be difficult. But I think the farmers have realized 20% to 25% profit margin they should be able to see that the culture goes on. I think this is what the correction that is expected to take place this year and going forward.

Prem Takkar: Got it sir. Just one last question. Out of this Rs.300 cost of production, how much would be feed from this?

C. Ramachandra Rao: I cannot say that.... about 45% to 50% will be the feed cost.

Prem Takkar: Thanks a lot sir.

Moderator: The next question comes from Mr. Vincent Andrews from Geojit Financial Services. Please go ahead.

Vincent Andrews: Sir I need to understand the profitability difference...you have actually three kinds of product, one is raw shrimp which you are exporting to China and another is ready to cook and the third one is ready to eat. I want to understand the realization difference in dollar terms as well as EBITDA per kg what would be the additional profit in ready to cook from the other two?

C. Ramachandra Rao: It is very difficult to really share with you the nitty gritty of these workings. But what is important is that the.... broadly what is the composition of this product in our total export basket. That is what is more important because we cannot share with you the nitty gritty of what is the cost of production, what is margins... We cannot give all those details but by and large we always try to work out the average performance of the total export.... Naturally as Mr. Nikhilesh told, the Value Added products have certainly higher margins than the conventional products. That is very clear, that is the broad understanding but apart from that, we can't share with you much.

Vincent Andrews: Okay sir, then if you have mentioned 21% from the current quarter contribution from cooked products, what would be in the Q4 quarter and FY20 you are targeting?

C. Ramachandra Rao: We didn't get your question properly. Can you please repeat?

Vincent Andrews: For the cooked products, 21% was the contribution from the cooked products in the Q3 quarter. How much you are targeting for the quarter as well as for the FY20 for the full year?

C. Ramachandra Rao: No, I think again I gave you the information that how much margin we got on each product. It is a range of products we have. It is not given whether it is cooked products also on some occasions there are several products that are coming. It is difficult to work out the contribution for each product. For example, you take the overhead expenses, it is spread. You take the raw material, as you go for value added products, the additional cost also will be there, so it is very difficult for us to give you the breakup of these figures.

Vincent Andrews: Understood sir, but you mentioned in the presentation 669 metric tons was for cooked products.

Nikhilesh: I understand now, just for your understanding, we have four lines of raw product and 5 block freezers, these are all raw based machinery and we have 2 lines for cooked. So if you do the calculation, if all are being utilized, the exposure of raw products will be higher than cooked. However, we are looking to make....it really depends on what is the price that we are getting for the product and who is the customer we are dealing with. So low margin customers, the margin will be lower and high margin customers, the margin will be higher. But in general if you say where is the higher margin, of course cooked will have slightly a higher margin because it is a high risk product – it is ready to eat.

Vincent Andrews: Yeah, okay sir, thank you.

Moderator: Thank you sir, the next question comes from Mr. Deepesh Kashyap from Equitas Securities.

Deepesh Kashyap: Hi sir, thank you for taking up my questions. Sir in the presentation you had mentioned that companies is targeting new geographies to increase its feed sales. Can you please throw some light as to which are these new geographies?

C. Ramachandra Rao: I would say it is the neighboring countries. We are concentrating our focus on the neighboring countries. We will come out with more details next time once we are through with our arrangements.

Deepesh Kashyap: Okay, the neighboring countries you are saying.

C. Ramachandra Rao: Yes.

Deepesh Kashyap: Okay, the margins will be maintained or do you think there will be extra logistics cost in that?

C. Ramachandra Rao: Margins will be maintained.

Deepesh Kashyap: Okay great. Sir, can you please tell us average prices of wheat, soya meal and fishmeal in 3Q please?

C. Ramachandra Rao: Average prices of?

Deepesh Kashyap: Wheat, soya, and fish meal in third quarter.



C. Ramachandra Rao: For Q3 it was 89, fish meal, the soya DOC was 41, and wheat flour is about 26.

Deepesh Kashyap: Sir, do you think that with these increased prices, like, if the prices remain at these levels, now given that the farm gate prices are attractive, can we...do we have a thought process that we will be able to pass it on to the farmers, given the market share?

C. Ramachandra Rao: It is a little premature to tell you that...to take a decision about the price increase and all. See, we have to see sustainability as we have been telling always. Plus, this price if it stays the whole year, so let us say, first crop, then we can always think that farmer is comfortable.... I think we just mentioned about the 30 count price, so much profit we get, definitely we can do that, but we have to see the sustainability of the profitability that it maintains throughout this season, that we have to wait and see. We cannot take a decision at this point of time. We are keeping our eyes open and ...watching the situation. If it is comfortable and see the most important thing Mr. Deepesh, is that the culture should go on, that is the primary thing. Only when there is a culture, then we have feed sales, we have exports also. If they don't go then we are in deep trouble and that's what our interest is about. That is the whole industry is interested about.

Deepesh Kashyap: Sure sir. Sir, the guidance of feed sales that you have given, like, 4,75,000 tons, that is including exports or that is the domestic sales that you had given.

C. Ramachandra Rao: That is inclusive of exports.

Deepesh Kashyap: Sure sir. Sir, one last question sir, like, the two lines of cooked products that you said, Mr. Nikhilesh, can you please roughly guide, like, what is the capacity of those out of the total 22000 tons?

Nikhilesh: I need to calculate that and get back to you. Because, see, it is very seasonal, to be very honest Mr. Deepesh, like, it depends on what time we are taking products, but then you can expect the same level next year as well.

Deepesh Kashyap: Sure sir, sure. See you, I will get back. Thank you so much.

Moderator: Thank you sir. The next question comes from Mr. Ramesh Achar from Star Finvest. Please go ahead.

Ramesh Achar: Hello?

Moderator: Yes sir. Please go ahead with your question sir.

Ashish: This is Ashish from Star Finvest, yeah. Sir, in response to a question that was earlier discussion as to...when the prices crashed the way they did last year, what is the alternative available to the farmer to cultivate, or they just bring down the shrimp culture and do nothing.

C. Ramachandra Rao: See, our experience is that on any day shrimp culture is a better option than to go for any other culture, whether it is in the normal agriculture or



pisiculture, whatever it is, it is always advantage...the farmer makes more profits in the shrimp business. So, in any case, they will continue to do this culture, and it is not possible overnight to change, because the infrastructure has already been developed. And it can be delayed for some time, but cannot be totally changed, that will not...that is not expected to happen.

Ashish: Okay. Such kind of fears...in the history of shrimp culture or in this business basically we have been in so many years, so how is this cycle, basically, this kind of a drop, does it happen once in five years or how is it?

C. Ramachandra Rao: If I remember correctly, I think, it was about eight to nine years back this has happened, and...for one year there was a real price crash like this, and it again picked up, and came back, that's what I remember, that is about seven, eight years back.

Ashish: Okay. So, 2019, is the profitability for the farmer is it on average compared to historical or is it much lower or higher?

C. Ramachandra Rao: As it stands today it is very profitable. That's the reason why we expect that the culture should come back to the normal level now. Both our preliminary reports from the field indicates that the farmers are enthusiastic, they have started the culture...the stockings have started in all areas. This year is promising as of now. We have to see. As long as the prices are good, then the culture continues to be good in this year also.

Ashish: Sir, lastly, you said that Thai Union basically helps us on the technical side, but is there also sales kind of support or opening new doors in terms of the clients.... all these things do happen?

C. Ramachandra Rao: Are you referring to the feed or the export of shrimps?

Ashish: Both the sides, I mean, how...do they help in sales as well, because they are much bigger than us, so that would be helpful in probably opening new doors for us in terms of new clients and such.

C. Ramachandra Rao: Directly for feed sales, they do not do any support, but definitely they help us...we work together in developing the feed formulation for better yields to the farmer. To an extent we exchange our technical data that's available and formulations and we get good yields for the farmers. To that extent they help in ...improving the feed sales.

Nikhilesh: Even on the processing side, they are very much active in helping with the marketing activities, because they are in the same business. Sometimes they find the customer who is not the right fit for them. We take them... sometimes there is a customer who is a right fit for them, and we cannot cater to them, so we pass them on. So, that way we have it, and also they have a lot of import channels in different countries, whom we work with also.

Ashish: Okay. Thank you so much.

Moderator: Thank you sir. The next question comes from Mr. Shekar Mundra, an individual investor. Please go ahead.



Shekar Mundra: Hi, so just wanted to understand, see, because till now India has been capturing market share in USA, but now we are already on 40% market share in USA, and that has been the major growth driver for the Indian shrimp industry. So, how do you, as in, because the USA market itself grows at a very slow rate of 3 to 5%. So, how do you see the future growth rates coming for the Indian shrimp industry as a whole?

Nikhilesh: My opinion on this is, see, the US, like you were saying, is still a growing market, but there are also...Indian exporters have been predominantly dependent on the US market, but slowly, like Avanti, they are opening up new markets and there is a lot of room for us to grow. And, apart from that there are new markets that are opening up, which are massive markets, like China, which might not be very comparable to US right now, but in the long term, it has a very promising outlook.

Shekar Mundra: So, China, so how... can you give me an idea, like, how big is the market, and how do you see the, as in, how much of it is self production, and how do you see it growing?

Nikhilesh: It is very initial right now, like, I was saying, the outlooks looks promising. So, what we need to look at, is the number of consumers in China, it is the world's largest population. The earnings rate, the per capita income is very high, their openness to eating seafood is very high, so that's what is promising.

Shekar Mundra: Alright. And, coming up to your fish feed, we have been talking about the fish feed, going into fish feed for the last many con calls, so what's the update on it, like, how far have we reached on making that decision yet? And what are the opportunities we are looking at?

C. Ramachandra Rao: The investment on fish feed, it depends upon basically the potential that India has for exportable fish. The quality of feed that we are looking for is mainly meant for the fish culture, exportable fish culture. We are watching keenly...it is slowly growing, but it will take time. But we have everything...wherewithal we know, but thing is that India fish culture on that scale should pick up. Once it does, we will be able to go into that. Still, we are just watching the situation. We cannot make a big investment at this time, at this juncture. Definitely, there is a potential we see, in maybe next one or two years it will definitely improve that, then we will be able to take a decision on that.

Shekar Mundra: And coming on to this point, I know it has been covered in the con call about your net cash position. Like, our net cash is like, it must be in excess of 800 crores right now. So, I am pretty sure we don't have plans of utilizing even half of this as of now, even if we go into fish feed, so why don't we...why doesn't the Board decide to do buy backs or...create better shareholder value?

C. Ramachandra Rao: Just now to some previous caller, I said that the Board is seized of this matter and that they are looking into various options, they are examining the pros and cons, there are several options which they are considering. Once we come to some conclusion, we will be able to share with you. But, as of now, we don't have any precise decision as to buy back of shares.

Shekar Mundra: Okay, alright, that's it. Thank you. That's it from my side.



Moderator: Thank you sir. The next question comes from Rohan Govindarajan, an individual investor. Please go ahead. Sir, there is no response. I am moving on to the next question, that is from Mr. Ayush Mittal from Mittal and Company. Please go ahead.

Ayush Mittal: Hello?

C. Ramachandra Rao: Yes, Mr. Ayush.

Ayush Mittal: Yeah. Sir, like you have been mentioning that the current prices of the culture are pretty good, of the shrimp are pretty good and culture has perhaps started on a good note, yet, if I look back into past, whenever the prices are very remunerative, the industry used to go at a much faster clip. So, currently given that we are already having a very large market share and industry has also grown to a large size, can you share your thoughts for next two, three years, how do you plan the company will be able to grow and achieve its vision, etc.?

C. Ramachandra Rao: See, as you know that the shrimp industry has been dependent on climatic condition, the total culture situation, export prices, etc. That's why I was very specific, categorical in saying that at present prices were very good and farmer is very enthusiastic to do culture in a big way, he has started doing it, but as we go forward, we will have to see the market prices should continue and the farmer keeps his margins very high, as his expectations are. So, these things happen...and it is very premature for us to give any prediction about the next two to three years. It is, but definitely the situation is that it will grow, there is no question of that, because seafood consumption is increasing year-on-year basis, if you look at, the options are favourable for white meat compared to red meat. Naturally the consumption is going up globally. So, naturally the shrimp culture also is the growing business, but what is going to be the next two, three years precisely it is very difficult to tell as of today.

Ayush Mittal: Okay. Do you think that the industry can grow at say 10 to 15% kind of rate? Do we have that potential? Because when we look at the global numbers, India is already doing 15% to 20% of the world production now. And whenever we have grown faster, like, last year when it started happening, prices came under pressure. In fact, recently also there was some pressure on price or something, but I am not sure about that.

C. Ramachandra Rao: See, definitely in this shrimp culture industry, everybody should get benefit. It should be profitable ...win-win situation for right from the hatcheries, feed manufacturers, the farmer, the processor, and exporter. And everybody should make money. And, unless this chain is completely taken care of, it will affect the culture. So, what we see is that over a period of time, this market should stabilize in such a way that everyone...the ultimate consumer also should be benefited in that. The importer and ultimate consumer, everybody should get the benefit out of this. Then only it will sustain. Otherwise, it will be difficult to sustain.

Nikhilesh: Just to add my opinion, I think, what you were asking is, will this industry grow as it used to. So, my personal opinion, on the long-term, the consumer is looking towards more sustainable option. Seafood, especially shrimp, it is farmed, it's a sustainable food product. And also, if you look at the opportunity of this product being sold, let's look at our country itself, we have more than 100 crore population, slowly our



cold chain systems are opening up, so definitely on the long-term there is great potential for this product. We are just going through a phase where new markets are opening up, predominantly this was just for the US market, now we are looking at new markets, so, tomorrow even if India starts consuming this product as the other countries do, there will be great potential, definitely.

Ayush Mittal: Okay. And sir, second question is around feed sir. At times we do wonder that given the leadership that we have, can you... would you like to comment something on the competitive intensity as of now? In the last one year we saw lot of players entering into the feed segment, trying to expand. Can you give us an update on the competitive provisioning and intensity?

C. Ramachandra Rao: Definitely, quite a number of players have come in this feed market, the installed capacity has increased almost three times, definitely it is there. But most important thing is, the quality of the feed supported by the technical assistance or support that we are giving to the farmers to get good yields. We have, as you know that, being the market leader, we have a strong manpower for assisting the farmers, technically qualified, more than 250 M.Sc. Fishery graduates are there. They keep constantly helping the farmers to get good crop.

Moderator: Could you please use your headset Mr. Ayush? There is some echo on your line. Okay. You may go ahead sir.

C. Ramachandra Rao: Yeah. And, just coming back to what I said, is that as far as the feed market is concerned, that see, even under adverse conditions, in the sense that last year there was reduced consumption of feeds, still we are able to maintain our leadership and we have increased our market share. How did this happen? This happened because the first the quality of feed, giving better feed conversion ratio, and secondly the technical support that we give to the farmers, constantly taking care of their needs and we are assisting them to get better yields. That's the reason why they opt for Avanti Feeds. So, these are the things which keeps us leaders in the market and ...we are confident that we will continue to have the confidence of the farmers.

Moderator: Thank you sir. The next question comes from Mr. Rajesh Singh from Hikari Tsushin. Please go ahead.

Rajesh Singh: Hello sir. Thank you for giving the time. I would like to talk about the supply chain in which the company is involved in. You provide shrimp feed to the farmers and then you are also involved in the supply chain where you get shrimps from the suppliers. So, are they the same farmers which you provide the feeds to? Are they involved in the direct supply chain?

C. Ramachandra Rao: As a policy, we do not club these two activities, they are independent. See, we have dealership network for feed sales, and we supply feed to them, and we get shrimp from them directly. We do not link shrimp procurement feed supply. That, they are independent. We buy shrimps depending upon the market rate and quality and size that we require, that's done independently. There is no link between these two, okay.

Moderator: Thank you. The last question for the day comes from Mr. Omkar Kulkarni, an individual investor. Please go ahead.



Omkar Kulkarni: Hello?

C. Ramachandra Rao: Yes Mr. Omkar, please tell me.

Omkar Kulkarni: Yeah. My question was with regard you given a vision for the company that is by 2022 you would do a record sales worth of billion dollars and the contribution of that would come from...60% would come from feeds and 40% would come from frozen shrimps. So, given the current scenario, what would you say, is that achievable?

C. Ramachandra Rao: See, we strive for that, our endeavor is to do it. We are working on that. See, 2022, we said, we are working on that, the different organic and inorganic growth and how to achieve that. Still, our vision is there towards that. We are working and as and when we finalize these details, we will share with you.

Omkar Kulkarni: No, because, you have removed that vision statement from your investor presentation, so...

C. Ramachandra Rao: Yeah, that's what I am saying. See, we have this vision and we are working towards that. But it depends upon the situation year-on-year basis, how is the culture situation and the developments that are taking place in the past couple of years, last year particularly in 2018. So, we are working on that, how we have to go in different directions, how we can bring this... fulfill our vision, achieve our vision.

Omkar Kulkarni: Okay. I wanted to ask about the export opportunity of shrimp feed. What is the situation over there, sir?

C. Ramachandra Rao: Yeah, we have already started exporting feed also, just now some other caller I answered that, that neighboring countries we have started exporting. We are focusing on export of feed also.

Omkar Kulkarni: What is the contribution of feed business from exports right now? Mainly it is the domestic, I guess.

C. Ramachandra Rao: Not much so far. We go forward...this year we hope to have good contribution from the exports also.

Omkar Kulkarni: No, I wanted to know the market opportunity, like, what is the market size for export of shrimp feed?

C. Ramachandra Rao: No, we don't have precise data as per the export market. We are exploring the...see, the first thing is the neighboring countries and we are trying to get the data, what is the culture situation there, what type of culture, and how much feed consumption is there, what are the opportunities for...we can export, see, the most important is the price, how the payment terms, and all these things we are examining. And, maybe we have started work...the last quarter we did some finalization of the dealership with some neighboring country, and we will be able to do it... expand this exports in the coming quarters.



Omkar Kulkarni: So, you mean to say that right now it is at a very nascent stage.

C. Ramachandra Rao: Yes.

Omkar Kulkarni: But, like, is there only opportunity in the neighboring countries or even other countries have opportunity for this?

C. Ramachandra Rao: The other countries are also there, Middle East also there is opportunity, we are working on that also.

Omkar Kulkarni: Okay, so like, when it will be finalized sir, from your end?

C. Ramachandra Rao: We are looking to their season also. That is very important. What is their season, what is the total requirement for them, how much, what type of...it is not just sufficient to give the feed, and we have to give...technical assistance also. All these things we are working out the details. Once we have concluded that, maybe, when we finalize that, we will be able to share with you all those details.

Omkar Kulkarni: Okay. And one last question is that you have already said that you are not considering buy back, there is no possibility of expanding capacities as you are already... over capacity is already there. For next one to two years, you have no plan to foray in fish feed. So, like, what is...

C. Ramachandra Rao: For next year fish feed is not there, definitely, but the first thing is that we have to fully utilized the shrimp feed capacity and next one year there will not be any expansion proposals in 2019.

Omkar Kulkarni: Yeah, so that's what my question was on that only, you don't have any capacity expansion, you are not foraying into fish feed in next one year, and you don't plan to even buy back the shares, then how will you utilize the cash, because it is diluting your return on equity significantly sir.

C. Ramachandra Rao: I understand Mr. Omkar. But I answered just two, three callers before, that we are working on that, our Board is seized of the issue, and we are examining what best opportunities are there. Various options are being considered. Once we are able to formulate our plan, strategy, then we will come out with the details, okay.

Omkar Kulkarni: Okay. At least, I request you to maintain the dividend payout which you are currently doing.

C. Ramachandra Rao: Yeah, we have dividend policy, the dividend policy is there, and definitely as per the policy, the decision will be taken by the Board at the end of ...before finalizing the accounts.

Omkar Kulkarni: Yeah, because this year your profit has reduced significantly, so, as compared to...but you had significant amount of cash, so at least you can maintain the dividend which you declared last year, that's what I am suggesting.

C. Ramachandra Rao: Okay, we will take a note of your suggestion Mr. Omkar. We will discuss at the board meeting, definitely we will do that, okay.



Omkar Kulkarni: Yeah. Thank you, thanks a lot.

C. Ramachandra Rao: Welcome.

Moderator: Thank you sir. Sir, we will take only one last question, that is from Mr. Dhivyesh Mehta from Dinero Wealth. Please go ahead.

Dhivyesh Mehta: Sir, just last question I had sir. In terms of volume growth, what we are expecting for next two years...I think, it was being said that this year we will be clocking about 4,75,000 tons for feeds and going forward we can expect 10% growth for next financial year. So, do you think this is on the most conservative side or this is a realistic figure?

C. Ramachandra Rao: I feel it is a realistic figure. It is not conservative. I think, we will be able to give you a better picture on this in our next quarter results call. I think we will be in a better position, because the stocking has just started, and we will know the progress, the trend of the consumption of feed. Then, we will be able to have some better idea the next time, then we will be able to give you. But it is a little premature to give what is going to be the growth, okay.

Dhivyesh Mehta: No worries sir, thanks a lot sir.

Moderator: Thank you sir. That will be the last question for the day. I now would like to hand over the conference to Mr. Sherwin Fernandes for closing comments. Thank you, and over to you sir.

Sherwin Fernandes: Thank you Honeyla. Thank you to the entire team of Avanti Feeds for giving their time over the call. And thanks to the investors who participated in it. Thank you and have a nice day.

Moderator: Thank you sir. Ladies and gentlemen, this concludes your conference call for today. Thank you for your participation and for using Door Sabha's conference call service. You may all disconnect your lines now. Thank you and have a wonderful evening everyone.

Note:

1. This document has been edited to improve readability.
2. Blanks in this transcript represent inaudible or incomprehensible words.

