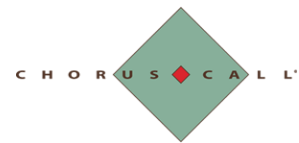




“Srivari Spices & Foods Limited
Investor Conference Call”
July 18, 2024



**MANAGEMENT: MR. NARAYAN DAS RATHI – CHAIRMAN & WHOLE
TIME DIRECTOR-- SRIVARI SPICES & FOODS LIMITED
MR. SRIKANTH BANNALA – GENERAL MANAGER –
SRIVARI SPICES & FOODS LIMITED
Ms. SUSHMA REDDY – COMPANY SECRETARY &
COMPLIANCE OFFICER – SRIVARI SPICES & FOODS
LIMITED**

Moderator: Ladies and gentlemen good day and welcome to Srivari Spices & Foods Limited Investor Conference call. 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. I now hand the conference over to Ms. Sushma Reddy, Company Secretary, for the opening remarks. Thank you and over to you, ma'am.

Sushma Reddy: Hi good afternoon, everyone. I'm Sushma, Company Secretary and Compliance Officer of Srivari Spices. Thank you everyone, for joining us today. I hope you're all doing well. We have a brief presentation prepared by Srikanth Bannala, our General Manager. We'll take you through this presentation. So please proceed. Thank you.

Srikanth Bannala: Thank you, Sushma. I mean, Palak, can you please move to the next slide? Yes. So this is a safe harbor information. So let's move on to this next slide. All right.

Like all of us know, before I could start, I just wanted to welcome everyone on Board, welcome to the meet. So I just wanted to take you through, how Srivari has been doing and what kind of the positive things that we have further ahead as a roadmap. Then before that, I just wanted to give you a glimpse of, people who just wanted to have a glimpse of what Srivari has been since 2019 and, how it has been doing as a journey part.

So in 2019 is all what we started our operations and then, how we have been doing in terms of, the procurement part of the quality maintenance and all and how the key markets, currently we are going through is Telangana and Andhra at the moment. And the all new auto introduced, recently, has been doing great rounds for us, covering about more than 15,000 retail outlets across Andhra and Telangana. And we have all the planning stuff, expanding our products and product portfolios to the Pan India operations.

So we have initial planning stuff, moving things to South India and then, moving into the West part of India. So this will be covering up later. So before that, I would also like to talk about the more exciting thing that in today's presentation is, we are entering into the cooking oil market.

So we will have a detailed discussion on the product portfolio in the later slides. And talking about the spices and masalas, we know that which is our strength, the core strength, has been doing a great rounds on masalas about more than 3,000 retail outlets across Andhra and Telangana currently. Yes.

Can you please move to the next one? Thank you. So as all of us know, our strength has been great in spices that is, the turmeric, chili and coriander. And then, which along with that, we also have masalas, currently we have four masalas, which are which contributes almost 60% of the revenues in the past and, the addition strength to our product portfolio has been, 40% of the revenue comes again from Atta as a portfolio currently. To the next one. So the business model, as all of us know, how it works, the sourcing, the processing, the packaging, and then the main, the course that comes into the picture is the sales.

We have divided our sales into, B2B and the D2C. As we all of us know, the B2B has been our major strength in the initial stages, whereas the D2C has been, has got introduced recently, of which, it has been doing a good rounds of business, which is almost covering about, 5% of our overall revenue on the D2C part. Move on to the next slide.

Yes our journey, like, 2019 and like all of us know, what we have been doing, every year, we have been coming up with some or the other exciting activities in terms of, introducing new things. That is, in 2022, we have come up with chakki atta, which has again become one of our core strengths for Srivari as a product portfolio. And in 2023 we know that we have got listed on public listing has been done.

And that was great. One of the milestones that Srivari has achieved with all your support. And in 2024 yes, we are again doing something boom which is, the entering into the segment of oil, which we will get to know the details from our Managing Director, how we have been, how we are going to position this oil as a category. Could you please move the slide upwards? Yes. Growth factors.

Yes. See, growth factors is I would like to say, we in the last meet have talked about the ready stock concept, like in the first phase, we wanted to introduce about 50, the ready stock vehicles, which were electric vehicles, which we introduced in the first phase, we started with 30 and then slowly, gradually we increased it to 50.

So this actually, though they have been covering this was basically the drivers were to cover up the C class categories of consumers and retailers who are not actually covered by the distributor segment. So with this 50 retail outlets, the more than the revenue part, what actually capitalized is the advertising and the visibility and the awareness that got created on the on the marketplaces, where we have got a lot of uploads and feedbacks from our retailers and consumers saying that our visibility in terms of these vehicles across the city and across towns has given a lot of noise in terms of advertisement.

So the publicity was really great for us. So taking this first phase to the next level, we wanted to come up with some more cities and towns where we wanted to take this levels to the next level of 100 and then slowly, by end of the financial year, we definitely wanted to keep up by covering up nothing less than 200 vehicles across Andhra and Telangana. Please move. Thank you.

So the dealer database, which we have seen moving from the graph, moving from 15,000 retail outlets, active retail outlets have been moving from 15,000 to 50,000. So this concept to definitely take it to 50,000 need a bigger team, our size of our sales team has also been increasing in terms of hierarchy. Earlier, we were working with, sales officers and territory managers.

And now we have a great segment of, these sales officers moving to more than 50. And then, slowly the area managers have been introduced in the segment to keep up the dealer database from more than 15,000 retail outlets to reaching it to a target of, 15,000 retail outlets across Andhra and Telangana. And covering up C-class retailers is definitely going to be a success for us in terms of, meeting all our services to nook and corner of the cities and towns.

Profitable vertical was definitely as the ready stock has always been working with the C-class retailers, which enabled us not leaving much margins to the retailers. But yes, it has always been a more of a service oriented category and which has always given up a upper hand on the profitable. Profitable as a mark.

And ensuring, covering up 75 lakhs consumers, as we said last time, we would be very soon reaching, the mark of, reaching more than a crore of, consumers with all the products as a portfolio. Covering any corner of cities and towns, with ready stock is definitely going to give us a very big mark for us, today we have covered Hyderabad and Secunderabad with this ready stock as a concept and slowly we are moving into different towns where we where we are already getting, calls from small towns that, the distributors have been asking us to provide this kind of concept in their respective towns, which we are enabling that with, increasing our sales force in those small, smaller towns in many of the Telangana and Andhra as a districts.

Yes, these 200 vehicles, as I said, running on the EV model, which is, of course, a low maintenance cost for us and which is also good for the society and environmental factors. Yes, the launching of new masalas, the exciting thing for us is yes, we are we are all set with, the 15 masalas that will be coming up and we will be talking in detail in the next slides.

Initial launches. So as far as I said, the exciting thing for us and maybe a bigger chunk of business would be coming up in the future would be the groundnut oil, which the Mr. MD would be talking about, how we will be taking the groundnut oil and with what concept and how we will be taking the positioning of it.

As we all of us know, the safflower oil, no company is actually giving a great quality and the positioning of this category and we are definitely trying a great hands on this and will succeed as we have been succeeding in other categories for our current spices. Safflower oil, as I said, double filter oil, which is a very rare oil, which we are coming up and it is going to be a great success, I'm sure.

This is something I just wanted to talk in detail, that is the entry of modern platform. Initially, when we started, Srivari started in 2019, any company into FMCG first, targets the category that is the channel called GT, General Trade, they would start from there and then, slowly get into the other segments of Modern Trade, then e-commerce and other channels. So initially, when we started, almost our contribution was like 100% percent in from GT.

So slowly we entered in in the last in the last one year, last I could not even say one year, we have entered almost eight months to nine months back into the segment where we have almost covered a major chunk of business from the modern chains, which are Ushodhaya Supermarts, which has got 30 point of sales across Hyderabad and Secunderabad. So we have already covered and all our products are well placed here.

Vijetha Supermarkets, which are 72 across Telangana, we are we are very much available in all the categories of spices, masalas and atta. Balaji Grand Bazaar is another one which has been a successful in the modern areas, the posh areas where we have almost like nine outlets and our products are well placed here. Big Basket is some exciting thing that we have been introduced

to and the reach to the end consumers has been greatly going where we have four point of sales and Big Basket has been doing a good rounds and contributing very well for us in terms of revenue.

Udaan is also something that, where we have placed our product and their teams are excellently working in all coordination with Srivari across Hyderabad and Secunderabad currently. And slowly we will be moving to the remote and urban areas very soon. DMart online is another exciting thing, apart from Big Basket as an e-commerce segment, where we are now available on DMart online.

And there has been a great response to the kind of positioning we have done. And maybe we are also bundling DMart and Big Basket, we are bundling our products, Srivari with the major competitive oil brands where we are making very good noise in the market in terms of revenues, as well as the awareness point of view. Here, I would like to emphasize something on the current share of the channels that we have been doing and what is the scope or the opportunity that we are left with.

Currently, we are doing as a channel proportion, if you look at the current proportion of General Trade is 80%. Modern trade is 10%. Ecom and D2C is about 10%, which contributes to 100% of Srivari's channel proportion, where what we are losing here is the OEM segment, which is like I can talk about Harika and also I'm talking about the OEM consumptions, that is the large scale consumptions by the major companies or you talk about the educational institution, government institution, which usually contributes to more than 20% of a pie, which on the overall pie it contributes 20% to other brands. So where we are almost like zero on this, where we have a huge scope of building this 20% to our current revenues.

Apart from this OEM, GT, we are definitely doing great. Where in Modern Trade, we are at 10%. We wanted to take this 10% to 30% with the introduction of the names which I have recently given on Big Basket, Udaan, DMart Online and Balaji Grand Bazaar and Vijay Sales of the World. And we have more scope in getting into taking this 10% of proportion to 30 percent is the DMart Offline, where the discussions are almost in the finalizing stages on DMart Offline and Metro, which is collaborated with Reliance, is almost in the final stages where we will be very soon, we will be on boarded maybe Metro.

I think by end of this month, we would be soon on the racks of showing Srivari products on the displays on both Metro and DMart also is in the final stages. DMart Offline, I'm talking. Online we are already available. Offline we would be very soon on DMart as well. DMart and Metro Big Basket would contribute more than 70% of total e-commerce and Modern Trade as a business segment for Srivari.

And coming back, the left out opportunities for us, Jumbo, Jumbotail discussions are almost in the final stages. Swiggy, Instamart and then Blinkit are also all these segments of the modern trade and e-commerce have been moving towards the direct suppliers who are the manufacturers being the reason recently we have seen a lot of a lot of noise in the you talk about the social media platforms that, the companies are very much worried Big Basket have been worried about the duplicate products that have been coming into the picture by some brands where they are

more interested in directly working not with the distributors or, middlemen rather to work with the manufacturers.

So hence, there is a lot of scope for us to get directly entered into these segments as a manufacturer. So, and the other thing, as I said, OEM has been always this super vertical where we have not captured anything. There's a huge vacuum like Amaron Batteries is something that, we have recently started supplying to these companies like most of us know like Amara Raja Batteries is one of the biggest companies in the batteries as a segment. We are supplying them 15,000 employees from Amaron Batteries have been consuming this on every day 15,000 employee consumes the meals of which the raw materials like spices and Atta has been supplied by Srivari.

Pista House is another one where most of us know Pista House is one of the biryani house which is very quite famous in Andhra and Telangana. Forty chain outlets have been using Srivari products for almost more than two years. So these kinds of opportunities are left out with us and the scope I could see is like BHEL is in pipeline under discussion. BHEL is Bharat Heavy Electricals Limited is something that where we are almost under the discussion and finalizing stages like they have more than 10,000 employees.

And another one is educational institution and government institution is one of the scopes. Yes I think we can move to the capacities where I wanted managing director to talk about the increasing capacities and the potential we carry and how are we utilizing it. Over to you, Rathiji.

Narayan Das Rathi:

First of all welcome to all investors. Namaskar. Just move the slide to this oil first. First of all, I want to just apologize for one thing for actually the last investors meet we have updated about the 15 masalas which we haven't launched. There is a reason behind this why we didn't launch the 15 masalas first of all. So the reason was behind there. This masala segment actually we are looking as a very great opportunity and potential wise. So we want to launch this masalas completely again as a separate vertical with building a new team separately.

So it will be fully focused and get the proper. We can utilize the opportunity as we all know presently what's going on the social media about all the adulteration and preservative added and all the things we know everyone. So I don't want to mention the specify the names and all the things, but we know all of us. So we are looking as a very great opportunity as lot of the small companies and unorganized segment are going to be closed by the FSSAI.

They are already taking strict actions against them. So that is an again great opportunity to launch the proper separate vertical. So we have delayed this segment and we are going to launch by most probably next to 45 days. We are ready with the actual packaging and everything, but we are launching it. We are looking for the complete separate team so we can fully focus and launch the product and utilize the potential properly. And coming to the next new vertical we are adding is oil as this is a very big segment.

People have some miscommunications about the oil. Oil is a very low margin business, but we are not coming out with the refined oil or commercial oil. We are coming out with a purely consumer based oil groundnut oil, groundnut oil that will be double filtered without any

chemical or processed with this refined. Why again groundnut oil is a specific question again find the investors mind because the groundnut oil is the oil which is help to reduce the cholesterol in our body. And this is the best oil for the consumption and as well as for the frying also is the best oil. It won't be contaminated while you go for the frying actually.

So this is the main science behind this groundnut oil why we are coming out. Once upon a time if you go back to the 30 years back there was 70% of the Indian consumption was groundnut oil. So now we are coming relaunching this with the communication in the social media. We will start an awareness and start focus on the groundnut oil, get to the direct consumer also as well as B2B and in this modern trade also focused. And we are coming out with the world class plant with the completely 100% export oriented unit and we are planning for some approvals for some other countries also, biggest countries UAE, US and UK. It's already in the process and the plant we are coming out with is completely 100% is purely built by the stainless steel.

So we will be ready for the export with this launch and parallelly oil as a segment we are looking great opportunity in the export. We can also join this all our segments spices also for the export. We will be making ready for that. So this is what opportunity how we are going through this oil and earlier it was planned actually in the just only base level we want to launch in Hyderabad. Now thinking we want to spread our wings through oil in all over India as well as worldwide exports. So this is behind why we are delaying the launch of this both the products and already it's under construction. This oil unit is under construction and next to over to this next slide please.

As you can see the capacity utilizations we have already increased the capacity of this unit one as a masalas and spices. So we have increased from 2400 to 3600 with minimum capex. We have utilized and again second unit has already the same capacity is there and we are utilizing it's a very good utilization again you can see in the slide. So we have utilized already almost from 20% to 65% of the unit two that is Atta and definitely our general manager talk on the some Atta. He gives some light on the Atta about how the market is replacing the other bands as a quality wise and a placement into the general trade as well as modern trade also. Over to you Srikanth for the Atta. Just give some glimpse on the Atta how we are getting the response in the market.

Srikanth Bannala:

Yes sir. Thank you so much. Thank you for the opportunity and I would like to give a very small story of like how our Atta has been greatly doing in the marketplace when we were trying to introduce our product at Metro I was actually trying to show some slides how Srivari has been doing in the market on Atta in terms of the kind of quality that we are going to give it to the society. One of the heads from the Metro has actually questioned us saying that the kind of lab reports you have been showing on a particular subject called moisture.

The moisture content that we are maintaining on a product which he has seen and was very clear and blunt saying that this kind of moisture content levels you cannot maintain which is actually a level of exports. If this is the level of moisture content you are maintaining which is we are maintaining quite low moisture. The lower the moisture the better is the quality. So our moisture levels have been so low in the lab report which I have mentioned in my presentation.

They said it's unbelievable and they said like if this is the truth and if we get it rectified and we understand this we are definitely going to list your product. Then I said like okay fine then let us get into the details. This was well certified and well accepted by Metro and today we have completed the complete TOT that we got listed on. I mean the listing process procedure has been done and very soon our products will be displayed on the Metro part.

So the kind of quality we are coming in Atta has been predominantly well welcomed in the marketplace. And the other things what I should also talk about Rathiji, most of the modern trades are only having Ashirvad and then we have maybe another one product. That's it, other brand. Only two brands are available. The third place is vacant and the vacuum is hugely available which I always feel is a low-hanging opportunity for me to get introduced to the Atta industry.

I have hardly seen the third brand in any of these -- you talk about Ushodaya, you talk Metro, you talk BigBasket or anybody, there is no third player in this industry. We have huge vacuum to get introduced and the kind of quality we are giving definitely we are going to rock and this is my confidence.

Can we move? Growth industry has been definitely increasing that's no doubt about it, but we are in the very initial stages of understanding the market growth because we have huge volume to grow, we have huge space to grow, the market is open for us. So I think it's an ocean that we have to capture so I think the days would definitely come where we would say out of the 1 million tons that it is for '22, '23, our market share is going to be more than 50%.

Please move to the next slide. You can also take it to the next slide I think where we can talk about the financials. Please move. Yes, Rathiji, would you like to take this?

Narayan Das Rath: Next slide. Actually let's complete this. Anyhow, Q&A section will be there. So people are waiting for the question-and-answer session also. Some investors want to communication.

Srikanth Bannala: All right, sir, fine. So I wanted some financials slides to remain on the screen for some time. Let the participant absorb this and let them...

Narayan Das Rath: What is the next slide actually?

Srikanth Bannala: That's all, sir. That's all I think. Should be the last slide if I'm not wrong. Can you please move forward?

Moderator: Sir, this is the end of the presentation now. Sir, should we go ahead and open the floor for the Q&A?

Narayan Das Rath: Yes, Q&A. And just go to the back slide to the numbers actually. Again, one more slide. Yes, now let's start for the Q&A session.

Moderator: Thank you very much, sir. We will now begin the question-and-answer session. We have a question from Jimmy Kagathara, an individual investor.

- Jimmy Kagathara:** Actually sir, my question was to the management team. Thank you for the detailed presentation. I would like to know that when our new products will be launched, what will be the blended margins. Will we be continuing with the same EBITDA that as we can see in the FY'24, it is around 16.06%, around 16-odd percent? So will there be any improvement in the margins?
- And second question, I know it will be a bit forward-looking, but in the last con-call also that you had said about a monthly revenue of INR8 crores per month, which I think we have achieved. So what is the guidance for FY'25 going ahead? Thank you.
- Narayan Das Rathi:** Thanks for the question. As I said, margin-wise definitely it's not challenging to achieve the same pace as we started the ready stock. That is the concept why we have introduced. There are three reasons for that. First of all is visibility. Second is the branding. Third is profitability. So we can reach out to all the C-class outlets and we can target more revenue. Revenue-wise, it might give very less, not that much contribute, but definitely profit-wise they will contribute more in this segment.
- As well as modern trade. I'll ask General Manager, Srikanthji, to just give a glimpse about the modern trade as a margin-wise. How we are looking the great margins in the modern trade and how we are expanding in the modern trade.
- Srikanth Bannala:** Perfect. I think, as I said, there are two scopes in improving the bottom line, which you have been -- which the subject is on the question that is the profitability will definitely increase because we have huge room coming up on Dmart offline as well as the Metro part of it. In these places, usually the margin have been very high. We have seen the competition, the kind of margin that we normally tend to lose in terms of distributor margin, retailer margin, and then consumers. The channel definitely goes for a toss that the distributor wouldn't be there in between.
- It's only the modern trade where we have the listing fees initially and then the margins to them has also been not too tough for us in terms of making the margins. I think the kind of competitors where they have placed their products and what we have been doing the rounds in the GT, there is a huge, huge good gap for us in making the profitability and we are definitely going to be healthy. And this segment of modern trade is gradually growing from 10% to 30% will definitely give a great impact on our profitability.
- Narayan Das Rathi:** In that one more thing was there about the launch of the product. Definitely, we will targeting to start this oil will be in the Q4. Q3, it will be launched. End of the Q3 it will be launched and masalas definitely in this by September before September it will be launched. Most probably in September, first thing it will be launched. Next question, please.
- Moderator:** Thank you. We have a text question from Rushi Mawani. What is the NP share of masalas and Atta?
- Narayan Das Rathi:** About the share, earlier it was the spices will be high share-wise. Now, we got last year clocked as Atta. But this year, again targeting focused on the spices as we are launching separate verticals. Now, we are hiring the team. We are in the process of making all the verticals differently. They will work different, different on the verticals. So definitely both will be on the

same pace as the 50-50. But as of now 60 is this Atta now. We have clocked last year as Atta 60%. And 40% is the spices is giving the revenue percentage-wise. Next question, please.

Moderator: Thank you, sir. The next question is from Satwik Jain from Generational Capital. Please go ahead with your question. Kindly turn on your mic and speak, please.

Satwik Jain: Yes. Good evening, Mr. Rathi. Am I audible?

Narayan Das Rathi: It is audible. It's very clear.

Satwik Jain: Okay, great. So first of all heartiest congratulations on the very good scale-up you have been doing. We have been following you since the IPO. So first of all, congratulations on the very good work. So my main question regarding your company and the overall industry was, is it an overall problem of the industry regarding the working capital? Because we are focusing on 40%-50%-60% growth, so kind of our receivables are stretched. And once we go to a 20%-25% growth then we will have positive operating cash flows.

Narayan Das Rathi: Yes, definitely. First of all thanks for the compliment. And as an industry this is an industry problem, as you said. All the spices, wheat and these are seasonal actually. It's based on the season. So for example, December, January, February is the harvesting time for the spices.

And March, April, May is the time for this wheat. So we need to procure materials hugely to maintain the quality as well as margins. So why we are able to maintain the margin is because of the procurement at the time of season. So that is why. And as we are into the startup company from last four years, I think we are doing great as a comparison. If you go for the comparison all the companies who are doing good are more than 30 years, 40 years, 50 years.

You can go through all the financials of all the companies. No company has done a great thing with the margins the kind of margin we are maintaining. No company has done. And we want to be the fastest-growing company with maintaining the profits as well as. So this is our focus. So in the startup definitely we have to go for the credits. And at General Trade, we have focused more on the General Trade first to enter into the market and to capture the market share. So there we have to give the credit to the distributor. When the market is completely good, we can't go in the opposite direction of the market to make a brand and build a brand.

So this is what the reason we have to maintain. For these challenges, we are ready for these challenges going forward. We are reducing the credit period slowly. We can't change immediately all the -- Every year-on-year, we are maintaining and reducing the gap and we'll maintain that. But anyhow at the end, we have to maintain the stock levels. We have to maintain the up because it's a seasonal business.

Satwik Jain: Right. So normally then we can expect that anywhere around 20%-25% of the sale should be in kind of receivables then going ahead also.

Narayan Das Rathi: Yes.

Satwik Jain: Understood. Again, heartiest congratulations and I'll talk to you more often.

- Moderator:** Thank you. We have a next text question from Ankit Agarwal an individual investor. What's the growth guidance for next few years?
- Narayan Das Rathi:** This is as, some restrictions are there from the authorities, just NSE and SEBI. We can't disclose the numbers but still the overall outline as we mentioned in the every call in our DLOO also, we want to maintain the growth of 100% year-on-year. As you can see the numbers past numbers, we will try to definitely maintain that. But most important is profitability parallelly to maintain this. So still we'll maintain that same pace. Till 2030, we can maintain that as of now. This is our plan.
- Moderator:** Thank you, sir. We'll take the next question from the line of Deep Seth an individual investor. Kindly unmute your mic and speak, please.
- Deep Seth:** Okay. So first of all, congratulations, Narayan sir and Srikanth sir. I mean, I've not seen such a transparent company in the SME sector. Really very proud to be associated with you. So I just heard from Shrikant sir that the company has entered Tamil Nadu. Is it right what I heard?
- Srikanth Bannala:** No. It's Telangana. It was mentioned as Telangana not Tamil Nadu. But very soon we will do that. Whatever you heard would definitely go well very soon. But we haven't got into Tamil Nadu yet. So our plans, like what I mentioned in my presentation was, we are well established today in Telangana and Hyderabad as a city. And we have moved into Andhra Pradesh. But very soon we will be moving into south part of it. That is Karnataka and Tamil Nadu.
- Deep Seth:** Okay. Understood. And one more thing, which I wanted to ask you are coming up with the rights issue, right?
- Srikanth Bannala:** Yes.
- Deep Seth:** Yes. So why not an FPO? I mean, you have come up with the rights issue, right? You're coming up with the rights issue.
- Narayan Das Rathi:** Yes, we are coming up with the rights issues.
- Deep Seth:** Okay. So it will allow only the existing investors to take part in that, right?
- Narayan Das Rathi:** Yes.
- Deep Seth:** Yes. Okay. So that's the ideology, right? And not an FPO.
- Narayan Das Rathi:** Actually, we have one more objective. Investors, our existing investors should be rewarded and keep stay invested in our company. That is our objective mainly. So we are focusing on the current only.
- Deep Seth:** Yes. That is what I want to hear.
- Narayan Das Rathi:** They will find this soon. They will understand what kind of reward we are trying to give the existing investors.

- Deep Seth:** Exactly. So this is what I wanted to hear. So I just, remember, from the first meeting, you said that if you will be with us, you can definitely reap the rewards. So being early invested, it is, I'm just in love with the company and, thanks for being transparent and coming up, frequently talking with us and giving us the confidence, because for SME Companies, what we need is confidence and you have built that. Thank you both of you.
- Narayan Das Rathi:** Thank you.
- Deep Seth:** Thank you. Sir.
- Moderator:** Thank you, sir. We'll take the next question, which is a text question from Shantam Rakshan, an individual investor. What would be the EBITDA margins for the oil segment?
- Narayan Das Rathi:** So, basically I didn't focus on that, I just left that part actually. Groundnut oil is a kind of oil, they have only India's four to five brands are focusing on this segment, and they are doing great. If you see the margins of the ground oil, just understand this, how the gap is there, so we can, how we can make that profitability and EBITDA will maintain, as we said, our EBITDA will be maintained even after oil.
- Why? I'll tell you, I'll show you, just take just an idea. If you go over the basic with the price of the ground oil, just go through it then into all the Amazon or Flipkart, you'll find out INR160 to INR250 gap difference. It's all about the quality again. So we, who, the company, some companies are there, they are doing very great into the ground oil and they are maintaining almost 20% of the EBITDA.
- So we will, we are not saying we will maintain the 20% of the EBITDA, so definitely it's the same EBITDA what we are making into that, not much, not in the initial 2, 3 quarters, but definitely after a year, we'll maintain that along with the spices and Atta.
- Moderator:** Thank you, sir. We have a text question from Sandesh, who is an individual investor.
- Good afternoon, ma'am. Please ask question regarding our monthly run rate of INR8 crores. Are we still maintaining the same rate or we have improved the figure?
- Narayan Das Rathi:** Definitely, we will try to improve. As of now, I can't comment on this, but we are maintaining that. Definitely, people, investors are not surprised, as already said in the many sessions and last investors meet also, we'll maintain the growth, the kind of growth you can see. We are maintaining and we'll maintain that. So, and I know my investors are very good at calculations, they can calculate it, divide it by two and they can analyze that.
- Moderator:** Thank you, sir. We have a question from Deep Sait, an individual investor. Kindly proceed with your question and unmute your mic.
- Deep Sait:** Yes, so I have come back again. I just had one question, which I just got through now. What about the attrition rates? So, last time we had this problem of attrition and finding it difficult to keep on to the good people, we are not able to sustain them. Is that problem solved and what have we done to tackle with the problem?

Srikanth Bannala:

Okay. So, Rathiji, I would like to take this answer. So, Mr. Sait, I think that was really my concern in the past, a few months back, definitely we have addressed this with an exclusivity, working with an additional HR Resources, who are very well focused in getting the right people into the system.

That is where we actually were lacking was, we were actually getting people not from the right segments, where the attrition level was a little high, because by the time they could get settled, see, of course, we have some commitments towards you people. So, to meet up those commitments, we were always in the run of, getting the results a little faster than any other companies.

So, the attrition levels were high, because the guys coming from the background were not relevant. So, we have started focusing on getting the people and the recruitment from the right relevant industries. Now, the attrition levels have come down. And if you remember, in MD's presentations, he also mentioned that, we have categorized our every segment, Atta is a separate segment, masala is a separate segment, Haldi, Mirchi, Dhaniya is a separate segment, and oil is going to be a separate segment.

Every segment, there is going to be a vertical head, and who is addressing his own respective team, where the communication flow has been so transparent and clear to the sales team who is working for these verticals. And hence, the attrition levels have come down, and the understandings of the business has been more transparent with our internal teams of sales.

Deep Sait:

Yes, understood. That's really excellent organizational structure. Thank you so much for clearing my doubt. Thank you.

Moderator:

Thank you. We have a next text question from Shantam Rakshit, an individual investor.

What kind of revenue split could we see between spices, Atta, and oil in the coming years?

Narayan Das Rathi:

So, as of now, we will maintain the 50%, 50% of the Atta and this Masala spices here. As an oil, it will take some time. I cannot comment on this. As I said, I have to be very much on that. I cannot disclose the numbers. So, both the coming this year, we'll maintain the 50%, 50% in the Atta and spices. Next question, please.

Moderator:

Thank you. As there are no further questions, I would now like to hand over the conference to the management for their closing remarks. Over to you, sir.

Sushma Reddy:

Thank you, everyone. I would like to close the comments. So, we appreciate all the investors for your time and interest in our company. We would like to express our gratitude for your investment and your continued support towards us. And lastly, I'll thank all the stakeholders for your insightful questions and feedbacks, whatever you have given today. We look forward to update on our progress. Thank you once again for participating. Thank you.

Moderator:

Thank you, members of the management. On behalf of Srivari Spices and Foods Limited, that concludes this conference. Thank you for your participation and you may exit the meeting now. Thank you.