



PRIME FRESH LIMITED
(FORMERLY KNOWN AS PRIME CUSTOMER SERVICES LIMITED)

Date: 21.09.2022

BSE Limited,
First floor, new trade wing
Rotunda Building,
Phiroze jeejeebhoy towers,
Dalal Street, Fort, Mumbai 400023

SCRIPT CODE- 540404

Sub. : Transcript of Schedule of Analyst/Investor call Held on Saturday, 17 September 2022
Ref: Regulation 30(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)

In Continuation to our letter dated September 18, 2022, Please find the Transcript of Analyst/Investor Conference call held on September 17, 2022.

Pursuant to regulation 46, the aforesaid intimation and Transcript of the Investor Call is also available in the Company's website i.e. <https://primefreshlimited.com/wp-content/uploads/2022/09/Investor-Call-transcript.pdf>;

You are requested to kindly take the same on record and acknowledge the receipt.

Thanking you,

Yours faithfully,

For, PRIME FRESH LIMITED,
(Formerly known as Prime customer services limited)

RIYA
KIRITKUMAR
DOSHI

Digitally signed by RIYA
KIRITKUMAR DOSHI
Date: 2022.09.21
22:19:22 +05'30'

Riya Doshi
Company Secretary and compliance officer

Umang shah from Indiabridge capital – Hello

Umang shah said hello again

Umang shah said to Riya Doshi - Good afternoon

Riya Doshi- Hello good evening.

Umang shah – it will only be me from indiabridge capital and my colleague will join the meeting in sometime. Meanwhile, I'll start with the Discussion.
Do we have the Management online?

Riya Doshi- No, can you please wait for 5 mins.

Umang shah- sure ma'am, no problem.

Riya Doshi – Himani, Bharat sir has joined?

Himani- Yes, Bharat sir has joined, Hiren sir is missing.

Riya Doshi- Yes, Hiren sir is joining in 5-10 minutes.
Meanwhile, Umang sir, can you tell brief about the company, from our Team,
Bharat sir is here.

Umang shah- sure ma'am

Umang shah – Hi sir, hello everyone, my name is Umang and I work as an investment analyst in Indiabridge capital. India bridge capital is a category 3 AIF Registered with SEBI & we invests in Public equity markets & in company that are generally small cap or mid cap companies. We are looking for Aspirational management's running business that have its growth.

Riya Doshi- okk

Umang shah- so, we wanted to have this call with management to understand about the business of Prime fresh limited, what are the drivers, type of business life, what are the risk, so that it can help us to figure out how the business is being ran?

Riya Doshi- okk

Umang shah- we can do it either ways. Either you can give a brief about Business or we can directly start Q & A.

Riya Doshi- Actually the Director mr. hiren Ghelani is joining in 5-10 minutes. So, I m just waiting for him to join.

Umang shah- sure

Riya Doshi- Meanwhile bharat sir, if you want to ask any question or brief of our business, we can do it.

Bharat Patel- Hi, This is Bharat patel.

Umang shah- Hi sir

Bharat Patel- how are you?

Umang shah- great sir,

Bharat patel- okk I think so that we should wait for Hiren Ghelani to brief us about the Company, he would be doing better job, basically I am taking care of the operations of Prime fresh limited

Umang shah- right sir

Bharat patel- im the chief operation officer and I've been in the business for 20+ years. Been in USA for 20 years and involved in Different Businesses and operations of companies and Prime fresh may be is in business since 2007 and having business in Fruits and vegetables. We are into logistics, we are into warehouse management, manpower.

Umang shah- when did you joined Prime fresh limited.

Bharat patel- I joined in 2022. This financial year.

Umang shah- which was your previous company?

Bharat patel- owned business, we are into renewable energies, into spices and trading of spices, trading, retail and wholesale of spices. Im not sure if you heard unja is the biggest Asian market for jeera in Gujarat, so we are in that business for 5 generations.

Umang patel- that is very different interesting Businesses.

Bharat patel- yes, got a lot of interest and lot of experience in international market and MNCs in operations. So, in streamlining operations in Prime fresh limited, so, we can make operations effective & be more productive.

Umang shah- Correct.

Bharat patel- one more thing I want to add is we are trying to bringing new technologies and more new initiatives into our business and im heading those within the organisation

Umang shah- which needs to the keys?

Bharat patel- we are looking into franchises, B2C, ERP, Automations of all process within organisation.

Umang shah- correct, B2C & Franchise

Bharat patel- yes we are signed upto with franchise India to market our models, so we will be opening different retails centers into metro cities and then other cities.

Umang shah- so, it will be under Prime Fresh Brand

Bharat patel- yes, correct. In multiple retail outlets.

Umang shah- and you will be servicing to your own procurements.

Bharat patel- yes will be servicing to our distribution centre & collection centre.

Umang patel- right, right. So want you to compete with your customers because the largest amount of customers are the largest fruits and vegetables chains in India.

Bharat patel- they are mainly into e-commerce sites. So, we will have physical outlets.

Umang shah- okk. Got it.

Bharat patel- & we will be competing because they don't have exclusive with us. So, there is no concept of interest there.

Umang shah- right sir, so sir, In order to give this call more structured and can we like to understand your business. If hiren Ghelani is on call we can start the question. Can you give a flow and have clear the things.

Bharat patel- see, like I said, I have just in a prime fresh this year only, so hiren would be better enough to answer and I would request Riya or Himani that can call up and see if sir can join

Riya Doshi- yes sir, give me 5 minutes. Ill check with hiren sir.

Umang shah- sure

Bharat patel- sorry about that Umang ji.

Umang shah- no problem. Take your time.

Bharat patel- so umangji, can you give brief about different locations of yours in India.

Umang patel- so we are based, out of India, our main office in New Delhi and however our clients are situated all over India and outside India and we officially launched in Jan, 2021.

Bharat patel- Ok and what is your source of capital, like internal Investors or

Umang shah- both

Gaurav- sir this is Gaurav here and our source of capital would be family office basically.

Bharat patel- ok. Yes go ahead umangji with source of capital and all.

Umang shah- yes, I think Gaurav answered it. Ideally family offices based in India or outside.

Bharat patel- okay

Riya Doshi- sir, just discussed with Hiren sir, he is joining. Please wait.

Umang shah- sure, no problem, thank you.

Riya Doshi- yes, hiren sir just joined.

Umang shah- hi sir, good afternoon.

Bharat patel- Hiren bhai, Are you there?

Riya Doshi- hello sir, are you there?

Bharat patel – ok, Hirenbhai, can you hear us? Can you unmute or...

Hiren Ghelani- yes, I can hear you.

Bharat patel- okk. Now can everyone hear Hiren?

Umangji, go ahead now.

Umang shah- my name is Umang and I work as an investment analyst in Indiabridge capital. India bridge capital is a category 3 AIF Registered with SEBI & we invests in Public equity markets & in company that are generally small cap or mid Cap Company. we are looking for Aspirational management's running business that have its growth.

So, we wanted to understand prime fresh business. Some more details, we have gone through the presentation and numbers, just some clarification, that would understand the business.

Hiren Ghelani- sure, sorry for the delay.

Umang shah- sure, no problem.

Hiren Ghelani- thank you,

Umang shah- Sir, do you want to give us a brief or directly want Q & A?

Hiren Ghelani- so, let me just give a quick brief of business and company. So, prime fresh limited is basically into 2 businesses.

1. Service business
2. Fruits & vegetables supply chain business

Fruits and veg. supply chain business is a core business for us and that's why we are growing from last 5 years. In terms of defining the business it is about

procurement, processing and placement of F & V. So, We are the only channel strategy based business. So, wherein we operate to various clients like supply to APMCs, E-commerce, model trade, small operations in B2C in Mumbai and Ahmedabad.

We also time to time set up our owned private mandis based on opportunities on particular Agris.

Processing- once we have hold on farmer based, supplier based, own collection centres. Typically there is a process where harvesting data coming, we have a team who goes to the field, understand harvesting schedule & based on that weve various categories of clients.

So, it is harvesting, sorting, grading, packing and distribution that Fruits & Vegetables supply chain business.

In service business, we have operations, we have sorting, grading, packing operations, cold storages, we have packed for exporters, we also provide the manpower to reliance fresh, Waghbakri, vasant masala, intas pharmaceuticals, we have presence across 75+ APMCs Across the country. We have more than 2400 supplier based. We deal with more than 1 lacs of farmers across the country, more than 60 District, this is about Procurement.

Our procurement bandwidth is about 1,50,000 tons per annum. However, strikes rates are always lower when to pitch to suppliers & farmers when you pitch for closing the deal. So, that's the fruits, veg. and service business.

Umang shah- right sir, that is great sir, thank you so much for this brief introduction. Can we start with questions?

Hiren Ghelani- ya, sure

Umang shah- Starting with the procurement, what % of your procurement would be coming from the APMCs and what % are directly from the farmers?

Hiren Ghelani- right, so, 55% of our procurement is from the field, that is directly from the farmers and we close the deal and then do rest of the process in terms of over collection centre. I think our 10-15% Procurement would be coming from our own collection centres and 10-15% from the local area aggregators which we have tie up with & about 4-5% from some contract farming, joint farming, balance would be from the suppliers. So, it would be the pure trade.

Umang shah- got it. From the traders, basically.

Hiren Ghelani- yes, correct.

Umang shah- so sir, like grains, grains are very stringent APMC Rules wherein customers cannot directly buy from the farmers. So with respect to fruits & veg. are the loss significantly different from them?

Hiren Ghelani- yes, so there are no restriction at all for us to buy Fruits and veg. from any area of the country, so there are no restriction.

Umang shah- Right, right, got it.

So is there any sourcing that you do from the traders or farmers. What is the benefits you get in terms of cheaper procurement, I'm simply asking in order to understand, if someone else is doing this business, how will they do it.

Hiren Ghelani- sure, right.

See. Ill tell you that in some of the product, you will always depends on the local area Aggregators & local suppliers, because they have certain age over their local languages or local areas or relations. So, one is when you deal with local area Aggregator or supplier is that they know the page very well. It reduces travelling cost, people cost.

Umang shah- right

Hiren Ghelani- and when you deal with former in some product, you save lot of material handling cost and you improve the quality of material because there is less handling and then you can also ensure that guys at the farm. So, both has merits like in maharashtra it is important for us to have same quality like the pomegranate, have to deal with some agents & suppliers and local area aggregators and some third party collection centres. Inspite of having our own huge large farmer based & huge procurement team.

However, in Gujarat and Rajasthan, for us it is very easy to deal with farmers & we are able to directly deal with farmers on very large scale like we close 100 acre farm or deal of 100 tons, it is easy for us.

Umang shah- right

Hiren Ghelani- so it depends sometimes on area/ commodities/ seasons.

Umang shah- right

Hiren Ghelani- overall, how to deal with farmers, you have more control.

Umang shah- correct.

Hiren Ghelani- in the complete dispatch plan, which to pitch your clients,

Umang shah- right

So, the process here is you collect the collection from the farm, you store it with you and you deliver the customer on the doorstep or they ask you to deliver too. Is that the control over the entire processing?

Hiren Ghelani- yes , absolutely, so, prior to even buying from farmers, there is a huge process, which goes on round the year, wherever our terms are identify the areas and select commodities, wherein we keep the registering this farmers , we understand the complete farming model. We record the data, we understand the schedule of harvesting for weeks and daily basis and then sometimes the pricing also happens on weekly basis.

Umang shah- right and sir what is the side of the field team?

Hiren Ghelani- currently our field team is about 20 peoples across the states

Umang shah- right sir & sir are these people able to service around 200 per days I think that's what your output is.

Hiren Ghelani- so, okay so if you read the numbers properly, I think for handling, packing grading, it is 20 tons and for third party handling also.

Umang shah- Ok

Hiren Ghelani- if you get into numbers of procurement & packing we today around 40-60 tons per day.

Umang shah- right, right.

Hiren Ghelani- so, there are 2 kinds of business we are dealt with one is service business when complete inward and outward only.

Umang shah- correct.

Hiren Ghelani- so some percentage of material we don't procure at all. So we just kind of inward and outward, in between there is a lot of process.

Umang shah- right, so out of 76 crores of sale dis in march, 2022 can you give a break up of how much of the third party and how much of your own procurement?

Hiren Ghelani- so, will have to on the topline, I don't have the exact number in front of me.

Umang shah- sure sir.

Hiren Ghelani- but the service business in total would be around 10-12 crore rupees, these numbers would be there once we upload our investors presentations since we have not updated yet our latest presentation.

But, however, service business would be there in Annual report also.

Umang shah- correct.

Hiren Ghelani- Grace should be Fruits and veg., sorted, graded, packed, supplied,

Umang shah- right sir, so what is the growth?

Hiren Ghelani- so what would happen in the 150 ton which we handle we would end up earning let's say 60/80/90 paisa per kg and that only go can over books, so, we don't book, let's say 150 ton and 68 paisa average, so that we don't book value. We book only margin that we earn from handling part.

Umang shah- right so this is 80/90 paisa per kg on 150 ton. What would be this number on 50/40 tons that you procure your own?

Hiren Ghelani- okk for different product, it will ran let's say 3 Rs. Per kg. & upto 10 rs kg in gross market.

Umang shah- okk , right the gross market, exactly it is the significant difference between export customers, large Indian customers and small Indian customers?

Hiren Ghelani- so, for the last 2.5 years, we have not been focused much on export position post covid due to freight rates are on packing material cost and currency volatility is also there and we realize that india is better market and we also studied our competitors. They are not doing great in exports. So, its better to focus in domestic market. It is a far larger market. For example, dubai has 35-40 lacs populations and there are 20 countries interested in selling in that market, so why not in mumbai itself it is 2.5 crore population.

Umang shah- exactly

Hiren Ghelani- there is no point to focus on exports when we are in lower margin scenario.

So, what we realize that exports might have on a beta level , you may have 3-4% higher margin. Ok, compare to domestic Business, but the pain you take in terms of overall logistics

Umang shah- correct

Hiren Ghelani- and a credit part is far higher for us losing a focus. As a small organisation, we cant allocate much resources to different verticals of business, its better to built a 1/2/3 verticals on a larger scale. So, we realize from 2-5 years.

Umang shah- right.

Hiren Ghelani- I think its very important you build a seprate dedicated , focused team on export side. Because people travelling a lot on this market.

In Fruits and veg. it is very important to have strong presence on the place you are selling.

Umang shah- correct. Very true. So sir that is very coming from operating leverage because I see the margins of the business significantly over the last 3-4 years going all the way from 3-4% to 6-7%. So, there are larger revenues. So, going forward to this one, , to understand how the cost structure increase as you take the business from 75 crores line to 100-150 crores in that range?

Hiren Ghelani- right, so first of all we give you a number on fix operating goods and fix operating overheads.

Umang shah- sure

Hiren Ghelani- so, as we speak our fix operating overheads per year for the field team for travelling , for farmer acquisition, for customers acquisitions, would range around 2.5 crore , operating overheads goods around 2.5-3 crores. So, figure have been growing at 10-15% per year from last 5 years and this figures, we will continue to grow because we strongly believe that under all circumstances we will keep investing in farmer Acquisition , supplier and client

acquisitions and farm building because , see, in this sector you will also very high churn at a bottom level also.

Umang shah- correct.

Hiren Ghelani- you have top 20 people in the field below that you might have 30-40 people on a variable models and there is a churn so, you need to always have a more people ensure that the handle is churn. So keeping that in mind, as a policy we decided somewhere in 2016-17 then we will keep investing in new area, new product. So that, growth will always be there of 15-17% increase in the fixed cost to operations and corporate operates.

Umang shah- right

Hiren Ghelani- and however we always aspire to grow our sales at least 30-35% . if you look at the few glimpse of the covid and during GST & Demonetization, we have always grown at that moment.

Umang shah- hmm

Hiren Ghelani- so, if we were to kind of to grow our sales of 30-35% with our internal benchmark in terms of tonnage, then that should not be the problem of own investing in people travelling and some clients , that will slowly a kind of give in the edge of GP and Eventually & translating into the benchmark. More or less, for us, this year might be very different. When we are investing more than required. In terms of sales set up, so, we are in more distribution & collective centre. & based on marketing in the sale sites, Because you have to very sure about back hand and very aggressive on sale front.