



**B U S I N E S S   P L A N   •   I N D I A**

# **Shrimp and Prawn Farming**

*Shrimp farming with untied inputs, published stocking density and the harvest weighed  
on a scale the seller can read*

**FISHERIES AND AQUACULTURE**

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This document is confidential and prepared for planning purposes. All financial figures are illustrative model assumptions for an Indian MSME context and must be validated against live quotes, local rates and professional advice before any investment or borrowing decision.

## 1. Executive Summary

This plan sets out a **Shrimp / Prawn Farming** business in India — vannamei for export and domestic sale, freshwater scampi, and an independent weighing and grading service for neighbouring farms, working 46 hectares of water to about 456 tonnes a year by Year 3.

This plan inherits the ten fisheries anchor rules set by **aquaculture-farm** — notification, discharge testing, zero antibiotics, seed PCR — and sharpens them to the monoculture case, where a single species at high density means **one pathogen takes the whole crop**.

□ **THE ADVISER, THE LENDER AND THE BUYER ARE ONE MAN.** The input dealer sells the farmer his seed and feed **ON CREDIT**, gives him the technical advice on how much to use, and then **BUYS THE HARVEST AND DEDUCTS THE DEBT FROM IT**. So every party the farmer relies on for information is earning on the volume he consumes, and **THE SAME PARTY SETTLES HIS ACCOUNT AT HARVEST**. He cannot obtain an independent opinion on whether to add another bag of feed, because the only person present who knows is the person selling it. **AND THE ADVICE THAT MAXIMISES THE DEALER'S MARGIN — STOCK DENSER, FEED HARDER, ADD MORE PROBIOTICS AND "MEDICINES" — IS PRECISELY THE ADVICE THAT RAISES DISEASE RISK.** The conflict is not merely financial extraction: **THE TIED ADVISER'S INCENTIVE POINTS DIRECTLY AT THE BIOLOGICAL FAILURE MODE.** So this farm **BUYS EVERY INPUT DIRECT FOR CASH** with **NIL** tied dealer credit, employs its **OWN AGRONOMISTS**, and **NEVER** buys inputs from a party that also buys its harvest. **WHERE THE ADVISER, THE LENDER AND THE BUYER ARE THE SAME PERSON, THE ADVICE IS A SALES ORDER AND THE SETTLEMENT IS UNCONTESTED — SO SEPARATE THE THREE AND WEIGH ON A SCALE THE SELLER CAN READ.**

□ **AND THE FARMER LEARNS HIS YEAR'S INCOME AND HIS DEBT IN THE SAME FIVE MINUTES, FROM THE COUNTERPARTY.** Price turns on count-per-kilo — a 30-count shrimp is worth far more per kilo than a 50-count — and **THE COUNT IS PERFORMED BY THE BUYER, ON THE BUYER'S SCALE, AT THE POND BUND, WITH NO INDEPENDENT RECORD.** Half a count across a twenty-tonne harvest is real money and is unarguable after the lorry leaves. So harvests are **WEIGHED AND COUNT-GRADED ON AN INDEPENDENT SCALE, WITNESSED BY THE SELLER**, before the buyer's own count — and we run the same service **FREE** for 146 neighbouring harvests, where the average discrepancy against the buyer's count was 1.9 counts.

□ **AND STOCKING DENSITY IS THE ONE NUMBER THAT RAISES YIELD AND DISEASE RISK TOGETHER — AND ONLY THE FARMER KNOWS IT.** Nobody audits it; a farm can call itself semi-intensive and stock at intensive densities, and the first evidence is a crash. Worse, **THE DEBT STRUCTURE DRIVES THE DENSITY:** a farmer leveraged against his own crop needs the higher yield to service the loan, and the dealer who lent him the money is advising him to stock for it. So **DENSITY IS PUBLISHED PER POND in PL/m<sup>2</sup>, held at 38 rather than the 55-60 the credit would justify, forgoing ₹1.28 crore.**

This plan models an operator requiring **₹9.00 crore** (₹3.40 crore term loan + ₹2.60 crore working capital + ₹2.00 crore promoter + ₹1.00 crore investor), moving from **₹6.20 crore revenue and a ₹0.32 crore loss** to **₹19.20 crore revenue and ₹1.72 crore profit** by Year 3 — a 9.0% net margin and 30.6% return on capital. (Shrimp farming — figures illustrative.)

## 2. Business Description, Vision & Legal Structure

**Concept:** A shrimp farm that buys its inputs from people who do not buy its harvest.

**Vision:** To make the count at the pond bund a fact rather than a negotiation.

**Mission:** Take no tied credit; employ our own agronomists; publish stocking density per pond; weigh and count on an independent scale witnessed by the seller; run that scale free for the neighbours; and carry every anchor rule set by the vertical.

### Legal structure

- **Private Limited** — recommended. CAA registration, direct manufacturer accounts, working-capital finance and outside capital all assume it.
- **Input purchasing separated from harvest sale as a standing rule — the structural precondition, since a single counterparty on both sides recreates the tie however the paperwork is drawn.**
- **Grading station reporting outside the sales function — because a count that can be adjusted to close a sale is not an independent count.**

**Regulatory anchor:** the Coastal Aquaculture Authority Act and CAA registration, **which prescribes pond area and siting but SETS NO ENFORCEABLE STOCKING-DENSITY LIMIT AND REQUIRES NO DISCLOSURE OF IT**; the CRZ notification and the prohibition on mangrove conversion; SPCB effluent consents; MPEDA registration and pre-harvest testing for export; the banned-antimicrobial list; the Legal Metrology Act, **under which trade weighing must use verified equipment — a provision that applies squarely at the pond bund and is almost never invoked there, because the seller does not own a scale to compare against**; the Money Lending Acts of the producing states, **which most tied input credit is structured to fall outside by being priced into the goods rather than charged as interest**; FSSAI for domestic sale; PMMSY conditions where subsidy is claimed; and EPF, ESI and the Inter-State Migrant Workmen Act for pond and harvest labour. **The decisive structural fact is that NOTHING REQUIRES A DEALER TO DISCLOSE THAT HIS TECHNICAL ADVICE AND HIS SALES MARGIN MOVE TOGETHER.**

## 3. Promoter & Ownership

Led by a promoter with shrimp-farming, aqua-technical or seafood-trade background, with an agronomy head and a grading lead. Three competences decide outcomes. *Cash input procurement*, because untying from dealer credit is the whole proposition and it converts a financing problem into a working-capital one that must actually be funded. *Density discipline*, since the pressure to stock higher arrives every cycle and is always supported by a plausible technical argument. And *the willingness to publish a count that costs a neighbour's buyer money*, which is what makes the free weighing service real rather than promotional. Ownership, equity & investor terms are editable inputs; **input purchasing is separated from harvest sale as a standing rule, and the grading station reports outside sales.**

## 4. Market Analysis — India

India's largest aquaculture export, financed by the people who buy it.

### Demand drivers

- **Sustained vannamei demand** from the US, EU, China and Japan.
- **Domestic fresh-shrimp consumption** rising with cold-chain reach.
- **Scampi revival** in freshwater belts as a diversification crop.
- **Traceability requirements** tightening in every export market.
- **PMMSY and state support** for pond development and aeration.
- **Processor demand for consistent count grades** at contracted volumes.

## Market sizing (illustrative framing)

| Layer        | Definition                                                     | Indicative scale                                             |
|--------------|----------------------------------------------------------------|--------------------------------------------------------------|
| TAM          | Indian vannamei and prawn production                           | Among the world's largest producers by volume                |
| SAM          | <b>Crops we will grow at a published density we can defend</b> | <b>Bounded by DENSITY, not by pond area or demand</b>        |
| SOM (Yr 1-3) | Tonnes sold on an independently witnessed count                | ₹6.2cr → ₹19.2cr; 456 tonnes; 146 neighbour harvests weighed |

## Revenue mix and share (Year 3)

| Stream                                              | Share        | Gross margin — and where the count decides the money       |
|-----------------------------------------------------|--------------|------------------------------------------------------------|
| <b>Vannamei — export grade, 30-40 count</b>         | <b>42.0%</b> | <b>36.0% — the grade the count dispute is always about</b> |
| <b>Vannamei — export grade, 50-70 count</b>         | <b>22.0%</b> | <b>28.0% — where a slipped grade lands</b>                 |
| Vannamei — domestic fresh & local trade             | 16.0%        | 24.0% — cash trade; no grading record at all               |
| Scampi / freshwater prawn                           | 10.0%        | 32.0% — different pathogen profile; diversification        |
| <b>Independent weighing, grading &amp; advisory</b> | <b>6.0%</b>  | <b>52.0% — sold to processors, given free to farmers</b>   |
| Culled & soft-shell stock sold as such              | 4.0%         | 10.0% — never sold into grade; disclosed                   |

The first two rows are the same animal separated by a count, and the difference between them is the entire subject of this plan: a harvest that grades 40 rather than 45 is worth materially more per kilo, and **THE PARTY DECIDING WHICH IT IS HAS A DIRECT INTEREST IN THE ANSWER**. The third row is the least protected of all — domestic cash trade carries no grading record whatsoever, so the discipline we apply to export consignments is applied there too by choice rather than by any buyer's requirement. The fifth row is the unusual one: we sell weighing and grading to **PROCESSORS** at 52% margin and give the identical service **FREE TO FARMERS**, because a service a farmer must pay for is one he will decline in exactly the season he most needs it — and the processor is buying accuracy, which is worth paying for on both sides.

## Constraints

- **Working capital**, structurally larger because inputs are bought for cash.
- **Disease**, concentrated by monoculture — one pathogen takes everything.
- **Feed cost**, the largest input and outside our control.
- **Export price and count-grade realisation**, both set outside India.

## 5. Competition & Position

| Competitor type                     | Strength                                                  | Weakness this plan exploits                          |
|-------------------------------------|-----------------------------------------------------------|------------------------------------------------------|
| Dealer-financed independent farmers | No upfront cash needed; inputs and advice bundled         | <b>Adviser, lender and buyer are the same party</b>  |
| Integrated aqua companies           | Own hatchery, feed and processing; scale; export channels | Contract farmers still graded on the company's scale |

|                           |                                                                                                        |                                                               |
|---------------------------|--------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| Large independent farms   | Cash purchasing power, technical staff, direct export links                                            | Density undisclosed; no independent count offered             |
| Contract-farming networks | Assured offtake, input supply, technical support                                                       | Risk pushed down; settlement controlled by the network        |
| <b>This plan</b>          | <b>Untied inputs, own agronomy, published density, independent scale, free weighing for neighbours</b> | Needs real working capital; yields less per hectare by choice |

The positioning is unusual because its most visible benefit goes to people who are not our customers — 146 neighbouring harvests weighed free, at an average discrepancy of 1.9 counts against the buyer's own figure. That is not philanthropy and it is not marketing. A CLUSTER WHERE EVERY HARVEST IS INDEPENDENTLY COUNTED IS A CLUSTER WHERE THE DEALER-BUYER'S MARGIN ON GRADING DISAPPEARS, and once it disappears the tied-credit model loses a large part of what makes it profitable to operate. We are, quite deliberately, removing the economics of the arrangement we are competing against. The honest difficulty is that it takes years and works only at density: a scale used by six farms changes nothing, and a scale used by sixty changes the terms of trade on a whole creek — so the first two years buy influence that has not yet arrived, funded from a margin that is thinner than a dealer-financed rival's.

The cost of the honest position is stated in rupees rather than implied. Stocking at a published 38 PL/m<sup>2</sup> rather than the 55-60 the available credit would justify forgave ₹1.28 crore of gross profit — the largest item, entirely off the P&L because it is yield never grown, and the one decision a lender is most likely to question. The independent weighbridge, grading station and harvest witnessing cost ₹58 lakh, including the free service to neighbours. Employing our own agronomists rather than accepting the dealer's free technical advice cost ₹46 lakh. Publishing stocking density and pond-level crop records cost ₹44 lakh. Total ₹2.76 crore against ₹1.72 crore of profit — so an operator with the same ponds and the same seed running trade-standard practice would earn ₹4.48 crore.

## 6. The Adviser, the Lender and the Buyer Are One Man

This is the finding, and it is a structure rather than a behaviour.

| Role in the farmer's season                     | Who fills it      |
|-------------------------------------------------|-------------------|
| Supplies seed and feed                          | The dealer        |
| Extends the credit to buy them                  | The dealer        |
| Advises how much to stock and feed              | The dealer        |
| Sells the "medicine" when the pond looks unwell | The dealer        |
| <b>Buys the harvest and counts it</b>           | <b>The dealer</b> |
| <b>Deducts the debt from the proceeds</b>       | <b>The dealer</b> |

Six functions that in any other industry would sit with six different parties are held here by one. The farmer's supplier is his banker, his agronomist, his pharmacist, his customer and his settlement agent — and NONE OF THOSE ROLES IS CONCEALED. Everyone in the creek knows the arrangement and most farmers would describe it as a convenience, because it is one: it requires no cash at stocking, no bank appointment, no collateral, and it arrives at the pond. THAT IS PRECISELY WHY IT IS DURABLE. It solves a real problem — smallholder working

capital — and the price is charged in a currency the farmer cannot see, which is the quality of the information he receives.

Because the decisive fact is that **THE ADVICE AND THE MARGIN MOVE TOGETHER**. Stock denser and the dealer sells more seed. Feed harder and he sells more feed. Add a probiotic, a mineral mix, a "medicine" when the pond looks off-colour, and he sells those too — and every one of those recommendations is defensible in isolation, offered in good faith by someone who has seen a thousand ponds, **AND POINTS IN THE SAME DIRECTION AS HIS INVOICE**. **WHAT MAKES IT DANGEROUS RATHER THAN MERELY EXPENSIVE IS THAT THE DIRECTION IS ALSO THE DIRECTION OF BIOLOGICAL RISK**: higher density, heavier feeding and casual chemical use are the three largest drivers of disease in vannamei culture. **THE TIED ADVISER'S INCENTIVE DOES NOT MERELY EXTRACT MARGIN — IT POINTS DIRECTLY AT THE FAILURE MODE THAT WILL DESTROY THE CROP THE CREDIT IS SECURED AGAINST**. And the loop closes at harvest: the same man arrives with the lorry and the scale, counts the shrimp, prices the grade, and deducts what is owed — **SO THE FARMER LEARNS HIS YEAR'S INCOME AND HIS DEBT IN THE SAME FIVE MINUTES, BOTH CALCULATED BY THE COUNTERPARTY, WITH NO INDEPENDENT RECORD OF EITHER**. Legal Metrology requires verified equipment for trade weighing and applies squarely at that pond bund — **IT IS ALMOST NEVER INVOKED THERE, BECAUSE THE SELLER HAS NO SCALE OF HIS OWN TO DISAGREE WITH**.

So the three roles are separated and the scale is made available. **EVERY INPUT IS BOUGHT DIRECT FOR CASH at 100%, NIL seed, feed or medicine taken on dealer credit, and NIL inputs bought from any party that also buys our harvest — the last being the rule that actually holds the others in place, since a tie re-forms through the back door however the invoices are drawn**. **TECHNICAL ADVICE COMES FROM OUR OWN AGRONOMISTS at 100%, which costs ₹46 lakh a year and replaces advice that was free, and the honest framing is that WE ARE PAYING FOR THE ABSENCE OF A CONFLICT RATHER THAN FOR SUPERIOR KNOWLEDGE**. And **HARVESTS ARE WEIGHED AND COUNT-GRADED ON AN INDEPENDENT SCALE, WITNESSED BY THE SELLER, BEFORE the buyer's count — with disputed harvests resolved in the seller's favour rising from 71% to 93%, and 146 NEIGHBOURING HARVESTS WEIGHED FREE at an average discrepancy of 1.9 counts**. **WHERE THE ADVISER, THE LENDER AND THE BUYER ARE THE SAME PERSON, THE ADVICE IS A SALES ORDER AND THE SETTLEMENT IS UNCONTESTED — SO SEPARATE THE THREE AND WEIGH ON A SCALE THE SELLER CAN READ**.

## 7. Density Is the Number Only the Farmer Knows

Two further sharpenings, and the anchors this plan carries in from the vertical.

□ **STOCKING DENSITY RAISES YIELD AND DISEASE RISK TOGETHER, AND NOBODY AUDITS IT**. A farm can describe itself as semi-intensive and stock at intensive densities; CAA registration prescribes pond area and siting but **SETS NO ENFORCEABLE DENSITY LIMIT AND REQUIRES NO DISCLOSURE**, so the first evidence anyone gets is a crash. And the pressure is financial before it is agronomic: **A FARMER LEVERAGED AGAINST HIS OWN CROP NEEDS THE HIGHER YIELD TO SERVICE THE DEBT, AND THE DEALER WHO LENT HIM THE MONEY IS THE ONE ADVISING HIM TO STOCK FOR IT**. **THE DEBT STRUCTURE DRIVES THE DENSITY THAT CAUSES THE DISEASE THAT DESTROYS THE COLLATERAL — a loop in which every participant is behaving reasonably and the outcome is a dead pond**. So **DENSITY IS PUBLISHED PER POND in PL/m<sup>2</sup> alongside survival and yield, at 100%, with NIL ponds stocked above the published figure — held at 38 PL/m<sup>2</sup> against the 55-60 the available credit would comfortably justify, which forgoes ₹1.28 crore of gross profit and is the single decision a lender is most likely to challenge**. Survival rose from 66% to 82% across the same period, which is where a good part of that forgone yield returns.

☐ **AND MONOCULTURE MEANS ONE PATHOGEN TAKES EVERYTHING.** A vannamei farm is a single species at high density in shared water, so white spot or EHP does not damage a proportion of the output — **IT REMOVES A CYCLE.** The vertical's anchor (b) — notification within 24 hours before any commercial decision — bites hardest here, because the salvage harvest a farmer is giving up is not a marginal loss but his entire quarter. So the anchors are carried in full: notification within 24 hours at 100% with NIL emergency harvests after a finding; **ZERO ANTIBIOTIC USE** with residue tested at pond level before dispatch and NIL rejections; seed PCR-tested at stocking with the hatchery named; discharge treated and tested. Scampi at 10% of revenue is held partly as a genuine diversification — **A DIFFERENT PATHOGEN PROFILE IN A DIFFERENT WATER,** so a vannamei event does not take the year.

### What a shrimp farmer can check in sixty seconds

The first question determines the value of every answer after it.

- **Does the man advising you on feed earn on the feed?** If so, his advice may be right and you have no way to tell.
- **Whose scale weighs your harvest?** If it is the buyer's, the count is his opinion and your income.
- **What count did he record, and did you write it down before the lorry left?** After that, there is nothing to dispute with.
- **What is your density in PL per square metre?** If you do not know the number, you cannot know your risk.
- **Who told you to stock at it — and do they hold your loan?** Density advice from your lender is a repayment plan.
- **Is the interest a rate, or is it inside the price of the feed?** Priced-in credit is the kind nobody has to disclose.

The asymmetry here is different again from the rest of this library, because **THE FARMER IS NOT SHORT OF ADVICE — HE IS DROWNING IN IT.** He gets a pond visit, a feeding schedule, a water-quality opinion and a recommendation on what to add, all free, all from someone experienced, and **MOST OF IT IS TECHNICALLY SOUND.** What he cannot obtain at any price is a **SECOND** opinion from someone with no position in the outcome. **THE SCARCITY IS NOT INFORMATION BUT DISINTERESTEDNESS,** and that is a far harder thing to supply, because it cannot be given away for free by a party who benefits — which is exactly why the free weighing service has to be genuinely free and genuinely ours, and why we cannot also be buying his shrimp. **THE MOMENT WE BUY FROM THE FARMERS WE WEIGH FOR, OUR SCALE BECOMES THE SAME INSTRUMENT AS THE DEALER'S,** and everything this plan claims collapses into the arrangement it was written against. That is not a hypothetical risk to be managed — it is the one commercial expansion this business must permanently refuse.

## 8. Operations Plan (buy, stock, grow, count)

### The inputs

- **Every input bought direct for cash** — nil tied dealer credit.
- **Nil inputs from any party that also buys our harvest** — the rule holding the rest in place.
- **Technical advice from our own agronomists**, salaried and with no supply interest.
- **Seed PCR-tested at stocking** with the hatchery named (anchor d).

### The crop

- **Density published per pond in PL/m<sup>2</sup>** — 38, with survival and yield alongside.
- **Nil ponds stocked above the published figure**, whatever the cycle economics.
- **Notification within 24 hours** of a disease finding, before any harvest decision (anchor b).

- **Zero antibiotic use**, residue tested at pond level before dispatch (anchor c).

### The harvest

- **Weighed and count-graded on an independent verified scale** before the buyer's count.
- **Witnessed by the seller** and recorded before the lorry leaves.
- **Culled and soft-shell stock sold as such**, never into grade.
- **Discharge treated and tested** at every drain-down (anchor a).

### The neighbours

- **Weighing and count-grading free on request** — 146 harvests in Year 3.
- **Discrepancy against the buyer's count published** — 1.9 counts average.
- **Nil purchase of shrimp from any farm we weigh for** — permanent, not a policy.
- **The same service sold to processors** at margin, because they are buying accuracy.

The operational hinge is an offer from the largest processor on the creek: a three-year offtake at a two-rupee premium, conditional on us aggregating and buying the harvests of the forty neighbouring farms we already weigh for. It is worth roughly ₹2.4 crore a year of additional throughput at better margin than we earn farming, and it would make the weighing service self-funding overnight. IT WOULD ALSO MAKE US THE BUYER OF THE HARVESTS WE COUNT — the precise arrangement this plan exists to compete against, arrived at by a route that looks like growth rather than capture. And the argument for accepting is genuinely strong: we would count honestly, the farmers would get a better price than the dealer offers, and everyone would be better off than today. THAT ARGUMENT IS CORRECT ABOUT US AND WRONG ABOUT THE INSTRUMENT — the value of our scale to a farmer is that we have nothing to gain from the number, and the moment we buy, he has only our assurance that we still count straight, WHICH IS EXACTLY WHAT THE DEALER OFFERS HIM NOW. So the offer was declined, the weighing service stayed free and unattached, and the premium was not taken. Nil pay is linked to weighed volume, and the grading station reports outside sales.

## 9. Aquaculture, Trade & Credit Compliance (India)

- **CAA registration under the Coastal Aquaculture Authority Act** — pond area and siting, **with NO enforceable stocking-density limit and no disclosure requirement**.
- **CRZ notification** and the prohibition on mangrove conversion (anchor g).
- **SPCB effluent consents** and discharge conditions at drain-down (anchor a).
- **MPEDA registration and pre-harvest testing**; the banned-antimicrobial list (anchor c).
- **Legal Metrology Act** — **trade weighing must use verified equipment, which applies squarely at the pond bund and is almost never invoked there, because the seller has no scale to disagree with**.
- **State Money Lending Acts** — **which most tied input credit is structured to fall outside, by being priced into the goods rather than charged as interest**.
- **FSSAI** for domestic sale and handling; PMMSY conditions where subsidy is claimed.
- **EPF, ESI and the Inter-State Migrant Workmen Act** for pond and harvest labour (anchor i). **Nothing requires a dealer to disclose that his technical advice and his sales margin move together**.

## 10. Organisation & Manpower Plan

| Function                                                     | Yr 1      | Yr 3       | Notes                                                      |
|--------------------------------------------------------------|-----------|------------|------------------------------------------------------------|
| Promoter / managing director                                 | 1         | 1          | Cannot override a density or a count                       |
| <b>Pond operations — stocking, feeding, water management</b> | 28        | 60         | <b>7.6 tonnes per worker per year across 46 hectares</b>   |
| Harvest, handling, chill & dispatch                          | 9         | 20         | Count recorded before the lorry leaves                     |
| <b>Independent agronomy &amp; grading station</b>            | 8         | 16         | <b>Salaried; no supply interest; reports outside sales</b> |
| Admin, finance, legal & business development                 | 5         | 11         | Cash purchasing and working-capital management             |
| <b>Crop records &amp; density publication</b>                | 4         | 9          | <b>PL/m<sup>2</sup> per pond, with survival and yield</b>  |
| Marketing, buyer relations & certification                   | 3         | 7          | <b>Nil pay linked to weighed volume</b>                    |
| <b>Total</b>                                                 | <b>58</b> | <b>124</b> | <b>456 tonnes; 146 neighbour harvests weighed free</b>     |

The pond-operations headcount is derived rather than assumed, and it reconciles three ways. By volume: 456 tonnes at 7.6 tonnes per pond worker per year is 60 workers across 46 hectares — around 1.3 to the hectare, and deliberately not thinner, because at 38 PL/m<sup>2</sup> the margin for error in feeding and water management is what keeps survival at 82%. By cost per tonne: the ₹1.48 crore of independent grading, density publication and own agronomy across 456 tonnes is ₹32,456 per tonne — 7.7 per cent of a ₹4.21 lakh per tonne realisation, down from ₹63,514 in Year 1. By cost per head: the ₹68 lakh agronomy and grading salary line across 16 people is ₹4.25 lakh cost-to-company each, with the remaining ₹36 lakh of those two lines being weighbridge operation, verification and the free neighbour service. The agronomists are salaried and hold no supply interest of any kind, which is the entire point of the line — WE ARE BUYING THE ABSENCE OF A CONFLICT, NOT SUPERIOR KNOWLEDGE.

## 11. Implementation Timeline & Milestones

| Phase                                               | Window      | Milestones                                                     |
|-----------------------------------------------------|-------------|----------------------------------------------------------------|
| Formation, CAA registration & first ponds           | Month 0–7   | Incorporation, lease, 22 ha developed, aeration, consents      |
| <b>Direct manufacturer accounts opened</b>          | Month 2–8   | <b>88% of inputs on cash terms; nil dealer credit</b>          |
| <b>Weighbridge and grading station commissioned</b> | Month 5–12  | <b>Verified scale; 34 neighbour harvests weighed in Year 1</b> |
| Density publication live                            | Month 8–14  | PL/m <sup>2</sup> per pond published with survival and yield   |
| <b>Free neighbour weighing at scale</b>             | Month 18–30 | <b>88 harvests; discrepancy against buyer count 2.4 → 1.9</b>  |
| Scale & processor service                           | Month 28–36 | 46 ha, 456 tonnes, 82% survival, 146 harvests weighed          |

## Training and competence

- **Refusing a technical recommendation** from someone more experienced who is also selling.
- **Running a verified count** that will hold up against a buyer's disagreement.
- **Explaining a lower density** to a lender who can see the yield it costs.
- **Weighing a neighbour's harvest** without commenting on his buyer.

## 12. Financial Plan (Illustrative)

**All figures are illustrative model assumptions, not forecasts or guarantees.** They exist to show the drivers of a shrimp-farming P&L under untied inputs and a published density. Every input is editable. **The defining economics are that untying from dealer credit does not remove a cost so much as MOVE IT ONTO THE BALANCE SHEET: working capital is structurally larger here, ₹2.68 crore inside project cost plus a ₹2.60 crore facility, because inputs that a competitor takes on credit must be paid for in cash.**

### 12.1 Project cost & funding

| Item                                                     | ₹<br>lakh  | Notes                                                         |
|----------------------------------------------------------|------------|---------------------------------------------------------------|
| Pond development, lining, aeration & water works         | 312        | Aeration sized for 38 PL/m <sup>2</sup> , not for the maximum |
| Working capital — seed, feed and crop cycle, CASH TERMS  | 268        | Larger by design; this is what untying actually costs         |
| Independent weighbridge, grading station & cold handling | 118        | Verified scale; used free for neighbours                      |
| Effluent treatment ponds & discharge testing             | 82         | Anchor (a), carried in from the vertical                      |
| On-farm testing — PCR, residue, water                    | 64         | Anchors (c) and (d); seed tested before stocking              |
| Land lease deposits & site development                   | 32         | Existing converted land only; no mangrove (anchor g)          |
| Licences, CAA registration, consents & pre-operative     | 24         | CAA, SPCB, MPEDA, Legal Metrology verification                |
| <b>Total project cost</b>                                | <b>900</b> | ₹340L term loan + ₹260L WC + ₹200L promoter + ₹100L investor  |

### 12.2 Operating metrics

| Metric                                                                                                                                                                                                                                                            | Yr 1                      | Yr 2                      | Yr 3                               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|------------------------------------|
| <b>EVERY INPUT BOUGHT DIRECT FOR CASH / seed, feed or "medicine" taken on dealer credit / technical advice from OUR OWN SALARIED AGRONOMISTS / inputs bought from any party that also buys our harvest</b>                                                        | 88% / NIL /<br>100% / NIL | 96% / NIL /<br>100% / NIL | <b>100% / NIL /<br/>100% / NIL</b> |
| <b>HARVEST WEIGHED AND COUNT-GRADED ON AN INDEPENDENT VERIFIED SCALE, WITNESSED BY THE SELLER / harvests graded on the buyer's scale without an independent count / count recorded BEFORE the buyer's own / disputed harvests resolved in the seller's favour</b> | 94% / NIL /<br>94% / 71%  | 98% / NIL /<br>98% / 84%  | <b>100% / NIL /<br/>100% / 93%</b> |

|                                                                                                                                                                                                                                                                    |                                      |                                      |                                               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|-----------------------------------------------|
| <b>STOCKING DENSITY PUBLISHED PER POND / ponds stocked above the published density</b> / density stated as PL/m <sup>2</sup> with survival and yield alongside / <b>actual density (PL/m<sup>2</sup>) against a credit-justified 55-60</b>                         | 100% / NIL /<br>100% / 42            | 100% / NIL /<br>100% / 40            | <b>100% / NIL /<br/>100% / 38</b>             |
| <b>VERTICAL ANCHORS CARRIED IN FULL</b> — disease notified within 24 hours before any commercial decision (b) / <b>ponds emergency-harvested after a finding</b> / zero antibiotic use, residue tested at pond level (c) / <b>consignments rejected on residue</b> | 100% / NIL /<br>100% / NIL           | 100% / NIL /<br>100% / NIL           | <b>100% / NIL /<br/>100% / NIL</b>            |
| <b>NEIGHBOURS' HARVESTS WEIGHED ON OUR SCALE, FREE, ON REQUEST / shrimp purchased from any farm we weigh for</b> / neighbouring harvests independently weighed / <b>average count-grade discrepancy against the buyer's count</b>                                  | 100% / NIL /<br>34 / 2.8             | 100% / NIL /<br>88 / 2.4             | <b>100% / NIL /<br/>146 / 1.9</b>             |
| Water area (hectares) / output (tonnes) / <b>tonnes per pond worker per year</b> / <b>grading, density and agronomy cost per tonne</b> / survival rate                                                                                                             | 22 / 148 / 5.3<br>/ ₹63,514 /<br>66% | 36 / 304 / 6.6<br>/ ₹40,461 /<br>74% | <b>46 / 456 / 7.6<br/>/ ₹32,456 /<br/>82%</b> |

Row one's last column being NIL throughout is the load-bearing commitment: buying no input from anyone who also buys our harvest is what prevents the tie re-forming, and it is a harder rule to keep than cash purchasing because the offers are attractive and arrive as partnership. Row two's last column rising from 71% to 93% is the measurable effect of holding a record — a disputed count is winnable when there is a verified figure written down before the lorry left, and unwinnable otherwise. Row three's last column falling from 42 to 38 PL/m<sup>2</sup> is the plan's cost made visible: it is a deliberate reduction in yield per hectare, taken while survival rose from 66% to 82%. Row five's last column falling from 2.8 to 1.9 counts is the most interesting number here — the discrepancy on neighbours' harvests **NARROWED AS THE SCALE BECAME COMMONPLACE**, which is what it looks like when the terms of trade on a creek shift.

### 12.3 Revenue build

| Stream                                              | Yr 1 (₹L)  | Yr 2 (₹L)    | Yr 3 (₹L)    | Gross margin         |
|-----------------------------------------------------|------------|--------------|--------------|----------------------|
| <b>Vannamei — export grade, 30-40 count</b>         | 260        | 538          | 807          | <b>36.0%</b>         |
| <b>Vannamei — export grade, 50-70 count</b>         | 136        | 281          | 422          | <b>28.0%</b>         |
| Vannamei — domestic fresh & local trade             | 99         | 205          | 307          | 24.0%                |
| Scampi / freshwater prawn                           | 62         | 128          | 192          | 32.0%                |
| <b>Independent weighing, grading &amp; advisory</b> | 37         | 77           | 115          | <b>52.0%</b>         |
| Culled & soft-shell stock sold as such              | 26         | 51           | 77           | 10.0%                |
| <b>Total revenue</b>                                | <b>620</b> | <b>1,280</b> | <b>1,920</b> | <b>31.8% blended</b> |

### 12.4 P&L summary

| Line                                                 | Yr 1 (₹L)  | Yr 2 (₹L)  | Yr 3 (₹L)  |
|------------------------------------------------------|------------|------------|------------|
| Revenue                                              | 620        | 1,280      | 1,920      |
| Cost of production — seed, feed, energy, pond labour | (423)      | (872)      | (1,309)    |
| <b>Gross profit</b>                                  | <b>197</b> | <b>408</b> | <b>611</b> |

|                                                                                     |               |              |              |
|-------------------------------------------------------------------------------------|---------------|--------------|--------------|
| Independent weighbridge, count-grading & harvest witnessing                         | (36)          | (48)         | (58)         |
| Independent agronomy — own staff rather than dealer advice                          | (32)          | (40)         | (46)         |
| Published stocking density & pond-level crop records                                | (26)          | (35)         | (44)         |
| Pond supervision & water-management overhead                                        | (22)          | (28)         | (34)         |
| Admin, finance, legal & business development                                        | (22)          | (27)         | (32)         |
| Marketing, buyer relations & certification                                          | (16)          | (21)         | (26)         |
| <b>EBITDA</b>                                                                       | <b>43</b>     | <b>209</b>   | <b>371</b>   |
| Depreciation & amortisation                                                         | (54)          | (76)         | (96)         |
| Finance cost                                                                        | (42)          | (58)         | (72)         |
| Other income — grading service to processors & pond-side sales ( <i>disclosed</i> ) | 10            | 18           | 26           |
| <b>PBT</b>                                                                          | <b>(43)</b>   | <b>93</b>    | <b>229</b>   |
| Tax                                                                                 | 11            | (23)         | (57)         |
| <b>PAT</b>                                                                          | <b>(32)</b>   | <b>70</b>    | <b>172</b>   |
| <b>Net margin</b>                                                                   | <b>(5.2%)</b> | <b>5.5%</b>  | <b>9.0%</b>  |
| <b>ROCE</b>                                                                         | <b>(1.2%)</b> | <b>14.8%</b> | <b>30.6%</b> |

Cost of production at 68.2% of revenue is feed-dominated, and buying that feed for cash is exactly what the ₹2.60 crore working-capital facility funds — SO THE FINANCE COST OF ₹72 LAKH IS, IN LARGE PART, THE VISIBLE PRICE OF CREDIT THAT A DEALER-FINANCED RIVAL PAYS INVISIBLY INSIDE HIS INPUT BILL. That comparison is the honest one: the tie is not free to the farmer who accepts it, it is simply not itemised. The three commitment lines total ₹1.48 crore, 7.7% of revenue. Other income of ₹26 lakh is the grading service sold to processors and pond-side sales, disclosed as a line and 1.4% of revenue. Commitments of ₹2.76 crore against ₹1.72 crore of profit — ₹1.48 crore of opex above plus ₹1.28 crore of gross profit forgone by stocking at 38 PL/m<sup>2</sup> rather than the credit-justified maximum, which never reaches the P&L — mean a trade-standard operator would earn ₹4.48 crore. That ₹1.28 crore of forgone gross profit corresponds to roughly ₹4.02 crore of revenue never grown, or 20.9% of the year's turnover, WHICH IS THE SINGLE LARGEST NUMBER IN THIS PLAN AND THE HARDEST TO DEFEND IN A GOOD SEASON. Its return does not appear as revenue at all — it appears as sixteen points of survival, as ponds that did not crash, and as a crop that arrived in a year when the denser farms on the same creek lost one. THAT IS A GENUINELY UNCOMFORTABLE ARGUMENT TO PUT TO A LENDER, BECAUSE IT ASKS HIM TO VALUE AN ABSENCE.

## 12.5 Break-even & sensitivity

| Scenario                                                                | Yr 3<br>revenue | Yr 3<br>PAT | Comment                                                              |
|-------------------------------------------------------------------------|-----------------|-------------|----------------------------------------------------------------------|
| Base                                                                    | ₹19.2cr         | ₹1.72cr     | As modelled, untied inputs, 38 PL/m <sup>2</sup> , independent count |
| Trade-standard — dealer credit, credit-justified density, buyer's scale | ₹25.0cr         | ₹4.56cr     | The creek's model, computed rather than dismissed                    |

|                                                  |         |           |                                                        |
|--------------------------------------------------|---------|-----------|--------------------------------------------------------|
| <b>Survival falls 12 points</b>                  | ₹16.5cr | (₹0.30cr) | <b>Feed already spent; monoculture concentrates it</b> |
| Export price falls 15%                           | ₹17.4cr | ₹0.34cr   | Set entirely outside India                             |
| <b>A disease event takes one of three cycles</b> | ₹14.1cr | ₹0.49cr   | <b>One species, one pathogen, one quarter gone</b>     |
| Feed prices rise 20%                             | ₹19.2cr | ₹0.58cr   | Largest input; bought for cash, so felt immediately    |

### 13. Funding Requirement & Bankability

| Source                   | ₹ lakh     | Terms (indicative)                                         |
|--------------------------|------------|------------------------------------------------------------|
| Term loan                | 340        | Ponds, aeration, weighbridge, treatment; 7 years           |
| Working capital facility | 260        | <b>Larger than a dealer-financed peer needs, by design</b> |
| Promoter contribution    | 200        | Cash and shrimp-farming operating leadership               |
| Investor equity          | 100        | Grading station and agronomy; density covenant             |
| <b>Total</b>             | <b>900</b> | Illustrative structure                                     |

A lender should read survival, published density, disputed-harvest outcomes and the discrepancy found on neighbours' counts, and must understand the trade this plan makes: **IT DELIBERATELY GROWS LESS PER HECTARE THAN THE PONDS COULD CARRY**. Stocking at 38 PL/m<sup>2</sup> rather than a credit-justified 55-60 forgoes ₹1.28 crore of gross profit, and a lender who reads that as under-utilisation rather than as risk management will push toward exactly the density that destroys the collateral. The starkest figure is that taking dealer credit, stocking to it and accepting the buyer's scale would take profit from ₹1.72 crore to ₹4.56 crore on the same ponds — and the honest caveat is that **THIS COMPARISON IS DRAWN IN A GOOD YEAR**: the trade-standard case carries materially higher disease risk, and the survival sensitivity below shows what a bad one does to it. The sharpest exposure is biological: twelve points of survival is a ₹0.30 crore loss, worse than a fifteen per cent export price collapse, because monoculture concentrates the failure and the feed is already spent when mortality shows.

- **Use of funds** — 35% pond development and aeration, 30% cash-terms working capital, 13% weighbridge and grading station, 9% effluent treatment, 7% on-farm testing, 4% land deposits, 3% registrations.
- **Repayment** — term loan from Year 2 cash flow with instalments set against crop-cycle timing; working capital revolving per cycle.
- **Investor exit** — sale to an integrated aqua or export group, or a processor integrating backward; or promoter buyback. **Untied purchasing, published density and the free neighbour weighing survive change of control.**

### 14. Risk Analysis & Mitigation

| Risk | Impact | Mitigation |
|------|--------|------------|
|------|--------|------------|

|                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>The adviser, the lender and the buyer are one man</b></p> | <p>SIX FUNCTIONS THAT WOULD SIT WITH SIX PARTIES IN ANY OTHER INDUSTRY ARE HELD HERE BY ONE: the dealer supplies seed and feed, EXTENDS THE CREDIT TO BUY THEM, ADVISES HOW MUCH TO STOCK AND FEED, SELLS THE "MEDICINE" WHEN THE POND LOOKS UNWELL, BUYS THE HARVEST AND COUNTS IT, AND DEDUCTS THE DEBT FROM THE PROCEEDS. NONE OF IT IS CONCEALED — everyone knows the arrangement and most farmers call it a convenience, BECAUSE IT IS ONE: no cash at stocking, no bank appointment, no collateral, and it arrives at the pond. THAT IS PRECISELY WHY IT IS DURABLE — IT SOLVES A REAL PROBLEM AND THE PRICE IS CHARGED IN A CURRENCY THE FARMER CANNOT SEE, WHICH IS THE QUALITY OF THE INFORMATION HE RECEIVES. The decisive fact is that THE ADVICE AND THE MARGIN MOVE TOGETHER: stock denser, sell more seed; feed harder, sell more feed; add a probiotic or a medicine, sell those too — EVERY RECOMMENDATION DEFENSIBLE IN ISOLATION, OFFERED IN GOOD FAITH BY SOMEONE WHO HAS SEEN A THOUSAND PONDS, AND POINTING IN THE SAME DIRECTION AS HIS INVOICE. AND THAT DIRECTION IS ALSO THE DIRECTION OF BIOLOGICAL RISK: HIGHER DENSITY, HEAVIER FEEDING AND CASUAL CHEMICAL USE ARE THE THREE LARGEST DRIVERS OF DISEASE IN VANNAMEI CULTURE. THE TIED ADVISER'S INCENTIVE DOES NOT MERELY EXTRACT MARGIN — IT POINTS AT THE FAILURE MODE THAT DESTROYS THE CROP THE CREDIT IS SECURED AGAINST. The loop closes at harvest: THE SAME MAN ARRIVES WITH THE LORRY AND THE SCALE, so THE FARMER LEARNS HIS YEAR'S INCOME AND HIS DEBT IN THE SAME FIVE MINUTES, BOTH CALCULATED BY THE COUNTERPARTY, WITH NO INDEPENDENT RECORD OF EITHER</p> | <p><b>SEPARATE THE THREE ROLES AND MAKE THE SCALE AVAILABLE. EVERY INPUT BOUGHT DIRECT FOR CASH (100%), NIL taken on dealer credit, and NIL INPUTS FROM ANY PARTY THAT ALSO BUYS OUR HARVEST — the last being the rule that HOLDS THE OTHERS IN PLACE, since a tie re-forms through the back door however the invoices are drawn. TECHNICAL ADVICE FROM OUR OWN SALARIED AGRONOMISTS (100%) at ₹46L a year, REPLACING ADVICE THAT WAS FREE — AND THE HONEST FRAMING IS THAT WE ARE PAYING FOR THE ABSENCE OF A CONFLICT RATHER THAN FOR SUPERIOR KNOWLEDGE. HARVESTS WEIGHED AND COUNT-GRADED ON AN INDEPENDENT VERIFIED SCALE, WITNESSED BY THE SELLER, BEFORE the buyer's count — disputed harvests resolved in the seller's favour 71% → 93% (₹58L). GENERAL RULE: WHERE THE ADVISER, THE LENDER AND THE BUYER ARE THE SAME PERSON, THE ADVICE IS A SALES ORDER AND THE SETTLEMENT IS UNCONTESTED — SO SEPARATE THE THREE AND WEIGH ON A SCALE THE SELLER CAN READ</b></p> |
| <p><b>Density is the number only the farmer knows</b></p>       | <p>A farm can call itself semi-intensive AND STOCK AT INTENSIVE DENSITIES; CAA registration prescribes pond area and siting but SETS NO ENFORCEABLE DENSITY LIMIT AND REQUIRES NO DISCLOSURE, so THE FIRST EVIDENCE ANYONE GETS IS A CRASH. And the pressure is FINANCIAL BEFORE IT IS AGRONOMIC: A FARMER LEVERAGED AGAINST HIS OWN CROP NEEDS THE HIGHER YIELD TO SERVICE THE DEBT, AND THE DEALER WHO LENT HIM THE MONEY IS ADVISING HIM TO STOCK FOR IT. THE DEBT STRUCTURE DRIVES THE DENSITY THAT CAUSES THE DISEASE THAT DESTROYS THE COLLATERAL — A LOOP IN WHICH EVERY PARTICIPANT BEHAVES REASONABLY AND THE OUTCOME IS A DEAD POND</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <p><b>DENSITY PUBLISHED PER POND in PL/m<sup>2</sup> alongside survival and yield (100%), NIL ponds stocked above the published figure whatever the cycle economics — HELD AT 38 PL/m<sup>2</sup> AGAINST THE 55-60 THE AVAILABLE CREDIT WOULD COMFORTABLY JUSTIFY, forgoing ₹1.28cr and being THE SINGLE DECISION A LENDER IS MOST LIKELY TO CHALLENGE. Aeration sized for 38, not for the maximum. SURVIVAL ROSE 66% → 82% ACROSS THE SAME PERIOD, WHICH IS WHERE A GOOD PART OF THAT FORGONE YIELD RETURNS (₹44L)</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>The offer that would make us the buyer</b>        | <p>The largest processor on the creek offers a three-year offtake at a two-rupee premium, CONDITIONAL ON US AGGREGATING AND BUYING THE HARVESTS OF THE FORTY NEIGHBOURING FARMS WE ALREADY WEIGH FOR — worth ~₹2.4cr a year at better margin than farming, and it WOULD MAKE THE WEIGHING SERVICE SELF-FUNDING OVERNIGHT. IT WOULD ALSO MAKE US THE BUYER OF THE HARVESTS WE COUNT — THE PRECISE ARRANGEMENT THIS PLAN EXISTS TO COMPETE AGAINST, ARRIVED AT BY A ROUTE THAT LOOKS LIKE GROWTH RATHER THAN CAPTURE. And the argument for accepting is genuinely strong: WE WOULD COUNT HONESTLY, the farmers would beat the dealer's price, everyone better off than today</p> | <p><b>THAT ARGUMENT IS CORRECT ABOUT US AND WRONG ABOUT THE INSTRUMENT: the value of our scale to a farmer is THAT WE HAVE NOTHING TO GAIN FROM THE NUMBER, and the moment we buy, he has only our assurance that we still count straight — WHICH IS EXACTLY WHAT THE DEALER OFFERS HIM NOW. Offer declined, weighing kept free and unattached, premium not taken. NIL purchase of shrimp from any farm we weigh for, permanently — not a policy but a constraint on the business model. Nil pay linked to weighed volume; grading station reports outside sales</b></p> |
| <b>Monoculture concentrates everything</b>           | <p>A vannamei farm is A SINGLE SPECIES AT HIGH DENSITY IN SHARED WATER, so white spot or EHP does not damage a proportion of output — IT REMOVES A CYCLE. The vertical's anchor (b) bites hardest here, because THE SALVAGE HARVEST A FARMER GIVES UP IS NOT A MARGINAL LOSS BUT HIS ENTIRE QUARTER</p>                                                                                                                                                                                                                                                                                                                                                                        | <p><b>Anchors carried in full: notification within 24 hours (100%), NIL emergency harvests after a finding; ZERO ANTIBIOTIC USE with residue tested at pond level before dispatch and NIL rejections; seed PCR-tested at stocking with the hatchery named; discharge treated and tested at every drain-down. SCAMPI AT 10% OF REVENUE AS GENUINE DIVERSIFICATION — A DIFFERENT PATHOGEN PROFILE IN DIFFERENT WATER, so a vannamei event does not take the year</b></p>                                                                                                   |
| <b>Untying moves the cost onto the balance sheet</b> | <p>Buying inputs for cash does not remove the cost of credit, IT MAKES IT VISIBLE AND FUNDED: working capital is structurally larger — ₹2.68cr inside project cost plus a ₹2.60cr facility — and the ₹72L finance cost is LARGELY THE ITEMISED PRICE OF WHAT A DEALER-FINANCED RIVAL PAYS INVISIBLY INSIDE HIS INPUT BILL</p>                                                                                                                                                                                                                                                                                                                                                  | <p><b>Working capital sized for cash terms from the outset rather than discovered mid-cycle; direct manufacturer accounts opened in Month 2-8 and taken to 100% by Year 3; crop-cycle-timed loan instalments rather than monthly; and the comparison stated plainly to lenders — THE TIE IS NOT FREE TO THE FARMER WHO ACCEPTS IT, IT IS SIMPLY NOT ITEMISED</b></p>                                                                                                                                                                                                     |
| The scale only works at cluster density              | <p>A scale used by six farms changes nothing; one used by sixty changes the terms of trade on a whole creek — so the first two years buy influence that has not arrived, from a thinner margin than a dealer-financed rival's</p>                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p>Free weighing scaled deliberately — 34 harvests in Year 1 to 146 in Year 3; the same service sold to processors at 52% margin because they are buying accuracy; and the discrepancy published, which fell from 2.8 to 1.9 counts as the scale became commonplace</p>                                                                                                                                                                                                                                                                                                  |
| Biology, feed and export price                       | <p>Survival –12 points is a ₹0.30cr loss — worse than a 15% export price collapse at ₹0.34cr — because feed is already spent when mortality shows; a disease event costs ₹0.49cr; feed +20% is ₹0.58cr</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>Scampi as a different-pathogen crop; grading and advisory revenue as non-biological income; export and domestic channels held in parallel so a border problem does not close the year; and density restraint treated as the primary survival investment rather than as forgone yield</p>                                                                                                                                                                                                                                                                              |

## 15. SWOT Analysis

|                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Strengths</b> <ul style="list-style-type: none"><li>• Untied inputs — nil dealer credit, nil supplier who also buys</li><li>• Own salaried agronomists with no supply interest</li><li>• Independent verified scale; disputes 71% → 93% won</li><li>• Density published at 38 PL/m<sup>2</sup>; survival 66% → 82%</li><li>• 146 neighbour harvests weighed free</li></ul> | <b>Weaknesses</b> <ul style="list-style-type: none"><li>• ₹2.76cr forgone against ₹1.72cr of profit</li><li>• Grows less per hectare than the ponds could carry</li><li>• Working capital structurally larger than peers'</li><li>• Monoculture; one pathogen removes a cycle</li></ul>                       |
| <b>Opportunities</b> <ul style="list-style-type: none"><li>• Processors paying for count accuracy on both sides</li><li>• Cluster-wide independent weighing shifting terms of trade</li><li>• Any density-disclosure rule would favour us</li><li>• Scampi and species diversification</li><li>• Traceability premiums tightening yearly</li></ul>                            | <b>Threats</b> <ul style="list-style-type: none"><li>• Dealer-financed rivals out-yielding us in good years</li><li>• Feed price volatility, felt immediately on cash terms</li><li>• Export price and count-grade realisation set abroad</li><li>• Disease pressure from higher-density neighbours</li></ul> |

## 16. Recommended AiSevak Tools for This Business

- **Untied procurement register** — flags any supplier who also appears as a buyer.
- **Density publication record** — PL/m<sup>2</sup> per pond with survival and yield alongside.
- **Independent count log** — verified weight and count recorded before the buyer's, seller-witnessed.
- **Neighbour weighing register** — free service, discrepancy against buyer count published.
- **Agronomy advice log** — recommendation, author and their supply interest, which is nil.
- **Cycle economics model** — density against survival and margin, so restraint is arguable to a lender.
- **Anchor compliance sheet** — notification, residue, seed PCR and discharge, carried from the vertical.

## 17. Key Assumptions & Notes

- **All financials are illustrative model assumptions, not forecasts, projections or guarantees.** Revenue, water area, tonnage, density, survival, feed cost and export realisation are editable inputs; actual outcomes depend on disease incidence, seed quality, feed prices and export markets. Figures are in Indian rupees. **This plan inherits the ten fisheries anchor rules (a)-(j) set by `aquaculture-farm`.**
- **The central finding is that the adviser, the lender and the buyer are one man.** The dealer supplies seed and feed, extends the credit to buy them, advises how much to use, sells the medicine, buys the harvest, counts it and deducts the debt. **None of it is concealed, and most farmers would call it a convenience — because it is one. It solves a real smallholder working-capital problem, and the price is charged in a currency the farmer cannot see: the quality of the information he receives.**
- **The decisive fact is that the advice and the margin move together.** Stock denser, feed harder, add a probiotic — every recommendation defensible in isolation, offered in good faith by someone experienced, and pointing the same way as his invoice. **And that direction is also the direction of biological risk, since higher density, heavier feeding and casual chemical use are the three largest drivers of disease in vannamei culture. The tied adviser's incentive does not merely extract margin — it points at the failure mode that destroys the crop the credit is secured against.**

- **The loop closes at harvest.** The same man arrives with the lorry and the scale, so the farmer learns his year's income and his debt in the same five minutes, both calculated by the counterparty, with no independent record of either. **Legal Metrology requires verified equipment for trade weighing and applies squarely at that pond bund — it is almost never invoked, because the seller has no scale of his own to disagree with.** So inputs are bought direct for cash, advice comes from salaried agronomists, and harvests are counted on an independent scale before the buyer's. **WHERE THE ADVISER, THE LENDER AND THE BUYER ARE THE SAME PERSON, THE ADVICE IS A SALES ORDER AND THE SETTLEMENT IS UNCONTESTED — SO SEPARATE THE THREE AND WEIGH ON A SCALE THE SELLER CAN READ.**
- **Stocking density raises yield and disease risk together, and nobody audits it.** CAA registration sets no enforceable limit and requires no disclosure, so the first evidence is a crash. **And the pressure is financial before it is agronomic: a farmer leveraged against his crop needs the yield to service the debt, and his lender is advising him to stock for it. The debt structure drives the density that causes the disease that destroys the collateral — a loop in which everyone behaves reasonably and the outcome is a dead pond.** Density is therefore published at 38 PL/m<sup>2</sup> against a credit-justified 55–60, forgoing ₹1.28 crore, while survival rose from 66% to 82%.
- **The asymmetry is unusual because the farmer is not short of advice — he is drowning in it.** Pond visits, feeding schedules, water-quality opinions, all free, all from someone experienced, and most of it technically sound. **What he cannot obtain at any price is a second opinion from someone with no position in the outcome. The scarcity is not information but disinterestedness —** which is why the weighing service must be genuinely free and genuinely ours, and why we must never buy from the farms we weigh for.
- **That last point is a permanent constraint rather than a policy.** A processor's offer of a premium offtake, conditional on aggregating and buying the harvests we already weigh, would make the service self-funding overnight and leave every farmer better off than the dealer does. **The argument is correct about us and wrong about the instrument: the value of our scale is that we have nothing to gain from the number, and the moment we buy, the farmer has only our assurance that we still count straight — which is exactly what the dealer offers him now.** The offer was declined.
- **Compliance and professional advice.** CAA registration under the Coastal Aquaculture Authority Act, **which prescribes pond area and siting but sets no enforceable stocking-density limit and requires no disclosure of it;** the CRZ notification and mangrove prohibition; SPCB effluent consents; MPEDA registration, pre-harvest testing and the banned-antimicrobial list; **the Legal Metrology Act, under which trade weighing must use verified equipment — a provision applying squarely at the pond bund and almost never invoked there;** state Money Lending Acts, **which most tied input credit is structured to fall outside by being priced into the goods rather than charged as interest;** FSSAI for domestic sale; PMMSY conditions where subsidy is claimed; and EPF, ESI and the Inter-State Migrant Workmen Act for pond and harvest labour. **Nothing requires a dealer to disclose that his technical advice and his sales margin move together.** Professional advice should be taken on Legal Metrology verification for trade weighing, the characterisation of priced-in input credit, offtake contract drafting, and CAA and SPCB consent conditions.

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Every tool referenced in this plan is available on [aisevak.in](https://aisevak.in). Open the [Fisheries and Aquaculture toolkit](#) to browse and use them all at <https://aisevak.in/verticals/fisheries> — or go straight to any specific tool at <https://aisevak.in/service/<tool-name>>. No signup needed to explore; each tool guides you step by step.