Date: November 18, 2026

To,
Corporate Relations Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001,
Maharashtra, India

Scrip Code: 544568 **Scrip ID: ZAPPFRESH**

Dear Sir,

Sub: - Transcript of Earnings Conference call with Analyst / Investor on Financial Results for the Half Year ended on September 30, 2026

Pursuant to Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Transcript of the Earnings Conference call (i.e. post earnings / quarterly call) which was held on **Monday, November 16, 2026 at 03:00 p.m.** (IST) to discuss the Unaudited (Standalone and Consolidated) Financial Results for the Half Year ended September 30, 2026.

We request you to take the above on record.

Thanking You

For **DSM Fresh Foods Limited**
(formerly known as DSM Fresh Foods Private Limited)

DEEPANSHU MANCHANDA
Digitally signed by DEEPANSHU MANCHANDA
Date: 2026.11.18 13:59:04 +05'30'

Deepanshu Manchanda
Managing Director
DIN: 07108044

Enclosed: As Above

DSM Fresh Foods Limited

H1 FY27 Earnings Conference Call Transcript

MANAGEMENT

Mr. Deepanshu Manchanda: Managing Director and Chairman

Mr. Saurabh Gandhi: Chief Financial Officer

Mr. Akhil Gupta: Chief Strategic Officer

Mr. Harsh Agarwal: Founder's Office

MODERATORS

Ms. Garima Singla and Mr. Moksh Jain: Go India Advisors

OPENING REMARKS

Garima Singla (Moderator):

Thank you. Good afternoon, everyone. It is my pleasure to welcome you on behalf of DSM Fresh Foods Limited, and thank you for joining us today for the H1 FY27 earnings conference call. Please note that this call is being recorded.

Joining us on the call today are Mr. Deepanshu Manchanda, Managing Director and Chairman; Mr. Saurabh Gandhi, Chief Financial Officer; Mr. Akhil Gupta, Chief Strategic Officer; and Mr. Harsh Agarwal from the Founder's Office.

Please note that today's discussion may include certain forward-looking statements, which must be viewed in conjunction with the risks that the company faces. I now invite Mr. Manchanda to present the company's business outlook and performance, after which we will open the floor for Q&A. Thank you, and over to you, sir.

Deepanshu Manchanda:

Thank you, Garima, and a very good afternoon to everyone joining us today. I hope you and your families had a wonderful festive season. It gives me great pleasure to welcome you to DSM Fresh Foods Limited's H1 FY27 earnings conference call. On behalf of the entire Zappfresh family, I would like to thank our investors, customers and stakeholders for their continued trust and support.

When we last spoke at the end of FY26, we outlined our vision of transforming Zappfresh from a fresh meat delivery business into a more integrated, omnichannel fresh protein platform, with the longer-term ambition of building a diversified food business.

The first half of FY27 marks an important step in this journey, with revenue growing about 73% year-on-year to ₹165 crore and EBITDA increasing 18%. Our core fresh protein business continued to scale, supported by stronger institutional relationships and deeper market penetration, while Meevaa Foods, our heat-and-eat brand, emerged as an additional growth avenue across domestic and international markets.

This progress comes against the backdrop of a structural shift in India's food consumption landscape. Rising protein awareness, an increasing preference for hygienic and traceable products,

premiumisation and demand for convenience are accelerating the transition towards organised, branded food offerings.

Over the last 11 years, we have built an integrated sourcing, processing and cold-chain ecosystem, supported by technology and direct farmer relationships. Our presence today spans Delhi NCR, Bengaluru, Mumbai, Haryana and Uttar Pradesh, serving customers through online, institutional and emerging offline retail channels. We believe this infrastructure provides a strong foundation for scaling operations while maintaining control over food quality, procurement and cost.

Coming to our financial performance, H1 FY27 was characterised by strong revenue growth and continued operational profitability, notwithstanding a shift towards institutional business. Revenue from operations increased 72.6% year-on-year to ₹165.5 crore, compared with ₹95.9 crore in H1 FY26. Gross profit grew 48.4% to ₹47.7 crore, while gross margin stood at 28.9%, compared with 33.6% in the corresponding period last year.

The moderation in gross margin largely reflects the increasing contribution from our institutional business, which operates at relatively lower gross margins but provides higher volumes, recurring demand and better utilisation of our integrated infrastructure.

EBITDA increased 18% year-on-year to ₹17.6 crore, with margins at approximately 11%, reflecting higher fixed costs associated with the launch and scale-up of our new business, Meevaa Foods. Profit after tax grew 4% year-on-year to ₹7.3 crore.

While revenue growth has been encouraging, our focus remains on improving the quality of earnings through a greater contribution from value-added categories, better procurement economics and operating efficiencies as the business scales.

An important development during the first half has been the increasing diversification of our business across channels and product categories. B2B and HoReCa operations continue to provide scale and recurring institutional demand, while B2C strengthens our customer relationships, brand visibility and participation in higher-value categories.

At the end of FY26, B2B and HoReCa accounted for approximately 68% of our revenue, with B2C contributing 32%. During H1 FY27, the mix shifted to 84% B2B and HoReCa and 16% B2C, reflecting the faster growth of our institutional business.

Our medium-term objective remains to build a more balanced channel mix through offline retail expansion, stronger direct customer engagement and the growing contribution from Meevaa Foods. This would allow us to combine the scale advantages of institutional operations with the higher gross margin potential of consumer-facing businesses.

From a category perspective, chicken continues to provide a strong volume foundation, contributing 55% of H1 FY27 revenue, followed by goat meat at 20% and fish and seafood at 25%. We have also expanded into vegetarian heat-and-eat products, with vegetarian and non-vegetarian categories contributing 7% and 93% of consolidated revenue, respectively.

Within our core protein business, seafood remains an important opportunity for portfolio diversification, backward integration and medium-term margin improvement. Its revenue contribution increased from 21% in H1 FY26 to 27% in H2 FY26, before standing at 25% during H1 FY27.

Our strategy is focused on strengthening direct farmer relationships, contract farming and integrated aquaculture operations. Our aquaculture platform spans approximately 270 acres, providing a

foundation for greater sourcing integration. As these initiatives mature, we expect improvements in procurement reliability, quality consistency and supply-chain efficiency, alongside lower wastage and better control over sourcing costs. Over time, we expect these benefits to support stronger unit economics and profitability within the seafood business.

Coming to one of the most significant developments of the first half, Meevaa Foods represents an important milestone in our evolution towards a diversified platform. Our ambition with Meevaa extends beyond building another frozen food brand. We see an opportunity to establish a differentiated ready-to-eat and heat-and-eat business, combining authentic Indian flavours, convenience and consistent quality for consumers in India and overseas.

We launched our domestic range with just 12 vegetarian products, including samosas, momos, spring rolls, kebabs, patties, tikkis and Dal Makhani. These products are made without any preservatives, MSG or other chemicals, and are blast-frozen to preserve taste and quality. These are globally accepted products: the entire facility is US FDA approved and also meets European standards. So, in terms of quality, these products are well ahead of anything being consumed domestically at this price point, and that is where we have a massive edge.

The initial response has been encouraging, with over 5,000 orders received within the first 48 hours of launch. Since then, we have expanded distribution beyond the Zappfresh website and app to Amazon, Amazon Now and, more recently, Blinkit in October, strengthening our presence across e-commerce and quick-commerce platforms.

Early operating indicators also reflect improving traction and customer acquisition efficiency. Revenue from our e-commerce and quick-commerce channels grew 3.7 times in August compared with July, followed by a further 8.8% sequential increase in September. Importantly, advertising cost per order declined by approximately 60% during this period.

During H1 FY27, Meevaa contributed approximately ₹12 crore, representing around 7% of consolidated revenue. We had earlier outlined an aspiration for Meevaa to contribute 10–15% of FY27 revenue, supported by product innovation, wider distribution and deeper customer engagement.

Internationally, our positioning is centred on authentic Indian flavours, particularly North Indian offerings catering to Indian customers overseas. Our established relationships across the US, Canada and Europe provide a foundation for further expansion. Domestically, we are building a complementary portfolio through quick commerce, retail partnerships and our existing consumer ecosystem.

Our manufacturing facility in Chandigarh provides the infrastructure to support this scale-up. Looking ahead, we intend to deepen our product portfolio and expand distribution through digital platforms, dedicated Meevaa outlets and co-branded Zappfresh outlets. We believe this combination of product innovation, wider market access and existing manufacturing capabilities can establish Meevaa as a meaningful growth engine over the coming years.

Alongside distribution, our marketing efforts have focused on building brand awareness, driving product trials and improving customer acquisition efficiency. Our in-house team has developed culturally relevant campaigns around festivals and seasonal consumption occasions. Our monsoon campaign, “Baarish Waali Craving? Meevaa Hai Na”, reached approximately 65 lakh people, while our 11:11 campaign, celebrating Zappfresh's 11th year, contributed to a 362% increase in online orders over June, with first-time customers accounting for more than 80% of July orders.

Our Ganesh Chaturthi campaign subsequently contributed approximately 72% of September's online orders. We also engaged directly with consumers through events at IIT Delhi, Hindu College and the CR Park Durga Puja celebrations, creating opportunities for sampling and brand discovery.

Meevaa's brand identity has also received recognition, with its 68-page brand guidebook featured among a curated collection of 30 popular global brand guidelines. As we scale, our focus will increasingly shift towards converting initial product trials into repeat consumption, improving customer retention and building more sustainable marketing economics.

Another important pillar of our omnichannel strategy is the expansion of our neighbourhood meat retailer partnership programme. Through this initiative, we support traditional meat retailers with organised sourcing, cold-chain infrastructure and technology capabilities, helping modernise the local meat retail ecosystem.

From approximately 100 partner stores at the end of FY26, our network expanded to 200 stores as of September 2026, progressing towards our ambition of 300–400 stores. The initial pilot demonstrated encouraging throughput and store-level economics, reinforcing our confidence in the model's scalability. Importantly, this asset-light approach allows us to strengthen our physical presence and local brand visibility without the capital intensity of a fully company-owned retail network.

As the network expands, we expect it to support stronger B2C penetration, more efficient customer acquisition and a gradual rebalancing of our channel mix. We also continue to evaluate adjacent food categories where our sourcing, processing and distribution capabilities offer opportunities for cross-selling. However, our immediate priority remains executing and scaling the initiatives already underway.

Looking ahead to H2 FY27, we remain optimistic about the growth opportunities across our core and emerging businesses. The winter season typically supports stronger fresh meat consumption across our key markets, particularly chicken and mutton. Together with expanding HoReCa relationships, wider retail distribution and Meevaa's growing presence, we expect these factors to support business momentum in the second half.

For FY27, we had earlier outlined a growth aspiration of 70–80%, driven by the core Zappfresh business, seafood expansion, Meevaa and our growing retail network. With H1 revenue growth of approximately 73%, our performance remains broadly aligned with this trajectory, although full-year delivery will depend on execution during H2.

Our priorities remain centred on deepening penetration in existing markets, strengthening backward integration, expanding institutional and partner retail networks, and scaling Meevaa across domestic and international markets. Equally important is our focus on operating leverage, working capital efficiency and cash flow generation. As we expand, we remain conscious of managing procurement, inventory and distribution investments prudently, ensuring that revenue growth translates into sustainable financial performance.

Over the medium term, we believe a more balanced channel mix, an increasing contribution from value-added products such as ready-to-eat and heat-and-eat, and the benefits of backward integration can support improvement in our profitability profile. What gives us confidence is the significant headroom for organised protein and convenience food businesses in India. Rising consumer expectations around hygiene, nutrition, quality and convenience are creating opportunities for trusted, branded players with integrated supply chains and established distribution networks.

To conclude, H1 FY27 has been an important period in our evolution from a fresh protein business into a more diversified omnichannel food platform. Our core operations continue to provide scale, while Meevaa, seafood integration and retail partnerships are creating additional avenues for long-term growth. Our ambition remains to build one of India's most trusted food platforms, combining quality, convenience and accessibility while creating sustainable value for all stakeholders.

I would like to thank our customers, sourcing partners, employees and investors for their continued confidence and support. With this, I would like to open the floor for Q&A.

QUESTION-AND-ANSWER SESSION

Garima Singla (Moderator):

Thank you, sir. We will take the first question from Mr. Vaibhav Lohia. Please go ahead.

Vaibhav Lohia:

Thanks for the opportunity. I wanted to understand the composition of short-term loans and advances and of other current liabilities.

Deepanshu Manchanda:

I will invite Harsh to answer the questions on specific numbers. Harsh, can you please take the lead on this?

Harsh Agarwal:

Short-term loans and advances include the advances we give to our suppliers and vendors for procurement. We do contract farming for supply, so we need to place advances with the vendors. The figure also includes around ₹22 crore advanced to our subsidiary, Avyom, for the acquisition that was made. So, from a business perspective, the number would be around ₹70 crore instead of ₹93 crore.

Vaibhav Lohia:

So, ₹70 crore has been given to vendors for the supply of raw material?

Deepanshu Manchanda:

Yes, in the form of advances, as we have to lock in prices. This is similar to contract farming, which is a standard practice we have followed for a very long time. The number has increased because of the rise in commodity prices. The war also impacted some of our suppliers' businesses, so we had to step in to ensure that everything remains in line with our expectations from a numbers point of view.

Vaibhav Lohia:

I can see that fixed assets have also gone up to around ₹34 crore in the consolidated balance sheet. That is the Meevaa Foods facility, right?

Deepanshu Manchanda:

Correct.

Vaibhav Lohia:

What is its peak revenue potential?

Deepanshu Manchanda:

Do you mean for the whole year, or what we have done in H1?

Vaibhav Lohia:

I mean, from the ₹35 crore facility, how much revenue can you generate?

Harsh Agarwal:

The facility that we have acquired can generate revenue of around ₹120–140 crore.

Deepanshu Manchanda:

That will be in the immediate coming financial year. Overall, the revenue potential of Meevaa over the next three to four years is approximately ₹300–400 crore, at a very conservative level.

Vaibhav Lohia:

But when I compare the standalone numbers with the consolidated numbers including Meevaa, standalone profitability seems better, and Meevaa has in fact not done well.

Deepanshu Manchanda:

Yes, because it is a new business. There are a lot of initial costs involved: investments in capex and infrastructure, and the synergies and economies of scale are yet to come. Currently, the revenue profile is too small to deliver and demonstrate the kind of numbers and margins we are expecting. But irrespective of that, we see enormous potential for adding profit margins through Meevaa. That remains unchanged for us; in fact, it is better. We see very positive tailwinds coming from Meevaa in the subsequent quarters and years. It is an investment, and this is our first half in a new business.

Vaibhav Lohia:

But the balance sheet looks quite weak. Debt has ballooned, receivables have ballooned and advances to suppliers have ballooned, so working capital is also very weak. At the same time, Meevaa is not making much profit. As investors, we believed in the B2C meat industry, which was the purpose of investing in Zappfresh, not the ready-to-eat market. Ready-to-eat is a very competitive industry, and we believe the B2C meat market is better. Why should we now invest on the basis of ready-to-eat? What is your perspective?

Deepanshu Manchanda:

We are not changing the business in any way. If you look at the contribution, this is just another category being added. Even in the forecast we have given in earlier discussions, we are looking at a contribution of around 15% of overall revenue, so there is no fundamental change happening. We have always felt the need to expand margins in the medium to long term. Anything done on an immediate basis will always have a certain cost attached to it, because there is an economies-of-scale factor. So, as a category, we do not see any challenge.

From a market opportunity perspective, heat-and-eat is emerging very well as a category across quick commerce. Even Licious has started a new brand, Licious Sizzle, copying us. Essentially, our strength lies in having a wider spread of categories and products to rely on, rather than depending on one or two categories. It is our way of not only de-risking the business but also improving margins in the medium to long term.

Vaibhav Lohia:

Is Meevaa Foods completely B2C, or does it include B2B as well?

Deepanshu Manchanda:

It has both, but it will largely remain B2C or B2B2C, where we will have distributors and penetration in supermarkets. Currently, as I said, we are on Blinkit and Amazon, and we are going to launch on all the leading e-commerce marketplaces. The motivating factor is that we are seeing quarter-on-quarter growth, and this is just our initial three months. The customer response has been phenomenal, so we are extremely positive that this will scale up further.

It will largely become a B2C-heavy business as we move forward. Some portion could come from exports. It is still evolving, so we will see how that develops. Overall, Meevaa as a brand is very strong, is making waves and is really being embraced by the younger crowd. The price point, global food quality standards, taste and pricing are all working very well to attract the right audience.

Vaibhav Lohia:

Thank you. All the best for the future. I hope your economies of scale play out, for Meevaa as well.

Deepanshu Manchanda:

Thank you so much.

Garima Singla (Moderator):

Thank you, sir. We have the next question from Mr. Akash Chaudhary. Please unmute your line, sir.

Akash Chaudhary:

Congratulations on the very good top-line growth. What concerns me is this: is there anything stopping us from scaling B2C, which is dragging EBITDA down?

Deepanshu Manchanda:

If you look at our marketing costs, we reduced our marketing budgets in H1. We were a little cautious because of the war situation, when supply chains were stressed and price wars were happening, and some level of stress is still there. There is no specific intention to focus on only one channel; it is an ongoing evolution. To give you a perspective on the longer term, at a steady state we would look at a 50:50 mix between B2B and B2C.

Akash Chaudhary:

For quite some time, the B2C share has been going down. I think we were also projecting a move towards EBITDA margins of 18–20%. From an investor's point of view, at ₹60 crore of revenue we were making a PAT of ₹7 crore, and at ₹165 crore we are making the same PAT, right?

Deepanshu Manchanda:

Right. At a smaller scale there is a certain performance, and at a larger scale the performance is shaped by differences in product strategy, distribution strategy and so on, all of which play a critical role. We have also initiated three new projects: the meat store project, the seafood project and the Meevaa project. These are investments made for the longer term, and they require certain immediate investments and commitments. Their outcomes all look very bright to us, which is why we have invested in them. They will be reflected in bigger numbers as we move forward.

Akash Chaudhary:

Got it. Going forward, for this year and beyond, what kind of margins can we expect?

Deepanshu Manchanda:

I cannot comment on specific margins, but I can tell you that growth is intact and the category is growing. We are getting an amazing response online for the new range of products, and efficiency is being actively pursued, which will create very effective growth. We do not intend to have any inefficiencies, but it is always work in progress as we scale the business.

Revenue looks very promising. Efficiency, scale-up and category evolution will remain work in progress until we reach a revenue profile of at least ₹400–500 crore, but we are very bullish about getting there. What will be interesting to see is how the new-age customer responds to the new products we bring to the table. That is where we believe we will add more differentiation in the market, because nobody else is approaching it the way we are. The way we are looking at growth going forward is very innovative.

Akash Chaudhary:

Got it. One more on the B2C side. Last time, I think you said we were scaling the stores. Are we doing online as well? How is the B2C repeat rate, and how is it performing?

Deepanshu Manchanda:

In total, we now have 200 partner stores, so we have already achieved store-level growth. Now it is more about per-store operations and placing more products in those shops, which is where ready-to-eat comes into play. If you consider the meat shop category as B2C, I would say it will improve in the coming financial year.

Akash Chaudhary:

Are we also pushing D2C through the apps?

Deepanshu Manchanda:

Yes, we are definitely doing that heavily, and there we are focusing mostly on the Meevaa range, because we see very good margins there that are within our control. We do not have to rely on any third-party vendors. So it is a more controlled expansion that we are building with Meevaa, which will bring real rocket-ship growth for us.

Akash Chaudhary:

Two more things before I hand over. First, receivables seem stressed and are piling up. How will they shape up going forward, and what are the credit terms? Second, could we get a one-pager update on a quarterly basis, if not a concall?

Deepanshu Manchanda:

We are definitely striving for a quarterly update. We have added two new entities, which are subsidiaries, and this was our first H1 update and audit with them. We are not saying no to quarterly updates; we only wanted to be on steady ground in terms of our internal systems and processes so that we can deliver them. We are definitely aiming for a short quarterly update for you, and we have taken note of it. On the other question, Harsh, can you please take it up?

Harsh Agarwal:

On receivables, as you mentioned, the days have increased to 73, which reflects the credit period of 60 to 90 days that we allow B2B customers. In FY26, blended receivable days were 60, so the increase of 13 days is primarily due to the higher B2B mix in H1 FY27.

Deepanshu Manchanda:

That's correct.

Akash Chaudhary:

Just one last thing. Because of the war, prices have increased across the FMCG sector and other sectors. Are we planning any price hike, and how is demand shaping up with price changes?

Deepanshu Manchanda:

The good part for us is that we are very conscious about pricing, and the investments we make with our partners, vendors and farmers are essentially for periods like this, so that we are not affected by stress arising from the macroeconomic situation. We do not change pricing either; we do an annual pricing review. We do not plan to change prices, and everything remains largely under control. We do have to invest in credit periods and similar things, but not to the extent that we take a beating on margins. We manage it at the back end and eventually make it a comfortable situation.

Akash Chaudhary:

Got it. Thank you so much.

Deepanshu Manchanda:

Thank you.

Moksh Jain (Moderator):

Mr. Mohit Bansal, please go ahead with your questions. You may unmute yourself.

Mohit Bansal:

Good afternoon to everyone, and congratulations on the good growth in sales. I have a few questions. My first question: we are growing the HoReCa business, which in my opinion is good, as it will help with capacity utilisation and better planning. I would like some specifics on our plan to achieve economies of scale there so that we can improve margins.

Deepanshu Manchanda:

Our ideal mix is 50:50; we do not want to go heavy on B2B. As you rightly said, we are building a certain volume for economies of scale, so that our B2C channel can thrive without any revenue or margin leakage. In B2C, you have to incur significant marketing expenditure, and we have been reducing marketing expenditure or keeping it under a certain cap, largely through very cost-effective strategies such as below-the-line marketing with colleges and fairs. These activations are keeping us very cost-effective. So the answer is that we do not want to rely completely on B2B. We think we can build capacity on both sides, and we are moving in that direction.

Mohit Bansal:

My second question: it is understandable that cash flow is negative for now. What is the plan to reach cash flow break-even, and over what period can we expect cash flow to turn positive, say one year or two years?

Deepanshu Manchanda:

I would say approximately one year is a reasonable timeline.

Mohit Bansal:

My third question: you say we are on quick-commerce platforms. I have seen the brand on Zepto, but not on Flipkart Minutes and others. Are we there under some other brand, through white labelling, or something else?

Deepanshu Manchanda:

No, we are not doing any white labelling in the domestic market. Everything is under either Zappfresh or Meevaa Foods; these are the only two brands we operate. We are not yet active across all geographies on all quick-commerce platforms. For example, Blinkit is active in NCR, and Amazon Now is active in Delhi, Bengaluru and Mumbai. So two or three markets are already activated on some marketplaces.

In approximately the next three months, you will see wider penetration across more marketplaces and more geographies. We are pushing hard on this front, and a massive growth spurt is going to come from the e-commerce and quick-commerce category, all the more because offline supermarkets such as Spencer's have been eaten up by the quick-commerce players. So a lot of growth and new products are expected, and you should be looking forward to it.

We are working very hard on improving our branding and visibility across platforms and geographies, and it will not remain limited to Delhi, Mumbai and Bengaluru. It may go beyond to other cities such as Pune, Chandigarh and multiple other markets. So far, the response has been extremely encouraging, and this is a hot space for us.

Mohit Bansal:

Very fine. My next question: you say we are going to expand a lot. How are we thinking about financing, through equity, debt or any other innovative source?

Deepanshu Manchanda:

Right now, we have enough liquidity, so I do not immediately see any equity infusion. There could be something where I raise my own equity, but nothing is immediately on the cards. We have sufficient liquidity.

Mohit Bansal:

And regarding debt, are we planning more long-term debt?

Deepanshu Manchanda:

No, we are not planning for that. We will be consolidating some debt to improve interest coverage, but that is about it.

Mohit Bansal:

My last question: how do we see ourselves versus our competitors? Do we have a moat against them, such as taste or quality, that Licious is not offering?

Deepanshu Manchanda:

First of all, they are not in vegetarian, which is a very different category. Second, our raw material costs, margin profile and selling prices, and our unit economics overall, are far better, as reflected in how our growth and unit economics stack up. They rely heavily on hype and branding, and those expenses and

overheads hurt the bottom line. So, at the level of business strategy and optimisation, we are very superior.

If you look at other FMCG packaged food brands, they are all in the growth stage. What matters is the level of control you have over the supply chain and logistics, which determines how big you can become. That is where our acquisition comes in, through which we can build a ₹600–700 crore revenue profile in ready-to-eat and heat-and-eat. It is a very long-term investment and bet we have taken on the sector, and I do not see any other brand doing it in such a bullish manner.

Mohit Bansal:

Thank you to all, and we wish you very good luck.

Deepanshu Manchanda:

Thank you.

Raghav:

Good afternoon, Deepanshu. I hope I am audible.

Deepanshu Manchanda:

Hi, Raghav.

Raghav:

I have two or three questions. First, on margins: my reading of the numbers suggests that margins took a hit mainly because other expenses shot up. Could you highlight the nature of those other expenses?

Deepanshu Manchanda:

Sure. Harsh, can you please take that?

Harsh Agarwal:

Sure. If you look at our standalone margins, they are very similar to FY26. At the bottom line, which is PAT, the standalone margin is the same 6% as in FY26. On a consolidated basis, it drops to 4%, which means the drop has come from our subsidiary, Avyom. The reason is that we have been incurring all the fixed costs from day one, but the revenue ramp-up and the contribution from that business will take time. So, on a consolidated basis you will see a drop, but on a Zappfresh standalone basis we are maintaining similar margins.

Raghav:

Understood. Two follow-ups to that. First, standalone margins are broadly in line with the H2 numbers, but compared with H1 FY26, the operating margin has dropped significantly, from around 16% to around 11%. Is that attributable to the mix shift towards B2B, which happened in H2 and is continuing in FY27?

Harsh Agarwal:

If you compare it with H1 FY26, you will see a 4–5% drop, and that is primarily because of the mix. The mix in H1 FY26 was quite different from the current H1, and you can see it starting from the gross margin level.

Raghav:

Right, there is a 5% delta in COGS as well.

Harsh Agarwal:

Correct.

Raghav:

Understood. And on the Avyom subsidiary, when do we expect the operating deleverage to go away and revenues to scale up? Also, is Meevaa incurring losses, or is Meevaa on a standalone basis already contributing positively to the bottom line?

Harsh Agarwal:

As we have said from the start, for FY27 overall we expect Meevaa to break even. In H1, we had only a few months of operations in our books.

Deepanshu Manchanda:

Yes, because the acquisition was effectively completed in April–May, as we had to obtain licences and complete various compliances. So it is still early days for Meevaa. But, as Harsh mentioned, break-even is going to be the first milestone, which we will achieve in this financial year, effectively within eight to nine months of operations. Breaking even in a new business within eight to nine months is how you should look at it. For the subsequent year, we are looking at very bullish growth, so FY28 is going to be a very interesting and good year.

Raghav:

Understood, Deepanshu. Thanks for that. Is the capacity to support growth in FY28 already in place?

Deepanshu Manchanda:

Yes, it is. We have five acres of land there, of which only one acre is built up right now. Once we add more automation and capacity enhancements on the same land parcel, we can look at a ₹600–700 crore revenue profile. So there is no challenge as such. Of course, as you scale, you face different challenges at the resource level, but we have everything in place. Resource-wise, we do not need anything.

Raghav:

Understood. Thanks. My second question is on monthly transacting users. I think we saw a slight drop: in H1 FY26 they were around 1 lakh, and in H2 FY26 around 80,000–90,000. How is the number looking now?

Deepanshu Manchanda:

That is because the overall contribution from the B2C front has dropped, and that is reflected in this number.

Raghav:

Are we taking any active measures to address the drop and get back to the growth trajectory?

Deepanshu Manchanda:

As I said, generally H1 covers the summer, and consumption of online home cooking follows a certain behaviour then. In H2, which is the festive period, we see a general upswing in customer behaviour. So I believe the overall mix will improve in H2, and that is where new customer acquisition will improve as well.

Raghav:

Understood. And a last question: given the current valuation of the company, are the promoters or insiders looking to increase their stakes?

Deepanshu Manchanda:

Yes, we are.

Raghav:

Understood. And just to close, I think you had earlier guided for around ₹600 crore of revenue at an 18–20% EBITDA margin for FY28.

Deepanshu Manchanda:

I have not given any specific number. What I have said is that this kind of capacity and capability exists with us, in terms of people and infrastructure, and that we are moving steadily in this direction. So please do not take that number as a hard number. We are comfortable achieving significant growth; that is what I can tell you. Directionally, both revenue growth and margin improvement are expected. As I said, the two new projects, Meevaa and seafood, had their fundamentals set up mainly in this H1, so you have seen a certain level of impact. But as we move forward, they are going to flourish.

Raghav:

And one request to close: I live in South Delhi, and I have not been able to order Zappfresh products on Blinkit. They mostly show as out of stock or unavailable.

Deepanshu Manchanda:

That is because we are getting a great response, and we are catching up with the demand, which is coming in overwhelmingly from Blinkit. If you share your contact details on the chat, I will put you in touch with the concerned person, and you can get it from him. Otherwise, you can just give me a call. My number is all over; everybody calls me, so that is fine.

Raghav:

I will drop a line on email. Looking forward to trying your products soon. Thank you.

Deepanshu Manchanda:

Sure, thank you.

Moksh Jain (Moderator):

Mr. Sethi, you can ask your questions. Please unmute yourself.

Mr. Sethi:

Am I audible?

Deepanshu Manchanda:

Yes, please go ahead.

Mr. Sethi:

Deepanshu ji, most of the questions on margins and working capital have already been addressed. I would like to ask how you envision the company over the next two to three years, by FY29, in terms of revenue scale and the B2B mix.

Deepanshu Manchanda:

As I already said, we are steadily looking at operating at a 50:50 split. That is how I see it at an operating level over that period.

Mr. Sethi:

Okay. You also said you will not be raising further capital through QIPs, preferential issues or debt, because we have ₹103 crore of reserves. Do those reserves include the IPO funds, or have the IPO funds already been used for expansion?

Deepanshu Manchanda:

It is a combination of everything. I do not have the exact number; I will have to check. But you are absolutely right: we are in a very comfortable position. Growth is coming, and all the resources needed to scale up are available. We are not looking for any other capital, but if there is interest from a good institutional investor, we would definitely explore it.

Mr. Sethi:

My last point is just a suggestion. Many SME companies have recently started giving quarterly updates, even though SEBI has not made quarterly results mandatory for them.

Deepanshu Manchanda:

Absolutely. The only reason we could not achieve this in H1 is that we had two more entities to report on, which put added pressure on the finance team to complete the financial statements of the new businesses at both standalone and consolidated levels. These are all subsidiary operations, and many of those tasks took up bandwidth. But I will definitely find a way to give updates on a quarterly basis, and from the coming quarter we will aim to do that.

There is nothing being held back; it is all about our own internal processes being ready. I do not know how many entities other SME companies operate, but today we have a subsidiary in the UAE, then Avyom, and then Varuna, so essentially there are four entities. Doing that in the first go becomes challenging, because the stress falls mostly on the team. But we are on it, and we want to give quarterly updates as much as possible. Once the bandwidth issue is sorted, there is no other reason not to.

Mr. Sethi:

I fully understand the compliance side. As a small company, your main focus has to be on growth, and compliance adds overheads.

Deepanshu Manchanda:

And not only growth. We also strive for strong financial controls to deliver a certain profit, prevent any profit leakage, and carry out deeper analysis of receivables and payments. So there is a large amount of work on efficiency as well. We are not just scaling; we are growing efficiently, and within that, bandwidth gets very tight. That is all.

Mr. Sethi:

Okay. I hope we will be getting updates in the coming quarters, and eventually quarterly results as well.

Deepanshu Manchanda:

Yes, we definitely want to move in that direction, and I am quite positive we will be doing that very soon. Thank you so much.

Mr. Sethi:

All the very best, Deepanshu ji, for your products. Thank you.

Deepanshu Manchanda:

Thanks.

Moksh Jain (Moderator):

Mr. Akash Chaudhary, you can ask your questions.

Akash Chaudhary:

Deepanshu, I just wanted to understand what kind of repeat business we get from our B2B clients.

Deepanshu Manchanda:

About 80–85% repeat.

Akash Chaudhary:

Okay, and are we doing exports as well?

Deepanshu Manchanda:

We are.

Akash Chaudhary:

And correct me if I am wrong, but was Meevaa supposed to be export-oriented?

Deepanshu Manchanda:

Very good question. Exports have taken a certain hit because of shipping issues, and that is precisely the reason we are omnichannel: we understand that a disruption in any one distribution channel should not affect overall performance. We have seen some impact on Meevaa exports to the Middle East. We appointed a distributor there, and there is huge demand from that region, but because of container shortages we were not able to pursue certain international business. So optimisation is happening through the domestic business, which is where the Meevaa brand is getting a lot of thrust and a lot of value, with our in-house customers and distributors in the country.

Exports are very profitable for certain markets. As we build the domestic business, we are also realising that the margin profiles are very similar across the different distribution channels we are targeting. Just as we are getting a great response on quick commerce, we are getting a good response from certain offline distributors. Exports have been predominant: if you look at the current numbers, exports are approximately 70–80%. In my view, the domestic share will also grow, and we are working towards increasing domestic consumption as the international market eases up.

Akash Chaudhary:

Got it. And at an overall level, what would the export split be?

Deepanshu Manchanda:

As I said, 70–80% in H1 would be exports, and the remainder is domestic.

Akash Chaudhary:

Got it. And do we have any committed order book for Meevaa?

Deepanshu Manchanda:

We do. We have a lot of order books. We are focused on streamlining and scaling up the right formats, the right products and the right channels, because we want to grow at a certain margin profile, so it becomes very critical which business we choose. For example, Jubilant is one of our customers, and we are doing certain business with them. New business development is also happening with new customers, so there is no dearth of purchase orders and volumes. The numbers I am giving you are all very reasonable and come from the visibility I have internally on these order books.

Akash Chaudhary:

Got it. So can we say the sky is the limit in terms of the order book?

Deepanshu Manchanda:

It is. Although we have only seen one or two quarters, our growth comes quarterly: we achieve a certain growth, standardise it for three months, then open up the next lever for the following three months and sustain that, and so on. So we are growing on a quarterly basis, and it is not wrong to say the sky is the limit. As we scale up, we are trying to ensure that processes, controls and production are automated, because many of our production lines are semi-automatic. We are working on internal automation so that we can meet this large demand more efficiently.

Akash Chaudhary:

Got it. So in terms of demand and order book we are sorted, from what I understand. What about procurement, from a supply-chain perspective?

Deepanshu Manchanda:

Our core strength has always been the supply chain, considering that the meat ecosystem we operate in is very complex. So, supply-chain-wise, there is no challenge at all, other than price impacts from the war or other disruptions. I do not see any supply-chain challenge for us. The only area where we want to be stronger is manufacturing, including production automation.

Akash Chaudhary:

Okay. That is all from my side. Thanks.

Deepanshu Manchanda:

Thank you.

Moksh Jain (Moderator):

There are certain questions in the chat box. Could you please share a broad breakup of the short-term loans and advances, including the nature of the advances, related-party exposure, ageing, and the amounts adjusted or recovered since September? And what is driving the increase in receivables?

Deepanshu Manchanda:

Harsh, can you please take this?

Harsh Agarwal:

I think we have already covered this, but let me clarify. Receivable days have increased from 60 to 73, and the reason is the increasing B2B mix. On the advances side, as I mentioned, around ₹22 crore is an advance given to our wholly owned subsidiary, Avyom. Apart from that, ₹70 crore relates to the advances we have placed with vendors for contract farming.

CLOSING REMARKS

Moksh Jain (Moderator):

Let us wrap up the session, and I will hand it over to Mr. Deepanshu Manchanda for his closing remarks. For any further questions, you can reach out to Go India Advisors. Thank you so much.

Deepanshu Manchanda:

Thank you so much, everyone. It has been a pleasure talking to you. I look forward to the continued support of all our shareholders, and to a very strong quarter ahead. The next year definitely looks good for us, and we are looking at improvement on a quarterly basis. There will also be new initiatives that we keep rolling out. The good part is that we are in control of the back end, and that is what gives us the confidence to scale the business.

Efficiency is a matter of acting on the right triggers, and we believe we are already very efficient compared with some of our competitors. So I would urge you to be patient with any expectations you may have on efficiency and give us more room to grow, because that is how we are building the business. Thank you so much.

Moksh Jain (Moderator):

Thank you for joining.