

KRISHIVAL FOODS LIMITED

CIN No. L74120MH2014PLC254748

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To,

National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Bandra (E), Mumbai-400051 Symbol: KRISHIVAL	BSE Limited P J Towers, Dalal Street Mumbai - 400 001 Scrip Code: 544416
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Subject: Transcript of the Q4 and Full Year FY '26 Earnings Call

Dear Sir/Madam,

Pursuant to Clause 15 (b)(i) of Schedule III, Part A, Para A read with Regulation 30 (2), Regulation 30 (6), Regulation 46(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are hereby submitting transcript of the Q4 and Full Year FY '26 Earnings Call.

The same is also uploaded on the website of the Company at: <https://krishival.com/pages/investors-desk>

You are requested to take note of the same.

Thanking You,

For Krishival Foods Limited

Rahul Gawande
Company Secretary and Compliance Officer



“Krishival Foods Limited
Q4 and Full Year FY '26 Earnings Call”

May 04, 2026



MANAGEMENT: MR. SUJIT BANGAR – CHAIRMAN – KRISHIVAL FOODS LIMITED
MR. ABHISHEK PURANIK – CHIEF EXECUTIVE OFFICER, MELT N MELLOW ICE CREAM DIVISION – KRISHIVAL FOODS LIMITED
MR. NANA MHASKE – CHIEF EXECUTIVE OFFICER, KRISHIVAL NUTS & DRY FRUIT DIVISION – KRISHIVAL FOODS LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the Q4 and Full Year FY26 Earnings Call of Krishival Foods Limited.

Today, we have with us: Mr. Sujit Bangar, Chairman, Krishival Foods Limited; Mr. Abhishek Puranik, CEO, Melt n Mellow Ice Cream Division; and Mr. Nana Mhaske, CEO, Krishival Nuts & Dry Fruit Division. We will begin with opening remarks from the management, followed by an interactive Q&A session. Please note that this discussion may include forward-looking statements, which should be viewed in conjunction with the risks and uncertainties that the company faces.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing ‘*’ then ‘0’ on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Sujit Bangar, Chairman, for opening remarks. Thank you and over to you, sir.

Sujit Bangar: Thank you. Thank you very much. Good evening, everyone. Thank you for joining us today for the Q4 and FY26 earnings conference call of Krishival Foods. It is a pleasure to welcome you all, and I sincerely thank you for your continued trust and engagement with the company. FY26 has been a defining year for Krishival Foods. Our investments in capacity, distribution, and brand building are now beginning to translate into both scale and profitability.

Now let's talk something about our business model and our positioning. As you are aware, Krishival Foods operates with a dual brand strategy: Krishival Nuts in the healthy snacking segment and Melt N Mellow in the indulgence category. This gives us a balanced and resilient model. The nuts business provides stable year-around demand and cash flow, while the ice cream business offers high growth potential and strong consumer engagement. Together, these position us as a scalable FMCG platform in the consumption space, more precisely, I can call it a discretionary consumption space.

Now we can talk something about the industry context for nuts, dry fruits, and ice cream both. So let me briefly touch upon those two topics. India's consumption story remains strong, particularly in premium and branded food categories. We are seeing a clear shift from loose to branded, from unorganized to organized, with increasing preference for products that combine health, quality, and convenience.

In nuts and dry fruits, consumption is moving beyond festive occasions and becoming part of everyday diets. While India is one of the largest consumers globally, per capita consumption remains relatively low, especially in Tier 3, Tier 4, and mofussil areas and towns and places, indicating significant headroom available for growth for Krishival Nuts. The India market is approximately INR45,000 crores and at the global level, the category is significantly larger and continues to grow steadily. This highlights a long-term opportunity for organized players in India.

Similarly, in the ice cream segment, the category continues to expand at a healthy pace, supported by improved cold chain infrastructure, rising disposable incomes, and increasingly

impulse consumption. While the category is becoming less seasonal, the higher temperatures which we are experiencing nowadays in the currently in this month of April and May. These higher temperatures are driving a strong near-term demand.

In India, the ice cream market is expected to reach approximately INR1.5 lakhs crores. by 2034, compared to a global market of over US\$165 billion. This underscores both the scale of the category and significant growth headroom in India. There is some near-term volatility in input costs and supply chains, particularly for globally sourced commodities; however, our diversified sourcing model positions us well to manage these risks, and we do not see any structural impact on our growth trajectory.

Today only we have declared quarter 4 of FY '26 and financial year FY '26 results, so let's talk something about our financial performance. Against this backdrop, FY '26 has been a year of strong growth with improving profitability. Our nuts and dry fruit business has delivered steady growth with healthy margins, supported by demand, distribution expansion, and consistent product quality.

The more defining milestone has been in our ice cream business. Melt N Mellow, the brand in which we sell ice cream, has achieved profitability at PAT level ahead of expectations -- a significant achievement in a category where many emerging brands are still scaling without profitability. What differentiates us is clear, we are building scale with profitability, not at the cost of it. We are also investing in brand building through internal accruals rather than burning cash.

Coming to our financial performance for the full year, total revenue stood at INR304.41 crores., reflecting a growth of 48% year-on-year. EBITDA increased by 66% to INR41.95 crores with a margin of 13.78%, while the profit after tax, PAT increased to INR22.2 crores with a growth of 64% year-on-year and a PAT margin of 7.59%, which is up 89 basis points year-on-year. Overall, both businesses have contributed meaningfully to revenue growth while improving the quality of earnings, and importantly, we are beginning to see benefits of operating leverage as the scale improves.

Operational highlights we'll speak about, couple of minutes. During FY '26, we strengthened execution across both businesses by expanding distribution, scaling our portfolio, and enhancing manufacturing and supply chain capabilities. Melt N Mellow now reaches 34,200 retail outlets, supported by a cold chain network of 15,490 deep freezers, enabling deeper market penetration and stronger last-mile availability.

In the nuts and dry fruit segment, we are present across 11,000 retail touchpoints, supported by a diversified sourcing model and strong focus on product quality. Overall, the footprint of Krishival now spans 300 plus towns and places across India and also 300 plus retail places in Singapore.

We also continue to expand our product portfolio with over 189 SKUs in ice cream, which is almost the third highest among the ice cream brands in India, and over 67 SKUs in nuts and dry fruits, reflecting our focus on innovation and evolving consumer preferences.

On the manufacturing side, we commissioned a new 35,000 square feet processing unit, which commenced production in the month of April. Our growth remains focused across key markets: Mumbai, Pune, Bengaluru, Hyderabad, and core states including Maharashtra, Karnataka, Telangana, Andhra Pradesh, and Goa. Overall, this disciplined approach is enabling us to scale efficiently while maintaining strong control over execution and profitability.

Now we'll talk about some strategic progress and how we look at the way forward. In FY '26, there has been a year of building for the future with a strong focus on our direct-to-consumer presence. Melt N Mellow remains a key growth engine with a clear aspiration to build it into one of the top three ice cream brands in India over the next 7 years.

As part of this, we are launching Mellow & Co. with plans -- Mellow & Co. as an ice cream parlours under the name Mellow & Co. we are launching to roll out around 25 such franchise-owned, company-operated Mellow & Co. ice cream outlets will be opened in the current financial year at Pune and Mumbai.

This will strengthen our direct-to-consumer presence, enhance brand visibility, and improve consumer engagement. The deep freezer network we have already expanded from 3,000+ to 15,000+ during FY '26. This continuous investment in deep freezers will further continue and expand in the current financial year, that is FY '27.

We'll keep enhancing capacity utilization; our existing capacity is 1 lakh litres per day in ice cream, so we'll continue to enhance the capacity utilization with a target of full capacity utilization by Q1 FY '29. Q1 FY '29, we expect complete full utilization of the capacity.

Just to have a glimpse of the scale which we have achieved in the financial year '26. We have sold Magic Cones around 4.74 crore units we have sold in financial year '26. Around 3.5 crores units of Chocobar we have sold in FY '26, around 1.78 crores units of cups and sundaes we have sold in FY '26.

This is the scale which we have achieved in FY '26 in ice cream. And all these factors give us confidence that Melt N Mellow will grow further. And also, another important thing is that Melt N Mellow is the only major emerging multi-state ice cream brand which is scaling with incremental branding and marketing spend while generating profit.

This year, 7% EBITDA on a top line of INR 95 crores has been achieved, which is ahead of our planned profitability which was planned in FY '27. One year ahead, this profitability has been achieved by Melt N Mellow. All these factors give us strength and make us aspire to strive for making Melt N Mellow a top three ice cream brand in India in the coming 7 years.

In parallel, our nuts business continues to remain strong and stable foundation. We are progressing on capacity expansion with a clear roadmap to scale over the next two years. Krishival Nuts aspires to emerge as a numero uno player in India with a long-term goal of achieving 10% market share while maintaining profitability. This will be driven by product innovation, strong quality control, supply chain strengthening, and deeper penetration across Tier 2, Tier 3, and Tier 4 markets.

As we move into financial year '27, our priorities remain clearly defined. In Krishival Nuts, we will deepen distribution, strengthening supply chain integration, and expand capacity. In Melt N Mellow, our focus will be on expanding distribution, improving capacity utilization, and investing behind the brand. Across both businesses, we'll remain disciplined in execution while maintaining profitability. At the broader level, we are building Krishival Foods as a two-engine growth platform, driving scale and profitability and long-term value creation. Our expansion will continue to be funded through a mix of internal accruals, existing equity, and debt.

To summarize, FY26 has been a year of strong execution, early validation of our strategy, and the creation of a solid foundation for future growth. We remain optimistic about the opportunities ahead while staying focused on disciplined execution. This disciplined execution has made us to achieve 10% PAT level margin in Krishival Nuts, which we aspire to continue in the coming years, and 7% EBITDA which we have achieved in ice cream, which we'll keep progressing to enhance it further to the next height.

In coming financial year '27, we hope to continue to maintain the growth trajectory, and we see around 50% top-line growth and 50% plus bottom-line growth. On behalf of the Board and the entire Krishival Foods team, I thank you all once again for your continued trust and support. I now look forward to your questions. Thank you. Over to you.

Moderator: Thank you so much, sir. Ladies and gentlemen, we will now begin with the question-and-answer session. The first question comes from the line of Maitri Shah from Sapphire Capital. Please go ahead.

Maitri Shah: Yes, congratulations, sir. The result has been quite phenomenal. I have a few questions on both the business segments. So firstly, you mentioned that we're increasing our capacity to 40 metric tons, I think per month capacity. So when do you expect us to reach the peak utilization, like once the capex has been completed?

Sujit Bangar: See, our earlier capacity as of March 31, FY26 was 10 metric tons per day finished nuts production. This capacity has been enhanced as on today to 20 metric tons per day finished nuts production. The enhanced capacity, the current financial year, we are going to utilize 25%, current financial year. And going forward, our already 2 lakh square foot factory construction is going on in Halkarni MIDC.

Out of that, 35,000 square foot premise -- has been made operational, which has added this 10 metric ton capacity to the existing capacity. And our plan is that in the coming next two financial years further. So slowly this capacity we will keep adding, like 10 to -- we have gone 20 this year, next year we'll go 30, and again next year we'll reach 40.

And also continuously in a phased manner, we'll continue to utilize capacity in going forward, like this year we have gone 25% for the enhanced capacity. Next year we'll increase another 25% or 50% of the enhanced capacity. So in this phased manner we are going so that our profitability and everything remains intact and supply chain and all engines are working in a sync.

Maitri Shah: So for FY26, if you could help me out with the utilization on the 10 metric ton per day, if that's possible?

Sujit Bangar: Yes, sure. In FY26, our existing capacity, as I have spoken in the earlier call also, 70% was the utilization of the existing capacity. And this financial year, the existing capacity 10 metric ton will be utilized almost fully -- so fully means we can have a 90% utilization with some balance space available. And the new capacity of 10 metric ton will be utilized 25%.

Maitri Shah: Secondly, on the nuts and dry fruits, what sort of EBITDA margin do you target once this capacity reaches like 90% optimum utilization? So is this a mix of a higher value SKUs and also operating leverage? So like a steady-state EBITDA basis for the nuts, what would you be quoting for two-three years down the line?

Sujit Bangar: This year has been -- FY26 has been phenomenal in consolidating the profitability in the nuts segment. So we, if you can see our financials in FY26, we have achieved 15% EBITDA margin -- 15%. And 10% is the PAT margin. So the way we look at going forward is that in the short term, in the coming next two years, we will try to maintain this 15% plus EBITDA and 10% plus PAT.

So going forward, this EBITDA may increase a couple of points, but PAT will remain 10% plus because depreciation and other things may add up because our expansion is going on. So in the PAT level, 10% plus we will maintain, but EBITDA may be 15% plus a couple of points. But our main target is that maintaining this level and ensuring PAT doesn't go below 10%. This means we have to balance for the depreciation which will come because of enhanced expansion.

Maitri Shah: Correct. Okay. And on the ice cream side, so we're also ramping up our capacity and you expect it to reach 100% by Q1 FY29. So at that stage, what margins do you expect the ice cream business to quote on the EBITDA and PAT?

Sujit Bangar: See, FY26, 7% EBITDA we have achieved. That's quite phenomenal because it has been ahead of target had been achieved. And this coming FY27, FY28 these two financial years will keep on adding to the EBITDA. Our EBITDA will keep on adding, but at the same time, we are going to be investing into branding and marketing activity, but that we will do from the enhanced EBITDA.

So EBITDA will not go below 7%. It will keep on increasing. Our expectation is the ideally 3 years down the line when the full capacity utilization happens, then EBITDA should be 14% to 15% minimum. So 14% to 15% should be the EBITDA once the complete capacity to utilize.

Till that time, what we are going to do is that EBITDA will keep on increasing, but at the same time, we will keep investing in our branding activity, a certain percentage of sales. This has a positive impact in increasing our revenue potential, our margins will also enhance. So both will go hand in hand.

Maitri Shah: Correct. And this year for '26, what sort of utilization we have had on the ice cream side?

Sujit Bangar: Around in ice cream side, the utilization in FY26 is 25% -- almost you can say 25%.

- Maitri Shah:** And this kind of increases once the seasonality hits, so Q4 and Q1 are expected to be, I think, better for the ice cream season, is that correct?
- Sujit Bangar:** Pardon? What you said, seasonability?
- Maitri Shah:** So for ice cream, you see a seasonality also coming in, for expecting the fourth quarter and the first quarter being better in sales for this business. So the utilization should be quite higher for these two quarters, is that correct?
- Sujit Bangar:** Yes, see, in ice cream, Q1 and Q4 will be higher than Q2 and Q3. So obviously, this sort of seasonality will always be there in any ice cream business. In case of Melt N Mellow, one good thing which is happening is that our certain premium SKUs production has just commenced in the month of May, this month. So -- and we are scaling up, so probably quarter 2 and quarter 3 will give us additional strength of increasing top line because of these some premium SKUs which we are bringing in the market, which are all-season sort of.
- Maitri Shah:** Okay, that's great. And you also mentioned this new initiative of FOCO Stores that is coming up in FY27. So these 25 stores, are they all launching quite linearly across the four quarters? And what sort of financials are we expecting from these stores? Like revenues, like EBITDA breakeven, PAT breakeven on that?
- Sujit Bangar:** See, these obviously these are the franchise-owned, but company-operated. Franchise-owned because we don't want overheads in our books, right? So there is no question of breakeven as there are no overheads in our books. But at the same time, we have seen in many franchise-related expansions, the casualties is brand.
- So not to do that, we have done company-operated. So company will operate those outlets. So each outlet will be breakeven from the third month only because our overheads will be very minimal in these outlets. So therefore, that challenge we don't see, it will not have any impact on EBITDA, or rather it will have a positive impact on our EBITDA because the realization of the product in the parlours will be quite higher.
- So it will add to the EBITDA, but it will not have any pressure on EBITDA. And these will be planned over the period of this financial year. We are planning to start these in the month of July and August. We are going to start at Mumbai and Pune, 25 outlets we are planning.
- Maitri Shah:** Okay, that's great. And FY27, so now with ice cream kind of ramping up, what proportionate of sales do you expect coming from ice cream? And do you also expect us to have a PAT breakeven in FY27 for ice cream?
- Sujit Bangar:** So FY27, as we see, the EBITDA will be enhanced beyond 7%. And the PAT in FY26, PAT was almost 1.7% or 1.8%. So PAT will also enhance beyond 3% minimum, I'm saying this conservatively, minimum on that. And what was your second question?
- Maitri Shah:** The proportionate of sales coming from ice cream. Will that kind of inch up? Because we already had 41% sales coming from ice cream in Q4, but that was again seasonally a stronger quarter

for ice cream. So on a consolidated basis for the entire FY27, how do you see the proportionate of ice cream growing?

Sujit Bangar: Proportionate of ice cream will continuously increase. That you have seen in FY25 and FY26 comparison in the presentation also; you can see how the proportionate of ice cream is increasing. So proportionate of ice cream in the total sale you will see in this financial year also, and going forward in FY28 and FY29, we will see almost equal of ice cream and nuts will reach at a.

Maitri Shah: Okay. And just for this fourth quarter, we had a dip in the EBITDA margins. Any reason for that?

Sujit Bangar: So, EBITDA, there are two things. First is that in the, if you see the nuts segment, Q4 profitability is always under pressure. So rather this year's profitability, if you see quarter-wise, Q4 to Q4 of 25, the profitability has increased.

So Q4 profitability is always, because Q4 is mostly B2B demand because of weddings and these other things, functions and all those things. So that's why Q4 profitability is always under pressure. So it's better to compare Q4 to Q4 profitability, and then you will find that has been a proper, to give you proper understanding.

Maitri Shah: I think Q4 to Q4 the margins went down Y-o-Y.

Sujit Bangar: That is what I am saying, in Q4 FY26, there is a INR2.88 crore, almost ESOP cost which has come into the books, INR2.88 crore. So if you take our EBITDA in Q4 FY26, which is including this adjusted to this ESOP expenses, then our EBITDA margin is 12.21% in Q4 FY26. And the EBITDA margin in Q4 25 was 12.03%. So that way, if you see apple-to-apple comparison, the EBITDA has increased.

Maitri Shah: Okay. And any more ESOP costs coming in for FY27?

Sujit Bangar: FY27, certain ESOP costs will be there that we have not yet worked out. But obviously, it will not be more than this.

Maitri Shah: Again the INR3 crores figure will be there?

Sujit Bangar: No it will not be, it will be less than this amount what has come in FY26. It will be less than the ESOP cost which we have debited in FY26 it would be less than. But as on today, there is no any, but current financial year our ESOP scheme rollout is going on. Certain costs may come, but it will not be more than what has come in FY26.

Maitri Shah: Okay, okay. Thank you so much. All the best.

Sujit Bangar: Yes.

Moderator: Thank you. The next question comes from the line of Saurabh Vyas from Systematix Group. Please go ahead.

- Saurabh Vyas:** Hello, yes, hi. Congrats, sir, on a good set of numbers. I just had two questions. One is that I can see the raw material cost for the, on a consolidated level was increased in the Q4 itself, like it's somewhere around of 7% odd percentage region. So if you could throw some light on that, it would be great?
- Sujit Bangar:** So, you are talking at consolidated level, right?
- Saurabh Vyas:** Consolidated, yes.
- Sujit Bangar:** So Q4 has -- this year's Q4 has a peculiarity of enhanced ice cream operations. So almost the first 9 months' ice cream sale is INR47 crores, and last three months' ice cream sale is almost INR43 crores So that -- now you can understand how the ice cream has contributed in Q4. And this is one of the reasons for this raw material related issue is this enhanced RMPM requirement and this ice cream proportion has increased a lot in this quarter. And that's why that is appearing in the consumption cost.
- Saurabh Vyas:** Okay. And secondly, sir, what type of -- we can see that going forward on the utilization basis...
- Moderator:** I'm sorry to interrupt you, Saurabh, but your voice is breaking.
- Saurabh Vyas:** Yes, so if I can see on a segmental basis, I can see that the margins have fallen in margins have been quite steady for the dry fruits and the nuts segments, like in the core segments we can see that there is only a 10% on a Q-on-Q on a Y-on-Y basis. But ice creams have been sharply fallen for Q4. So now going forward, you guided for the EBITDA margins will be in the range of 3% to 4%. So, going forward, the consolidated level, at what percentage of margin are we looking at for ice cream in FY '27 or '28 when we will be having the full capacity?
- Sujit Bangar:** Yes, I will tell you. There is actually margins are very good in Q4 in ice cream. What has happened in the Q4 ice cream, this ESOP cost which I said INR2.88 crores, that INR2.88 crores ESOP cost has been debited in a Q4 of ice cream, Melt N Mellow. So in the Q4 EBITDA of ice cream for FY '26 has to be increased by INR2.88 crores to bring it as adjusted to ESOP cost. INR2.88 crores is the ESOP cost which has gone in a Q4 in ice cream, Melt N Mellow. This, which I said ESOP cost, that has gone in a Q4 in ice cream. So in the Q4, INR2.88 crores shall be added to the EBITDA to bring adjusted EBITDA net of ESOP cost. You understood what I mean to say?
- Saurabh Vyas:** Right, right, got it. Sir, last question on the demand side for the ice cream sector. Like we have achieved the 15,000 mark of the deep freezer reach. Could you highlight like what states, or which part of the country are we seeing major tractions coming, like towards the north, towards the south side on the -- basically from the Maharashtra region or from the Tier 2, Tier 3 cities? Or just a highlight of how the demand is actually going on for this segment.
- Sujit Bangar:** So, the deep freezer expansion is going across these five states: Maharashtra, Karnataka, Telangana, Andhra Pradesh, and Goa. If you want to see a major metro-wise how it is proportioned, so Mumbai, Pune, Hyderabad, and Bengaluru t-- these are the four metros which are being targeted or focused upon. So ,this -- and sales demand, our majority, almost majority

demand has been, if you say more than 50% demand is from Maharashtra, and the remaining demand is from these four states.

Andhra Pradesh, we started in the month of November, and that is really doing well and picking up well. Hyderabad, we have a quite a good presence for last 2-3 years. And Karnataka, south of Karnataka, we have started, Bengaluru we started last year in October-November. That is also doing well.

Saurabh Vyas: Got it. And sir, just one more question. In the sales promotion expenses, you said going forward to ensure that we expand our base and demand across the country. So how do we see the sales promotion expenses panning out, like will there be any sharp uptick in the marketing expense?

Sujit Bangar: Your voice was breaking, Saurabh. Can you please repeat?

Saurabh Vyas: So, my question was regarding the sales promotion expense, like going forward when we will be expanding our presence across the country. So how are we looking at this sales promotion expense panning out, like will there be any sharp upticks or we'll be keeping it constant across in the coming at least 2 to 3 quarters?

Sujit Bangar: See, sales promotion expense there is a quite difference what we are doing at Krishival as far as sales promotion or branding expenses is concerned. We are not doing branding expenses to bring customer to our product. Customer is already coming to the product. What we are doing is that to validate the confidence in the minds of customer, to bring recall value, and to bring premiumization, which will increase our per SKU realization also.

That function is being achieved through branding which we are doing, or we are proposed to doing. So, whenever we are doing the branding activity in the ice cream segment, for example, we are doing consciously with a certain percentage of sales, and simultaneously in the next year, there will be its impact on enhanced EBITDA.

So going forward, next sales and promotion expenses will be from the again enhanced EBITDA. So, every year, EBITDA will see continuous secular increase also, and also at the same time, sales promotion or branding expenses will also keep on increasing along with the -- in absolute number because top line will also be increasing. So, this way we are doing. So, there will not be unreasonable jump in any quarter or any at the sacrificing EBITDA or profitability. That will never happen.

Saurabh Vyas: Got it, got it. Thank you so much, sir, and all the very best for the quarter. Thank you.

Moderator: Our next question comes from the line of Ayaz Motiwala from Amala Funds. Please go ahead.

Ayaz Motiwala: Yes, sir. Good evening. I have a few questions. I'll start off with over the last, about three years from IPO, you've raised cumulative of about nearly INR200 crores, including the IPO proceeds.

Sujit Bangar: Please continue.

Ayaz Motiwala: Yes, so I'd like to understand how these have been deployed from your investment in the ice cream business strategically and then some advances including working capital? It would be

very helpful to get a picture of that. I've been able to read the last couple of annual reports, but just to get a composite picture will be very helpful over the cumulative money, including the recent INR100 crores that has been raised in the rights issue?

Sujit Bangar:

Understood, understood. Yes, so it's very simple. So in the IPO, we raised INR20 crores, and that was in working capital, March '22 we raised for the working capital. There was no ice cream segment, so we were enhancing in the nuts segment only. Then in a preferential, we raised around INR65 crores and that INR65-odd crores figure something plus-minus something, INR65 crores we raised because I'm just going on memory, exact paper is not in front of me. So around INR65 crores we raised from a preferential. That time also ice cream segment was not with us. Total INR65 crores we used for enhancing in working capital, in enhancing our nuts division.

In this period, our nuts division has gone from March 2022 INR50 crores top line to INR70 crores to INR103 crores to INR173 crores. This top-line growth has been achieved during this period. Also during this period, if you see our balance sheet, continuously we have been investing in our plant and machinery, and that was from our internal accruals for the nuts segment. So the capacity expansion we have done from our internal accruals continuously, and this scale has been achieved in the nuts and dry fruit segment with this.

Now the rights issue which we have raised in INR100 crores recently, out of that INR35 crores first tranche we received in the month of January. And this INR35 crores, INR25 crores is for these new facility in the first question which I said, the 2 lakh square foot factory unit is being constructed along with for the nuts division over there.

So this INR25 crores is for that plant and machinery over there, and INR10 crores is for the working capital of the nuts division, so this INR35 crores. Remaining money is yet to receive to us. That will be received in two calls which we'll do in current calendar year. Then we will receive, and then its utilization will be done.

Ayaz Motiwala:

Okay. So these are partly received proceeds, is this what you're saying, INR35 crores...?

Sujit Bangar:

Yes, yes. INR100 crores out of this is -- out of INR100 crores, first call we received INR35 crores. INR65 crores we'll receive in the subsequent two calls.

Ayaz Motiwala:

Okay, that's great, sir. Now, the ice cream division has grown rapidly and turned around brilliantly. We've seen that over years and years that great and large companies like Hindustan Unilever have struggled with the ice cream business. But on a first principle basis, the supply chain for sourcing milk and the customer group being a cold chain product is totally different from your B2B and B2C nuts business. So where is the synergy and the leverage that you are seeing in this business to have taken on this ice cream business, which has done very well for you in terms of growing as well as turning around and now contributing even to net profit?

Sujit Bangar:

See, regarding the ice cream business and its procurement of milk and other raw materials, ice cream business we have -- we acquired in September 2024, and this Melt N Mellow brand, its co-founders had started in 2014, and it has been continued on that period. So there is a quiet invisible asset in form of this procurement of raw material and supply chain.

So that is one of the inherent strength of the Melt n Mellow before we acquired. That was the strength which was achieve -- which has been attained by Melt n Mellow. So we didn't do anything new for supply chain in Melt n Mellow. That was already intact. Even their at sales level, their very good network of distributor had already been there. So as far as your question was specifically related milk, so there was nothing which was required to be done.

And secondly, ice cream business is different from the typical milk and milk product business. So in milk and milk product business, milk collection is a very critical thing. In ice cream business, milk is one of the raw material, like milk, SMP skimmed milk powder. And other many other products are the raw material ingredients for the ice cream business. So in that sense, that I think that issue gets addressed.

Regarding the synergies, so most important synergy in Melt n Mellow which we have seen is that Melt n Mellow when we acquired that time it was having a 25,000 retail outreach. And as on today, its total retail touchpoint is 37,000. And this 37,000 retail touchpoint of Melt n Mellow we have not fully utilized for nuts yet. Slowly, slowly that network we are leveraging for the Krishival.

So we are getting a very wide network of these retail touchpoints, retail outlets across these states. That is one of the very important things which we have achieved. Another important thing is that there is a working capital cycle of nuts and dry fruits is very complementary. When there is a peak of nuts, then there is some slack period in ice cream, right? And that gives a very good complementary positioning for working capital.

So these two things have been very much critical. And third most important thing, the product - the founding team has been very well-versed and has deep insights into the product and R&D related to product because in ice cream that is very much required. These were the important points while going for the ice cream acquisition that time.

Ayaz Motiwala:

Right. Sir, now going to the traditional or the first business which you started with, which is the nuts business. And if we look at about composite picture of three-four years. And just taking a simple sales minus net raw materials, which is minus the closing stock as you shared in the Annual Report, what was looking like 18%-20% sort of gross margin, they have actually improved first quite a bit in the last two and a half years.

And that is a commendable good achievement by the company. And then recently in the last two quarters, there's been a little bit of a challenge on that account, for which the questions have already been asked on the net EBITDA margin basis. So firstly, going back, what has led to the improvement in the margins in the nuts business from sourcing to the sales mix itself because certain nuts may be selling better margins, etcetera?

It'll be very helpful to learn the nature of that business change over the last three years because the turnover, as you pointed out, has grown from INR30 crores, INR40 crores. to INR70 crores and now to close to INR170 crores, INR180 crores.

Sujit Bangar:

So your question is that what has led to enhanced margin in nuts segment, isn't it?

Ayaz Motiwala:

Yes, what has led to enhanced margins in the nuts business, yes, sir.

Sujit Bangar:

So exactly in the nuts segment, if you see my answer in the initial capacity utilization question, the existing plant we have utilized almost 70% capacity in FY26. And current financial year, it will be 90% capacity utilization of the existing capacity. So almost operating leverage has started to come into picture and give dividend in nuts segment. And that's why the profitability of 15% EBITDA and 10% PAT has been achieved in FY26. Secondly, in the nuts business we have been...

Ayaz Motiwala:

So in the nuts business, is the operating capacity utilization so pertinent to drive up margins? Because from what I understand, it's not a very high sort of fixed cost operating business. So the operating leverage that you are explaining, it'll be interesting to understand that at detail maybe in another forum. But right now, I accept your answer that the operating leverage has built in as the utilization went from 70%-80% to close to 90% as you said?

Sujit Bangar:

Yes, and the secondly, along with that the continuously what we have been investing in our supply chain. And also at the back end and in the front end, our distribution to Tier 2, Tier 3, and Tier 4 towns. And there we give -- and that gives pricing power. In Nuts segment, the pricing power which Krishival has is one of the strength which Krishival is having. And that has translated into this consistent margin in the nuts segment.

And as I said in earlier question, going forward, our target is to maintain this 15% EBITDA and the 10% PAT. And if you see my answer to the question is that our execution, our capacity utilization is going to be in a phased manner.

And the reason for that is that we have to continue to maintain this margin while scaling up. That is the reason for that. And regarding the operational rigor, in the Nuts segment, certainly operational rigor is quite available because we are not doing trading, buying nuts and rebranding and selling.

So if we are buying nuts and rebranding and selling, then in that case, there is operational leverage is not a major point over there. In our case, the nuts we are processing at our end and also raw nuts procurement is being done by ourselves. We are investing quite a lot into that in last many years, and that has translated into this leverage and this profitability in the Nuts segment.

Ayaz Motiwala:

Sure. That's very helpful, sir. Lastly, on the nuts itself, there is now a foray of truly large-size FMCG players which we are noticing as we see as a customer on Amazon. You can see people like Tata Consumer and few of the other regional larger players are coming into this business now. How do you see the competition shape the market in terms of profitability as well as more people coming and creating a positive environment will mean faster growth as well?

Sujit Bangar:

Yes, very valid question. I will refer to the earlier point which you have raised regarding operation leverage because that is relevant here. In Nuts segment, you cannot do a business in all-India basis just by purchasing nuts, branding in your packaging and selling. That's way you cannot create a profitable -- you can do sale, but you cannot do a profitable, scalable, long-term business you cannot do.

In the nuts, the most important thing is that from the January to December, customer should get a assured quality of nut, which is possible only if there is strength in sourcing. So what I feel is that in India, unless there is a back end of sourcing, processing in-house, you cannot give a quality nut on table to the customer. So that's why I feel there is a quite a good headroom if there is a integrated player who is working on it.

So from that angle, I feel for Krishival, going forward, emerging as a numero uno player in India, there is a lot of chance. I'm not saying that it is easy, but there is a quite a good chance, and we are very confident of achieving it because we are going at three levels; the supply chain we are working, we are working at processing level, and as far as sales is considered, we are going to the customer to Tier 2, Tier 3, Tier 4 towns and in B2B also directly to the players who are using it as an ingredient.

Ayaz Motiwala: Sure. These are very good answers to the question. Thank you very much. If I can just ask you one question on the preferential allotment shareholders. As we know, they don't seem to be there on the shareholder list now.

And you know, there seems to be a sort of cloud on that 10% odd shareholding, 10%-11% which was there. So what are your comments on that, what has happened and the inquiry, etcetera? Is there anything the company has got any questions?

Sujit Bangar: We don't -- yes, yes. So as I said, we don't have anything to comment on that. We don't have any relation related to that. Company has -- those people have invested and those are one of the shareholders. More than that, we don't have any involvement or any comment on that.

Ayaz Motiwala: But with the preferential allotment, you would be knowing these potential shareholders, right, sir or the ones who bought and then sold?

Sujit Bangar: So see, we are being a company, when the company is growing, company needs funds, company goes and does marketing and gets the investment. And like that, the things happen. So now if the any investor of the company has done anything wrong, then we don't have anything to do with that.

As long as that investor is not involved into the company's management or operation. So we don't have anything to do with that. That is completely related to that specific investor if that investor has done anything. That is our stand on that continuously.

Ayaz Motiwala: Yes. I'll stop here, sir. There are some more thoughts, but I'll stop here in the context of time. Thank you very much. I really appreciate.

Sujit Bangar: Yes, thank you.

Moderator: Thank you so much. Ladies and gentlemen, that was the last question for today. I would like to hand the conference over to Mr. Sujit Bangar for closing remarks. Thank you and over to you, sir.

Sujit Bangar:

It was very great to talk to all, and I thank everybody for participating in this call. And thanks for the arrangement to the team for making it successful. Thank you. Thank you very much.

Moderator:

Thank you so much, sir. Ladies and gentlemen, on behalf of Krishival Foods Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.