HINDUSTAN FOODS LIMITED

A Vanity Case Group Company
A Government Recognised Two Star Export House
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Date: November 12, 2026

To, The General Manager Department of Corporate Services BSE Limited Floor 25, P. J. Towers, Dalal Street, Mumbai- 400 001 Tel: (022) 2272 1233 / 34 Company Scrip Code: 519126	To, The Manager, National Stock Exchange of India Limited, Listing Department, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400 070 Company Symbol: HNDFDS

Dear Sir/Madam,

Sub: Transcript of Analyst/Investors conference call held on November 6, 2026

Ref: Pursuant to Regulation 30(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

With reference to our letter dated November 2, 2026 intimating you about the conference call with Analyst/Investors which was held on November 6, 2026, please find attached the transcript of the aforesaid conference call.

The above information will also be available on the website of the Company i.e. www.hindustanfoodslimited.com.

We request you to kindly take the above information on record.

Thanking you,

Yours faithfully,

For **HINDUSTAN FOODS LIMITED**

BANKIM
DILIP
PUROHIT

Bankim Purohit
Company Secretary and Legal Head
ACS 21865

Encl: as above

VANITYCASE
INTEGRITY INITIATIVE INNOVATION

“Hindustan Foods Limited

Q2 & H1 FY27 Earnings Conference Call”

November 06, 2026

This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the website of the Company on 06th November 2026 will prevail

MANAGEMENT: MR. SAMEER KOTHARI – MANAGING DIRECTOR – HINDUSTAN FOODS LIMITED

MR. MAYANK SAMDANI – GROUP CHIEF FINANCIAL OFFICER – HINDUSTAN FOODS LIMITED

MR. GANESH ARGEKAR – EXECUTIVE DIRECTOR – HINDUSTAN FOODS LIMITED

MR. VIMAL SOLANKI - HEAD OF CORPORATE COMMUNICATIONS – HINDUSTAN FOODS LIMITED

SGA – INVESTOR RELATIONS ADVISOR – HINDUSTAN FOODS LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to the Q2 and H1 FY27 Earnings Conference Call hosted by Hindustan Foods Limited. 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 for an operator by pressing star then 0 on your touchtone phone.

I now hand the conference over to Mr. Sameer Kothari, Managing Director from Hindustan Foods Limited. Thank you, and over to you, sir.

Sameer Kothari: Thank you so much. Good afternoon, everyone, and welcome to our Q2 FY27 earnings conference call. Joining me on today's call are Ganesh Argekar, Executive Director, Mayank Samdani, Group CFO, Vimal Solanki, Head Corporate Communications, and SGA, our Investor Relations Advisor.

I trust all of you had an opportunity to review our earnings presentation, which has been uploaded on the stock exchanges and the company's website. We have delivered a resilient performance during the quarter, maintaining healthy growth across both Q2 and H1 FY27.

This quarter's performance was a vindication of our business model and the underlying strength of the diversified manufacturing platform that we have built over the last few years. To illustrate, this quarter was marked by heavy flooding at our Silvassa facility that resulted in approximately 1.5 months of operational disruption.

However, our diversification came to our rescue. Our footwear division, which had gone through a challenging Q1 due to the raw material costs and wage pressures, returned to profitability in Q2. Thus, in spite of some challenges in Silvassa, we managed to deliver a record adjusted PAT of INR46 crores in Q2 FY27, registering a year-on-year growth of 22%. For the half yearly FY27, adjusted PAT grew by 30% to INR89 crores. These kinds of situations give us the confidence about our business model and future growth.

On the demand side, we continue to see healthy volume growth across all our verticals, supported by a favorable demand environment. Our ongoing discussions with both existing and prospective customers indicate encouraging growth opportunities across our business divisions. Beyond the projects that are nearing commercialization, our broader project pipeline remains strong and continues to expand, reflecting the opportunities available to us.

We are also investing steadily to capture this demand. In addition to the various capex going on in many locations that Ganesh and Mayank will walk you through, we have also strengthened our leadership team. We have now appointed dedicated business heads across all our divisions. This gives us and the business a sharper focus and a clearer ownership as we scale.

To sum up, as our capacities ramp up, new projects come on stream and the footwear business which is coming back on track, we believe that we are well positioned for a strong second half of FY27 and for a sustained earnings growth into FY28 and beyond.

I'm also pleased to share that we will be hosting a Capital Markets Day in early December, where we will talk in detail about our business and our plans for FY28 and beyond. We'll be announcing the details through the stock exchange in the coming weeks, and we look forward to seeing some of you there.

With that, I would now like to hand over the call to Ganesh, who will take you through the operational highlights of the quarter.

Ganesh Argekar: Thank you, Sameer, and good afternoon, everyone, and a very Happy Diwali in advance. I will now take you through the operational highlights for the second quarter of FY27. Let me start with footwear. Since many of you have been tracking this closely and have been asking the questions regarding the performance of this division regularly. Q1 FY27, the footwear business faced cost pressures from 2 sources: higher raw material costs and revised wage rates.

At the same time, we were still executing some old orders that had been priced on a fixed basis before these cost increases came in, so profitability took a hit. In Q2, we addressed this add-on. We completed the remaining legacy fixed price orders and all fresh orders have now been secured at revised prices that reflects the current cost structure. Alongside that, we also improved our raw material procurement and continue to drive efficiencies on the shop floor. As a result, the footwear division returned to profitability in Q2 FY27.

And the momentum has carried into the second half. October '26 delivered the highest-ever monthly turnover in the history of the division. Our order book is full till March '27, which gives us good visibility for the rest of the year. We have also onboard new brands for sports shoes and sneakers which expands our customer portfolio. To serve this growing demand, work has already started at our existing Chennai plant to create additional capacity for sports shoes.

So with a full order book, revised pricing and new customer coming in, we expect the footwear division to further ramp-up profitability through H2 FY27. We are confident that this division will significantly contribute to our growth for the next few years. All other verticals: home and personal care, food and beverages, ice cream and OTC pharma, continue to see healthy demand and capacity utilization. While we did face some disruption at our Silvassa operations for nearly a 1.5 month, I am pleased to inform you that operations at this existing factory have since normalized. Coming to ours overall expansion plan, we continue to make investments across our business divisions to support customer demand and strengthen our manufacturing network.

The ongoing geopolitical situation and some weather-related issues led to some unforeseen delays. Though these delays are not at all material from a financial impact perspective, we have revised the new time lines in our investor presentation. Coming to projects related to seasonal product categories, that is beverages and ice creams, our projects across Aurangabad, Mysuru, Hyderabad and Panipat are progressing and will be ready in time for the season.

The brownfield expansion for malt beverages at Coimbatore and the Ayurvedic supplement project at Baddi is progressing well and expected to be commercialized in Q4 FY27. In terms of new announcements, we are setting up a new carbonated soft drinks line at Guwahati, which is expected to commence production in Q4 FY27.

We are also expanding our ice cream manufacturing capabilities with an additional line for manufacturing ice cream cones and sleeves at our Nashik plant. This is expected to commence commercial production in Q1 FY28. As Sameer mentioned, we continue to see healthy discussions about future projects and hope to come back soon with some more announcements.

With that, I would like to hand over the call to Mayank Samdani, our Group CFO, to take you through the financial performance for the quarter. Thank you.

Mayank Samdani: Thank you, Ganesh. Good afternoon, everyone, and again, very Happy Diwali to you in advance. I will now take you through the financial performance for the second quarter and the first half of FY27. We have delivered a healthy performance during the quarter with continued growth across our key financial parameters. Total income for Q2 FY27 stood at INR1,269 crores, registering a growth of 18% over the corresponding quarter last year.

EBITDA increased by 26% year-on-year to INR115 crores, reflecting improving operating leverage across our manufacturing platform. Profit before tax before exceptional items grew at 25% year-on-year to INR61 crores. Adjusted profit after tax stood at INR46 crores, registering a growth of 22% year-on-year. Reported PAT for the quarter was INR45 crores after accounting for one-time exceptional losses of INR1.3 crores relating to the flooding of our Silvassa facility. I will now cover a couple of areas in more detail: our cash flow and our outlook for the year.

Our cash flow from operations for H1 FY27 stood at more than INR57 crores. This is a significant improvement compared with the negative operating cash flow reported in the second half of FY26. Let me explain the factors that impacted the cash flows earlier and the steps we have taken to improve the situation. Now we'll discuss what impacted the cash flow in H1 FY26. There were primarily 2 reasons for this.

The first was the inverted duty structure under GST. Following the GST rate changes in several of our product categories, the GST paid on inputs was higher than the GST applicable on finished

goods. Consequently, the tax paid on raw materials and packing materials was higher than the tax collected on the sale of finished goods. This resulted in the accumulation of input tax credit, effectively locking up a portion of our working capital with the government. The second factor was our decision to proactively build inventory amid geopolitical uncertainties to ensure uninterrupted supplies to our customers.

While this was a prudent step from the operational standpoint, it also resulted in additional working capital being tied up in the inventories. On what has changed in this half year of FY27, to address the inverted duty structure at its root, we initiated the transition of select customers' businesses from a gross revenue model to a net revenue model. This reduces the material-related GST outflow, lowers inventory requirement and reduces the receivables carried on our balance sheet. Importantly, this transition does not change our absolute profitability. We continue to earn the same absolute profit from the businesses, but with significantly lower working capital requirement.

The initial benefit of this transition was reflected in the operating cash flow performance during H1 FY27. Looking ahead, we expect a further improvement in cash flows supported by 2 factors. First, additional customers have agreed to transition to the new revenue recognition model starting Q4 FY27. As more businesses move towards this model, we expect the working capital benefits to become more meaningful in this area. Second, the recently announced GST changes are also expected to ease the inverted duty structure across several product categories, thereby helping reduce the accumulation of input tax credit.

With these developments, we expect significantly stronger cash flow from operations in H2 FY27. This is particularly important given the substantial pipeline of projects under execution and the investment planned across the manufacturing platform. Improved internal cash generation will strengthen our ability to fund our growth investments through operating cash flows alongside appropriate debt, while maintaining a comfortable balance sheet. Now coming to the future outlook. Looking ahead, we remain positive about the business momentum and growth prospects.

We expect improving capacity utilization and the commercialization of new capacities to support our financial performance in the second half, as the temporary operational disruption and the project delays faced in H1 gradually ease. Starting from December, we are commercializing assets worth more than INR300 crores across various projects. As these projects start contributing to the bottom line in Q4, we are confident that we should be able to meet our guidance and close the year with more than INR200 crores PAT. With that, we would now be happy to take your questions.

Moderator: The first question is from the line of Adithya Srinivasan from ithought PMS. Please go ahead.

Adithya Srinivasan: Congrats on a great set of numbers. So I just have 2 questions, one with respect to the margins and one with respect to ROCE. So to talk about the margins, so the shared EBITDA margin has gone up to like about 11%, while the dedicated margins have come down quite a bit. So if we just know what is driving the shared margins, and what will be the ceiling for the shared margin, what will be its stable state? And also, just to talk about the shared, the gross block as well went up for the dedicated side now.

So I just want to understand if the concentration of maybe top-3 clients' concentration drove that or was it something else that was driving that? If you could answer this, I'll just come back to my second question after this.

Sameer Kothari: Aditya, this is Sameer. I'll ask Mayank to give you the answer specifically, but I just want to point out to this one issue that the slide which talks about the EBITDA and the split between dedicated and shared is not reflecting the margin, but it's reflecting the share of the EBITDA, which is coming from dedicated and shared. You're right that the total amount of EBITDA, which is coming from shared manufacturing has increased. That's not because the margin profile has changed. That's primarily because of the fact that the shoe business has finally started delivering money.

I think in Q2 versus Q1, the biggest delta is because of the shoe business. So I hope that's clear.

Adithya Srinivasan: Got it. Yes, that's quite clear.

Sameer Kothari: I'll ask Mayank to answer the -- Do you want to repeat the second question? I'm sorry.

Adithya Srinivasan: Yes. So I just wanted to understand the gross block has gone up for dedicated, although last -- like, in FY26 end it was at 61%, if I'm not wrong, it has gone up to 63%. So I wanted to understand what drove that.

Sameer Kothari: Okay. So again, the gross block is going to be a dynamic figure based on the capitalization, etcetera. So I would urge you not to look at it at the end of every quarter or the end of every half year. You would have to look at it holistically as a trend. What we have indicated is that we'll be comfortable with a 60-40 split between dedicated and share.

That does not mean that we will end up each quarter or each half yearly number at 60-40. We will have intervening periods of time where the number will go up and down.

Adithya Srinivasan: Understood. Okay. Just to follow up on this. Would you be able to put any number as the top 3 client share?

Sameer Kothari: So obviously, we will not be able to give you the number of the specific clients. But as a policy, what we do is that we would be very uncomfortable if any one single customer accounts for more than 33% of any of our categories in terms of gross block or in terms of EBITDA.

Adithya Srinivasan: Got it. So I'm assuming nothing has come to that threshold yet?

Sameer Kothari: No, it hasn't actually.

Adithya Srinivasan: Okay. Very good. So I'll just get to my last question, if time allows. So just to understand that you have a feeling of about 18% to 20% ROCE. So just wanted to understand where that is split between dedicated and share as well, if you could help us understand.

Sameer Kothari: Where that is split. So in a normalized world, our dedicated manufacturing factories should deliver about 16% to 22% ROCE. And the shared manufacturing should deliver much higher than that. As a blend, we would be looking at 18-odd percent. And what we've mentioned earlier as well is that as a company, we will look at each of these projects with that kind of a gate in terms of the threshold ROE, ROCE expectations.

Again, that needs to be looked at more as a trend and not as a number, which is something which will happen. There will be instances like it happened in the previous quarter where our shoe business actually delivered a loss that there will be quarters where it will not be met, but our endeavor is to meet that at a holistic level for the company.

Adithya Srinivasan: Got it. Thank you so much. And congrats and happy Diwali. I'll join back in the queue.

Sameer Kothari: Thank you Adithya and wish you a very happy Diwali.

Moderator: The next question is from the line of Mayur Parkeria from Scripbox Wealth Managers Private Limited.

Mayur Parkeria: Good afternoon to the entire team, Sameer, Mayank, Ganesh. So I'm stopping just short of myself to say congratulations on a decent set of numbers because they're slightly below expectation, what we're assuming after a fabulous Q1, which came in, but we do understand that there are certain challenges there. So let me start with that first aspect. When you put all the 3 things in terms of the Silvassa disruption which happened, also the fact of some -- it is a start of some of the customers moving to the net revenue model. And then there has been some delay in the project commission. I know they must be all small put together, but if you have to guess a number around this, what kind of revenue loss we would have seen or reduction we would have seen, or potential revenue which could have come in and EBITDA which could have come in because of all 3 put together?

Sameer Kothari: Mayur, this is Sameer. I will get into it slightly differently. We actually are quite happy with the numbers. I know what you mentioned. And let me tell you a couple of things why we are happy with the numbers of Q2.

Q1 was actually not comparable to Q2 because of the seasonality of some of our products. As you are aware, while it has been hot even in Q2, the fact of the matter is the sales of beverages as well as ice cream cannot be compared between Q2 and Q1. As a result, in normal case, the fact of the matter is that Q2 would not have been as good as Q1. I think what has really worked for us is that in Q1, we obviously, as you are aware from the last investor call that we faced some losses in the shoe business. I think we are extremely happy to say that...

Mayur Parkeria: No, no, Sameer, I was comparing year-on-year, which has a similar kind of seasonality impact. And I just mentioned, the reason I said this was mainly because we saw almost 35% profit growth on a year-on-year basis in Q1 even if we adjust for the exceptional, we are 22% growth in terms of Q2. And our overall guidance has now the second half will require almost 50% jump in the profit. So I just from a qualitative, I meant year-on-year and so that the seasonality is taken care. Yes.

Sameer Kothari: Sure. Okay. So let me address that as well. And let me also address the 2 specific questions that you've asked in terms of the delay in projects and Silvassa. I think we did spend a lot of time trying to explain that in the investor deck.

And the reason we did that is because, yes, you're absolutely right, it does shift the profitability from Q3 to Q4. And yes, it does make Q4 extremely important for us. And I think it's incumbent on us as management to address that for the sake of the investors. So let me do that. So in Q4, Mayank said this in his opening statement that starting from December, we expect nearly INR300 crores worth of capex projects, which will start getting commercialized.

This includes all the projects that Ganesh mentioned, which are delayed by a month or so, but also the projects which are more seasonal, which has got to do with ice creams and beverages. So for Q4, we do expect that the delta change as compared to the previous 3 quarters will be substantial. And the reason why we flagged out the delay in the project was not because it makes a material impact on the financial numbers, but because some of those projects we were expecting will start delivering revenues in Q3, and that will now get pushed to Q4. From an overall perspective, we continue to maintain that we should be able to get to that INR200 crores number very easily. But it's just that the timing shifts from Q3 to Q4 in terms of the new projects starting up.

Mayur Parkeria: No, no, Sameer, I understand. The question actually was around if we add all these 3, is there a possibility of some quantification around what could be there, could have been the revenue

slightly higher or EBITDA for the quarter 2 because all put things all 3 things put together, maybe some number around that. I understand your commentary and well taken about the fact of Q4.

Sameer Kothari: Yes. Difficult to do that. I don't know if Mayank wants to take a shot at it, how much -- so basically, the question is how much EBITDA did we lose because of the delay in project and so that...

Mayur Parkeria: Let's say, all 3 put together, slightly Silvassa, slightly delay, slightly net revenue in terms of the so that is neutral for us, I understand.

Mayank Samdani: Yes. So net revenue is neutral for us because the EBITDA and PAT will be same in this. If it is -- we generally -- Mayur, we generally don't give these numbers. But to give you some idea, the numbers will be around INR3 crores to INR4 crores of extra EBITDA to come in.

Mayur Parkeria: INR3 crores to INR4 crores of extra EBITDA, which could have and that could have actually flowed directly to a large part would have flowed to PBT.

Mayank Samdani: Yes, yes, yes. Right, right.

Mayur Parkeria: No. So because then it impacts the growth rate because while INR3 crores to INR4 crores may not impact more on the EBITDA, but it flows to the PBT, which can be another 8%- 9% possibility which could have been there.

Sameer Kothari: Considering that the project was already commercialized, you're absolutely right that the interest cost and the depreciation is hitting us even though the fact is that we were not able to ramp up the production in that facility. So yes, the extra EBITDA should have flown to the bottom line.

Mayur Parkeria: Okay. So one more a little more specific question here, I'll try my love to get your answer on this. We have been very specific in guiding...

Sameer Kothari: Mayur, you're extremely lucky. I wasn't sure Mayank was actually going to give that answer.

Mayank Samdani: No, no. Thank you so much. No, no. It actually what happens is we have been over the last 2 years coming out of investor expectations and trying to meet them. And hence, I just wanted to put that number so that it is clear, in fact, for everybody at large.

So that INR3 crores- INR4 crores maters actually because my estimate was around -- because it pulls up the quarterly growth from 24% PBT to almost close to 30%. So that is where the expectation actually also. So I know it's a small number, but just...

Mayur Parkeria: No, no, no. I was actually playing your role. I was actually playing your role.

Sameer Kothari: I was just about to say, I have to say that between Ganesh, Mayank and me, we obviously did that working. I just wasn't sure whether Mayank wanted to say that in the public, but you're absolutely right. Our Q2 numbers should have been much better. I mean while we wanted the focus to remain on the fact that the shoe business has turned around, the fact of the matter is that the Silvassa debacle did affect us from posting probably it could have been a record quarter this year -- this quarter. Q2 should have been the record quarter.

Mayur Parkeria: Okay. So again, going forward, you have been very specific around mentioning that Q4 is going to be expected to be a major bump up in that sense. I'm just trying to read in between does it,I hope it does not mean that Q3, we are going to face stagnation or no growth there.

Sameer Kothari: As compared to last year, last quarter?

Mayur Parkeria: Q3. Because Q3 of last year, we had almost INR40 crores of profitability close to that. I know we have INR122 crores more to go on the PAT. But I'm just trying to read in between the lines. I hope that Q3 does not mean -- I don't want any exact numbers and expect guidance on that.

It's too short a period. But because we are specific on Q4, I just wanted to take your call that I hope the Q3 does not build in a very low growth or a stagnation there.

Sameer Kothari: So we obviously can't comment on the Q3 number, but let me tell you the reason why we are emphasizing on Q4 because between all the projects that we have announced, which is a capex of nearly INR300 crores, we expect them to start doing production from December, out of which the Silvassa facility should start producing at the ramped-up capacity by the end of this month itself. And that's why since that production in Q3 will be only for a month, but Q4 will have it for the entire month. We see that there will be a big delta between Q1, Q2, Q3 average versus Q4. Just want to, from a bookkeeping perspective, let the investors know that that's how it's going to happen, not making any comments about Q3 at all.

Mayur Parkeria: Okay. I understand it. On the shoe side, also just we have been categorically in saying that the order book is very strong in terms of that. But then the outlook we are talking is only till March '27 and the broader outlook beyond for FY28 we have given. But specific for the shoe business, is it that the new orders and the new contracts which are now at new prices and things and the quantum of those, I believe that. Or do you think that we will have to make more efforts for FY28 to be in our pocket or even -- because you were specific about our presentation and release also talks more about FY27 end. So I just wanted to ensure that how is the outlook for FY28 for shoe given this.

Sameer Kothari: So Mayur, as corporate governance, what we've generally done is that we've tried to stay away from making motherhood statements in terms of potential, etcetera. We have purchased orders which are in our book up till March. As you are aware that we have seasonal productions. And as a result, we have complete visibility until March '27. If you ask me about FY28, and this is now a motherhood statement.

The fact of the matter is we are actually committing to expand capacity in Chennai, right? And the only reason that we are doing that is because we believe that structurally, I think all the pain that we faced in the shoe business is now behind us. Not only have we started delivering profits, but we think that the business will grow. All the tailwinds that we have been talking about for the last 1.5 years, which has not reflected in the financial accounts, should start reflecting from FY28. And that's the reason why we are expanding capacity by nearly 20-odd percent as far as our overall shoe making is concerned in Chennai. Not only that...

Mayur Parkeria: So the BIS regulatory clarifications and all that is now behind us?

Sameer Kothari: Okay. Yes, that is behind us, though that was not what was causing us a problem. We've had problems with a bunch of things, as you are aware, including the raw material prices and the Middle East crisis, etcetera. But the fact of the matter is we now are in a situation where most of the brands have decided on their manufacturing strategy and their sourcing strategy. We broad-based our customer base from the top end multinational brands to even the growing and the new challenger Indian brands that are in the market.

This gives us a very good bouquet of customers. We have an order book which is more than the capacity, and that's the reason why we are expanding capacity. So unless -- yes, I think we are in a good place as far as the shoe business is concerned now. And just like you said, you are reluctance to congratulate us on Q2. We are a little reluctant when it comes to shoe business because we've mentioned it a couple of times and then something ends up happening where we have to eat crow.

Mayur Parkeria: No, no. I just want to save the best for Q4 then and wishing you all the team happy Diwali and happy Dhanteras. Just one last small -- I know I've taken a little bit of time, just last one. This is slightly different. Sameer, we are hearing a lot of inspection and at the retail level, at the consumer retail level with respect to food and beverages and especially juices and everywhere, we are hearing and we are seeing actually on ground a lot of issues which are coming out.

Are there any -- while we will not be impacted in terms of the other aspects, but from a perspective of supply chain, from a perspective of sudden knee-jerk reaction stopping of the -- are we -- does any of our customers or have faced this issue or most likely in that situation or how do you see that risk from -- because we have substantial on the food and juices and the

beverages side. So just a small concern over there, but any early signs or would you like to just allay some fear there? And wishing all the very best to entire team.

Sameer Kothari: Thank you, Mayur, and wish you a very happy Diwali as well. But let me address that question. I think it's a very good question from 2 perspectives, right? One is at a factual level and the factual level is that as a large factory, we are subject to these audits, subject to these inspections far more often than, let's say, the restaurants that we are reading about. And as a result, this is something that we are used to.

This is something that the team is equipped to handle. And this is something that happens in the regular course of business. However, since you've raised the issue, let me address it at a more strategic level. I think what the last few months of this kind of activity has done is that it has increased the awareness of food safety, not only in the minds of the consumers, but also in the minds of the brands. I think a lot of the brands are beginning to realize that it is the kind of damage that can be done to a brand in case there is press or there is some kind of bad information coming out is quite high.

Structurally, I think this will lead to a situation where brands will migrate to more organized contract manufacturers, brands will migrate and demand better manufacturing facilities. And if I may say so ourselves, we think that this will lead to a situation where organized contract manufacturing in food will probably benefit from this kind of a regulatory oversight.

If you've seen what happened with the pharma industry when the mess happened in the Baddi, Himachal area, I think that led to a situation where the larger players benefited maybe at the expense of the smaller players or definitely at the expense of players who could not afford or did not want to maintain the minimum regulatory standards. I think that will happen in food as well. And we are hoping that we'll be a beneficiary of all of this regulatory oversight rather than looking at it as a risk.

Mayur Parkeria: Great. Thank you.

Sameer Kothari: Thank you Mayur.

Moderator: The next question is from the line of Rahul Maheshwary from Ambit Investment Advisors. Please go ahead.

Rahul Maheshwary: First of all, congrats on good set of numbers and best wishes for the festive.

Sameer Kothari: Your voice is not clear.

Rahul Maheshwary: Am I audible now better?

Moderator: Sir, your audio is a bit choppy.

Rahul Maheshwary: Is it better now?

Moderator: Yes, it's much better now. Please go ahead.

Rahul Maheshwary: Yes. First all congrats on good set of number and best wishes for the festive. Just one thing in the contract manufacturing as you are present across categories, can you highlight in which category the sensitivity to the pricing power, which you command the highest to the lowest? Because each category differs based on the customer requirements and the customers' their own margin and profitability. Can you give a bit in how the pricing power across categories you manage? That will be really helpful.

Sameer Kothari: Rahul, I'm not sure how to address this from a perspective of this category. I think it's got to do with our capex. It's got to do with how much sophistication is involved in any product, right? So when you look at, let's say, foods and beverages, you might have a food product, which does not require a lot of sophistication in terms of machinery, automation, etcetera, and which requires a much lower scale, and we might be probably able to command a much lower price on that. On the other hand, if you look at a food category, which requires a lot of automation, a lot of investment in capex, etcetera, obviously, in terms of sophistication of handling the product, then our margins would be much better.

So I would hesitate -- even if you look at the shoe business, right, there are shoes brands who work at the lower end of the market and the styles are less complicated as compared to some of the other brands which are working in performance courts, etcetera, have a far more complicated shoe and our pricing would vary from that. So it would be difficult to look at it as a category. It would be more important to look at it from a product perspective. And frankly, for the purpose of this discussion, looking at it from a product perspective might actually not add any value to our discussion.

Rahul Maheshwary: Got it. Got it. And just one more thing I want to ask, no doubt as the number of customers increases, your opportunity size and the execution improve. But should we look the company from more a gross block perspective that as and when you add the capacity irrespective of the client, that much improves the visibility or we should look at from a different lens? That's all from my side.

Sameer Kothari: Okay. I think, again, sorry, but I'm going to give you a hybrid answer. And the hybrid answer is that you should look at it as both. If you see the slide that we were talking about earlier in the question, I think it was Aditya who asked about it, the share of our gross block between dedicated and share. To answer your first part of the question, if you look at the dedicated businesses, the

increase in the gross block will definitely lead to an increase in the bottom line as far as dedicated businesses is concerned.

On the other hand, in case of shared businesses, it's a question of operating leverage. So even if we do not allocate more money to that gross block, we can increase the profitability purely by way of better capacity utilization like has happened in case of the shoe business this quarter. So it's a little bit of both. You will have to look at our gross block numbers and when it comes to dedicated manufacturing, you'll also have to look at capacity utilization and margins when it comes to our shared manufacturing.

Rahul Maheshwary: That's very helpful and clear. Thank you so much and best wishes.

Sameer Kothari: Thank you, Rahul.

Moderator: The next question is from the line of Riddhansh Chandak from Unifi AMC. Please go ahead.

Riddhansh Chandak: Congratulations on a good set of numbers and Happy Diwali in advance. I just had a small question on the health care segment. What I wanted to understand was which segment except shoes, which is predominantly shared, would you say has the highest ROCE or ROE? And yes, that's one. And 2, the health care segment hasn't been growing as much from the gross block perspective versus say ice cream and F&B.

Any comments as to why?

Sameer Kothari: Sure. Riddhansh, I heard and understood the second part of the question. I'm not sure I understood the first part of the question. You said that the ROE expectation is highest for the shoes. Is that what you just said?

Riddhansh Chandak: Yes, I assumed because that's the shared business where you take on the most amount of manufacturing risk versus the others which would be more take-or-pay in nature.

Sameer Kothari: Absolutely. So in principle, you're absolutely right, but it's not just the shoe business. Even in case of some of our beverage facilities, we are actually doing shared manufacturing. In case of one of the ice cream facilities, we're also doing some amount of shared manufacturing. So from that perspective, in principle, you're absolutely right that any kind of shared manufacturing, we would expect a much higher ROE number.

And that ROE number, as I was answering the previous question, has got to do with the capacity utilization, etcetera. Having said that, in principle, you're absolutely right that any kind of shared manufacturing business should have a higher number. As far as the OTC pharma business is concerned, your comment is absolutely right. We've not invested further in terms of gross block

or in terms of new capex in that segment, primarily because we have a large amount of capacity, which is lying in Baddi and in Chennai, which needs to get utilized. Like we've mentioned this in a few calls, the OTC pharma business is slightly of a longer gestation than some of our other businesses.

So we've had audits and trials done at these sites, which will start showing up only now and in the next couple of quarters. So once we reach the capacity utilization where it makes sense to look at expansion, we will. Right now, I think we have enough headroom in our existing assets to be able to nearly double the throughput in these factories.

Riddhansh Chandak: And just on that first question, what I wanted to understand was out of FMCG, ice cream, F&B, and health care, which will be the segments would have the highest ROCE?

Sameer Kothari: Again, no, it's the similar question to what the other gentleman was asking. So it would not be based on the category, it would be based on the products within the category, the amount of capex, etcetera, that we are looking at it. Purely from a category perspective, it will be very difficult to generalize.

Riddhansh Chandak: Okay, got it. Thanks. That's all from my side and best wishes.

Sameer Kothari: Thank you, Riddhansh.

Moderator: The next question is from the line of Adithya Srinivasan from ithought PMS. Please go ahead.

Adithya Srinivasan: Thank you for taking my question. I just had one more question with the new revenue recognition model. So I just want to understand -- so you mentioned that some customers have already switched more move from Q4 of FY27. So would you be able to quantify these things? Firstly, how much the H1 revenue or rather in a percentage terms, how much is booked on a net basis and which segments are kind of moving into the new revenue model?

Sameer Kothari: Aditya, so let me address it principally and then maybe Mayank, I don't know whether he wants to give out these numbers or not. So principally, we've had some of our newer customers move to this model right away since the relationships were just starting, and that's what's reflecting in the cash flow for H1 that the GST inversion has not increased as compared to the previous year, and we've been able to get some refunds because of the newer launch changes, etcetera. However, for our existing customers, the changes are still work in progress. We understand -- we believe that one of the bigger customers will change starting from Q4 of FY27. Unable to quantify that in terms of the turnover number, but we want to make sure, and I think Mayank did that in his opening remarks, saying that the change in that recognition model will not make any difference to our bottom line numbers.

Adithya Srinivasan: Got it. Bottom line, I understand the EBITDA and PAT won't go through any change, but would you be able to tell how much of an optical difference would be in the revenue, say, on a whole for FY27 basis?

Sameer Kothari: I am unable to give you an exact number unless Mayank.

Mayank Samdani: So Aditya, these are the discussion which is under discussion. We will come back to you to the market with the appropriate time when something is materialized. As of now, we know that some customers have positive responses that we can change it from Q4, but that is not a finalized thing. As and when the dotted line is signed, we will come back with greater clarity.

Adithya Srinivasan: Understand. Thank you.

Moderator: As there are no further questions from the participants, I now hand the conference over to management for closing comments.

Vimal Solanki: Thank you, everyone, for joining us today and for your continued interest in Hindustan Foods. Q2 FY27 has been a resilient quarter for us. And despite certain disruptions and delays, we've delivered 18% revenue growth, 26% EBITDA growth and 22% growth in adjusted PAT. H1 adjusted PAT grew by nearly 30%. Our footwear business has also returned to profitability with October recording its highest ever monthly turnover.

These numbers reflect the flexibility of our diversified business model, the strength of our customer relationships and the commitment of our teams. Looking ahead, we remain confident about the opportunities before us. India's contract manufacturing sector continues to benefit from rising consumption, premiumization and the growing preference among brands for specialized scalable manufacturing partners.

Our focus is on converting these opportunities into profitable growth through new capabilities, improved utilization, disciplined capital allocation and deeper customer partnerships. As we close, all of us at Hindustan Foods wish you and your families a very happy Diwali.

Festivals are about good food, favorite treats and happy moments with family and friends, whether it's a festive sweet, a refreshing beverage, a scoop of ice cream or simply staying active in the morning job. We are happy that many of these little celebrations have a direct connection with what we do at Hindustan Foods. We may not make the celebrations, but we do help make quite a few of the products that go into the celebrations. Thank you so much to our shareholders, our customers, employees and business partners for your continued trust and support. We look forward to welcoming many of you to our Capital Markets Day in December 2026. Details of these will be announced shortly. Thank you once again, and have a wonderful festive season.

Moderator: Thank you. On behalf of Hindustan Foods Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.