

**Date:** 4<sup>th</sup> June, 2026

To, BSE Limited The General Manager, Department of Corporate Services, P.J. Towers, Dalal Street, Mumbai – 400 001 Scrip Code: 507552	To, National Stock Exchange of India Limited Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 Symbol: FOODSIN
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Dear Sir/ Madam,

**Sub.: Transcript of the earnings discussion/conference call dated 2<sup>nd</sup> June, 2026 to discuss the audited financial results for the quarter and F.Y. ended March 31, 2026**

In compliance with regulation 30 read with Schedule III to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosing herewith the transcript of the conference call held on 2<sup>nd</sup> June, 2026 to discuss the audited financial results of the Company for the quarter and F.Y. ended 31<sup>st</sup> March, 2026.

You are requested to take note of the same.

Thanking you,

Yours faithfully,

For **FOODS AND INNS LIMITED**

**Ameya Masurkar**  
**Company Secretary & Compliance Officer**

**Foods & Inns Ltd.**

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Foods & Inns

“Foods and Inns Limited  
Q4 FY26 Earnings Conference Call”

June 02, 2026



Foods & Inns



**MANAGEMENT:** **MR. MILAN DALAL – MANAGING DIRECTOR – FOODS AND INNS LIMITED**  
**MR. MOLOY SAHA – CHIEF EXECUTIVE OFFICER – FOODS AND INNS LIMITED**  
**MR. ANAND KRISHNAN – CHIEF FINANCIAL OFFICER – FOODS AND INNS LIMITED**

**MODERATOR:** **MS. DEEPALI KUMARI – ARIHANT CAPITAL MARKET LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to Foods and Inns Limited Q4 FY26 Earnings Conference Call. 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 this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note this conference is being recorded.

Now I hand the conference over to Mr. Deepali Kumari from Arihant Capital Markets Limited. Thank you, and over to you.

**Deepali Kumari:** Thank you, and good afternoon everyone. On behalf of Arihant Capital Markets Limited, I thank you all for joining in to the Q4 and full year FY26 Earnings Conference Call of Foods and Inns Limited. Today from the management side, we have Mr. Milan Dalal, Managing Director, Mr. Moloy Saha, Chief Executive Officer and Mr. Anand Krishnan, Chief Financial Officer.

Without any further delay, I hand over the call to the management for their opening remarks. Over to you, sir.

**Anand Krishnan:** Good evening, ladies and gentlemen. This is Anand Krishnan here, the CFO at Foods and Inns. Thank you for joining us today. We have with us Mr. Milan Dalal, the MD of the company; and Mr. Moloy Saha, the CEO. FY26 witnessed a challenging operating environment for Foods and Inns.

During the year, our business was impacted by lower realizations resulting from the pass-through of lower raw material costs, temporary disruptions in certain export markets and lower tomato processing volumes due to constrained availability of quality tomatoes.

Despite these challenges, we continued investing in our long-term growth platforms. In Q4, sales volumes were affected by the geopolitical situation in March, particularly in the Middle East, while realizations remained lower due to inventory produced from the lower cost 2025 crop season.

As always, our pricing remains a direct pass-through of raw material movements. We expect demand from Middle East to normalize over time. Frozen foods continued its strong momentum, delivering volume growth of approximately 28% during FY26, supported by increasing demand for value-added products and growing interest from the U.S. market.

Our growth initiatives are progressing well. We are expanding the spray drying line capacity by 120 metric tons per annum, continuing to build our Tetra Recart business, where confirmed orders currently stand at approximately 400 metric tons, valued at around INR8 crores and leveraging AI-driven automation initiatives to enhance efficiency across our operations.

We have also strengthened our sustainability initiatives through additional solar installations at our Vankal and Gonde facilities, which will contribute to our long-term cost efficiencies. A key milestone during the quarter was the receipt and recognition of the FY25 PLI incentive of INR33.86 crores, reflecting the successful execution of our growth investments.

Overall, while FY26 was impacted by certain external factors, we remain confident in the long-term growth opportunity across our diversified food processing platform. With strong customer relationships, expanding value-added businesses, improving export competitiveness and continued investments in efficiency and sustainability, we believe we are all well positioned for the years ahead.

With that, I would like to now open the floor for questions. Thank you.

**Moderator:** Thank you, sir. We will now begin the question and answer session. The first question comes from the line Rushda Saifee with RoboCapital.

**Rushda Saifee:** Just wanted to know your outlook on the revenue growth and the EBITDA margins for FY27 and '28.

**Anand Krishnan:** So with respect to the margin percentage is something that we never disclose as a company basically because it's a complete pass-through of the raw material cost. With respect to the expected tonnage growth is something that our CEO will guide us in the call.

**Moloy Saha:** Considering the present situation and market scenario or information, whatever update we are getting from customers, we are expecting around 18% volume growth for this financial year. Major growth we are expecting from frozen segment, which is my CFO, Anand already communicated to you.

Last 3 years, we have grown at 30% average and likely to grow for next few years significantly. So that is one. And another growth we are expecting in our packaging -- new packaging solution product that is a Tetra Recart. Last -- since we have installed 2 years ago, we are not able to get much volume from that segment.

But now we are in a very good platform. We have a lot of orders in hand and some big orders in U.S. and other European countries also to -- likely to happen. So that's the thing. So we are expecting around 18% volume growth for this FY27.

**Moderator:** The next question comes from the line of Kaushal Sharma with Equinox Capital.

**Kaushal Sharma:** Yes. So just want to understand from your side in respect of your inventory. Could you please explain what is the mango procurement cycle and how much is liquidated in the year itself in the procurement and how much is deferred in the next year?

**Moloy Saha:** Our industry, as you rightly said, it's a seasonal industry. We produce between mid-April till August first week, which contribute more than 75% of our volume. And the product dispatch starts in 2 segments. One is export and other is domestic. Export segment start immediately after production and more or less, uniformly, it moves out the year. Means if we start dispatching from in the month of, say, August -- September till next year, August, uniformly, it moves.

Our domestic is a different pattern. Major domestic volume moves from December till June. During this period, domestic more than 60% to 65% of the order quantity moves. So overall, if

you want to understand that how much stocks carry forward, approximately 45% to -- 45% roughly stocks carry forward for the next year.

**Kaushal Sharma:** 45% to 50% carry forward for the next year. Sir, my next question, follow-up question on this, our procurement is very low in this financial year like last chapter. Why our borrowings has been increased drastically?

**Moloy Saha:** Borrowing has not increased. Borrowings have been decreased. I mean if you see the balance sheet, overall borrowing has been decreased by INR15 crores -- INR16 crores. INR16 crores. It's not increased.

**Kaushal Sharma:** Our total borrowing is around?

**Moloy Saha:** INR411 crores against last year INR427 crores.

**Anand Krishnan:** This is at the standalone level. If we take Kusum is around INR10 crores additional.

**Kaushal Sharma:** Okay. So what is our expectation going forward in tomato season, like what is our expectation in our segments going on...

**Moloy Saha:** Tomato season last year, yes, we could not produce as we targeted due to the crop fail. There's a quality issue, unseasonal rain, which is quite common for our type of industry. However, we have good orders in hand, whatever stocks we are having around 9,000 metric tons roughly, all have back-to-back order and dispatch is growing -- presently is a little slow, but we are expecting the movement to start about a month or maybe 45 days, whatever information you get. All are again back-to-back orders.

**Kaushal Sharma:** And what kind of revenue potential are we expecting in this year from the tomato?

**Moloy Saha:** It's very difficult to say, but whatever we are having stocks, if we consider the stock, so roughly around INR70-plus crores against the stock. But against the next year sales -- I mean, next year production, which will be likely to start from November onwards. As of today, we won't be able to comment on that. But existing stock movement fully, we're expecting that it will be fully dispatched. So it will save around INR70 crores, INR75 crores.

**Kaushal Sharma:** And sir, what is our target in EBITDA quantum level? What kind of growth are we expecting in the current year and the next year guidance on EBITDA in absolute term?

**Moloy Saha:** Before this call, we have already informed. We are expecting on volume growth 17%. But EBITDA, we won't be able to tell you or we generally don't disclose because our model is cost-plus model where we pass through that.

**Kaushal Sharma:** I'm asking in the quantum term, not in the per unit basis in the absolute term, what is our target...?

**Moloy Saha:** It depends on the product mix because each product is having a different EBITDA. Each product is have a different margin. So it is not -- we won't be able to tell you that absolutely, I mean, upon that what will be likely the absolute term. But as we told repeatedly that our margin percentage, we are always looking to improve gross margin. That is our main objective and on

the per metric ton wise, volume-wise. But otherwise, as of today, we are not going to tell you what is the absolute figure. It depends on the product mix, as I told you.

**Kaushal Sharma:** Got it, sir. Thank you for answering the questions.

**Moderator:** Mr. Kaushal, does that answer your question?

**Kaushal Sharma:** Yes.

**Moderator:** Thank you. The next question comes from the line of Rishabh with Rishabh Investments. Please go ahead.

**Rishabh:** Sir, I joined a little late. So, I don't have an idea whether you told me or not. Let me ask you. How did you get the effect of this war in the company and how did it get solved?

**Moloy Saha:** Can you just repeat your question, please. Please repeat it once again.

**Rishabh:** How did you get the effect of this war in the company and how did it get solved?

**Moloy Saha:** The effect of this war has been two things. Our exposure in the GCC country is not much. It is around USD2 million to USD3 million. So, overall revenue wise, there is no major impact. But yes, Europe and the US, whatever dispatch we are doing, that has got affected for the last 15 days of the year. We didn't get ship availability, vessel availability was not there. That affected our overall revenue for the year.

But subsequently, it has gone into the current year. So, there is no major effect. But yes, overall effect, because one of our facility that is paid rank powder facility, it is running under gas. So, we could not produce almost 45 days due to the very negligible production we took in the month of mid-March till April due to this non-availability of the gas. Now, things are normalized. The cost has increased, but things are normalized now.

**Rishabh:** So, you got the vessel, so everything got shipped, is that true?

**Moloy Saha:** Yes, whatever was stuck up, everything got shipped. In the month of April, it started from the end and it got shipped till May.

**Anand Krishnan:** Rishabh, when he actually mentioned it has normalized, basically, he was also mentioning about normalization of availability of gas for the spray-drying facility

**Rishabh:** Thank you.

**Moloy Saha:** Thank you.

**Moderator:** Thank you. The next question comes from the line of Amish Kanani with Knowise Investment Managers. Please go ahead.

**Amish Kanani:** Sir, you did mention at the start of the year that volume growth will be 10%, but we have ended up on an annual basis, at least, we ended up somewhere around 3% and 6% in domestic and

exports with an overall volume of 4%. And sir, I was just checking the data on breakup of exports and domestic. The domestic also has kind of taken a knock in the fourth quarter on a Y-o-Y basis. So one, if you can explain why should West Asia crisis affect our domestic volumes, sir?

**Moloy Saha:** Okay. Very good question. I appreciate. Last year, we got a good volume growth in the March quarter due to the UP Kumbh Mela. During the Kumbh Mela, especially the brand like Coca-Cola, PepsiCo, they had a special campaign and they're able to get a very good growth during this period. So that is affected for this current March quarter. So that has...

**Amish Kanani:** It's a base effect of last year is also...

**Moloy Saha:** Yes. That is the only reason. Otherwise, as of now, due to this temperature across the country, I should say that brands like Coca-Cola, PepsiCo or other brands, Parle, Campa, all are growing in a very good growth, 8% to 9% average growth now in the beverage industry, which is considering the volume, it's a very good scenario. So if the rain is not affected for the June -- till June end, we are expecting a good consumption during this period, which is good for the industry.

**Amish Kanani:** Okay. And sir, in the presentation, you mentioned that the season was bad and -- but exports was also not happening. So we were able to benefit about...

**Moloy Saha:** Can you go slow and just repeat, please?

**Amish Kanani:** Sorry. Hello. Can you hear me?

**Anand Krishnan:** We couldn't hear you. So can you just repeat the question, please?

**Amish Kanani:** Yes. The question is, sir, you mentioned that we were benefiting because of the export scenario being slightly softer and table troop variety may not have been exported. So we were able to procure it at a reasonable good price. So one -- and we have observed the inventory as shown in the balance sheet has jumped to INR640 crores from, say, around INR490 crores that I was seeing, which is actually a jump of INR30 crores -- 30%. So one, if you can give us some sense of how is the procurement -- but the prices last year, Totapuri season, we remember you were saying prices are very low.

So one, how is the procurement been, it's showing 30% inventory gain -- inventory increase. So were we able to procure it at a reasonable price? And then the related question there is, sir, I saw the realization per tonne was stable and in the gross profit terms, which you had explained that it's normally stable at, say, INR35,000 per tonne. If you can give us some sense of should we be looking at some inflation there or it's stable and stuff like that, sir?

**Moloy Saha:** First part is the inventory. If you see our balance sheet or our model, we process during the mango season, a lot of satellite units because our capacity during a small period of time, we need to produce significant volume. So our capacity is not adequate. So while we do this processing in satellite unit, we need to give a lot of advances to support the production. If you see our balance sheet last year, apart from the stock, there was tender advances, which was around INR160 crores lying in the books. So basically, that is equivalent to my stock.

So if you see my stock inventory plus [inaudible 0:18:43]. If you see this year, inventory plus advance to vendor has reduced to INR29 crores. So we have taken most of the material. So if you add up both these things, there is no change. It's on the similar pattern. So that is the first answer on inventory. So I would like to clarify that there is no increase in inventory by 30%. Yes, apparently, if you see the inventory, it looks like. But if you add the advance to the vendors, it's a similar kind of things.

And second is, yes, in our investor note, we mentioned that due to this world crisis, India could not export significant volume of Alphonso, which they used to do in GCC countries because there is a disruption in the airlines. So there are a lot of issues. This year, Alphonso crop failed. So in normal scenario, we could not -- I mean it could have been a problem on the pricing because crop failed.

However, since the table variety fruit cannot move to the GCC countries, so there is no option, all products have come to the processing industry like us. And also price reduced significantly. And since the processing industry got the table variety fruit, the quality has improved. So that we would like to say. That is something which is not good for the country, but yes, that benefit we got it processor.

**Amish Kanani:** Okay. And sir this cash flow from operation, it seems we have used for either repayment to vendors and or intercorporate deposits. So if you can explain how have we used because borrowings have been stable, but there's a decent cash flow from operation, which we seem to have utilized for some purposes of working capital. If you can explain where have we used, we'll be able to appreciate it?

**Moloy Saha:** It's inventory basically. If you see the cash flow improved because we have a good debtor collection. If you see from the cash flow statement, there's a significant inflow from the realization. And everything is the working capital. We have not done any major capex or anything.

**Amish Kanani:** Okay. Thank you and all the best.

**Moderator:** Thank you. The next question comes from the line of Vipul Shah with RW Equities. Please go ahead.

**Vipul Shah:** Thank you for this opportunity. Am I audible?

**Moloy Saha:** Yes.

**Vipul Shah:** Thank you. So my question is to Mr. Dalal. Sir, in 2024, you along with other promoters, we launched a voluntary open offer at INR140. Hello.

**Moloy Saha:** Yes I can hear you. Go ahead. You are still in the line.

**Vipul Shah:** Yes. Can you hear me sir?

**Milan Dalal:** I can hear you.

**Vipul Shah:** So in '24, we launched an open offer at INR147 per share. Obviously, it was a voluntary offer. We understand that. Secondly, sir, the book value is today INR77 a share. Our price is INR57 a share. My question is sir as a promoter, the direction you take is very clear to all investors and stakeholders. Is there any thought process, sir, that this -- if the promoter was willing to participate at INR147 a share, this represents a very big opportunity where the share price is today below book value. Your thoughts will be really helpful, sir, on this?

**Milan Dalal:** Yes. So basically, yes, you have rightly -- the open offer was voluntary because we wanted to consolidate the promoter holding over 25%. It has its own strategic value to be about 25%. We had dipped only for two reasons, one of my ex-partners decided to part ways, as also we had investors onboarded, which diluted my holding.

Yes, I don't think it's a pain to have bought it at INR147. Our promoter looks at it for a long term, yes, invested as a family for the last 50 years and there are opportunities ahead of us. As of today, it's the first day in this cycle, I had that sensitive period up to 48 hours post that. But of course, one has to make enough arrangements for finance to buy, but the outlook is good.

And like any other investor with my background of stock broking, why would I not want to average my holding. But the average is not only between INR147 and today's price. If my so-called original holding is of INR10, I've already kind of average, but you should see more action. I've done some inter-promoter transactions in the last quarter. I've added a bit, but God willing, you should see more of these disclosures coming up.

**Vipul Shah:** Thank you for that clarification. The other thought was that one is a promoter action. Second is this summer being where we are in this situation, I'm sure the call-offs would be really significant, which would aid the company and obviously the cash flow. Is there any thought process for the company to buyback -- consider a buyback of equity shares wherein the stock price is actually below book value. So it makes -- as a financial investor and as a finance professional, it makes eminent sense considering you said the long-term potential of the company. That's a great signal. I mean, otherwise, it's all talk?

**Milan Dalal:** Yes. So if you have seen while in the last 3 years, we have stagnated for the 3 years previous to that, we jumped from INR350 crores to INR650 crores to INR1,000 crores top line and that the desire to go further is very much there. In fact, to get eligible for our PLI scheme, we still need some upside.

And the more business we do and in B2B, we would require more working capital. So at this stage, even if financially, you think and rightly so that yes we are in a good position to put it up. I think the company will need to conserve more resources, not borrow more and increase the top line should the opportunities come our way.

**Vipul Shah:** Very helpful sir. I appreciate your thoughts and [inaudible 0:26:07] on this matter. Thank you so much.

**Anand Krishnan:** Also with the debt on books, first intention is to actually reduce the debt given the first opportunity as it's a working capital-intensive business. So buyback might be the last thing on our mind.

- Vipul Shah:** Fair enough. Point taken.
- Moderator:** Thank you. The next question comes from the line of Roshini an Individual Investor. Please go ahead.
- Roshni:** Thank you so much sir for the opportunity. Sir my first question is as of India represents 58% of your revenue while the U.S. and U.K. follow, which international geography do you view as the highest growth priority for '27?
- Milan Dalal:** Which region is the highest growth region is the question?
- Moloy Saha:** I think generally, what we believe with the West Asia conflict as a percentage when you look. A, because our base is quite low compared to the last couple of years for the West Asia. And as we have seen post COVID, there was a lot of pent-up demand. So countries like Saudi, UAE on the Gulf region, we do expect a lot of growth potential.
- Anand Krishnan:** So business-wise, if you actually see, I think our CEO already mentioned that the frozen segment is actually growing well and it's been growing at around 25% plus in the last couple of years. So U.S. is a region where there is a lot of growth in demand for the frozen business as such. So that would add on.
- Roshni:** Okay, sir. Got it. Sir, my second question is, as you mentioned that the rural electrification is helping the penetration of soft drinks. So how is this macro trend specifically influencing your B2B sales forecast for future pulse?
- Anand Krishnan:** I think our CEO you already mentioned that he's expecting around 18% growth in the coming financial year in terms of volumes. So a large part of it is also aided by the growth in volumes that the larger brands have committed based on which we could give you this forecast. So I mean, with rural electrification, a lot more coolers are actually being able to put up in the rural villages, because of which there is a lot more demand for the beverage brands, which are actually there. Also, as we already mentioned in the call, that with delayed monsoons and higher heat, there is higher consumption of the soft beverages as such, soft drink beverages.
- Moloy Saha:** And I just would like to add one point that since last 18 months, when the Reliance launched the Campa brand, the freezer supply to across the villages has increased by 300%. That's the data I got from the big brands. So now the growth story for the beverage industry is really looking very bullish because the more freezer you are supplying to the shops, the stock is likely to be stored there and there will be a consumption. So that's the story all beverage vendors are doing. So they are more investing on the freezer now.
- Roshni:** Okay, sir. Got it. And sir, my last question is your 5-year CAGR for revenue is 19%, but FY26 saw a decline. What are the North Star metrics or management is tracking to return the double-digit growth trajectory?
- Moloy Saha:** I think we have already communicated that our business model is pass-through model means all cost we pass through the customers and there is a margin percentage predetermined. So we focus

two things as a company is the volume growth because being agricultural product, we do not have any control on the raw material price.

Sometimes it goes up, sometimes down, which will be passed on to the customers. Secondly, we would like to ensure that every year, our per metric ton or per kilogram margin against any particular product, we should give the inflation factor, so that should increase. So that is our two major objectives.

So already, we communicated that we are working this year with 18% volume growth, which we have already communicated to you -- sorry, 17% volume growth, which have 18% -- sorry, 18% volume growth, which we have already communicated. So that's the way we are working on it based on the information and updates from our various customers.

**Roshni:** Got it. Thank you so much for answering all the questions and wish you all the best sir.

**Moderator:** Thank you. The next question comes from the line of Aditya, an Individual Investor. Please go ahead.

**Aditya:** So my first question to you, sir, is that the company is investing INR2.5 crores to expand spray-drying capacity by 120 MTPA. What is the projected time line for this facility to reach full utilization?

**Moloy Saha:** Commercial run targeted December. And we are trying to see if we can prepone by 2025 base as the target you are asking. But December month, definitely commercial production likely to start. So this year, we may get a 3 months benefit, 2.5 to 3 months benefit we can get this year. So that's the thing.

**Aditya:** Okay. And my another question to you is that the frozen food volumes grew by 28% year-over-year with strong demand from the U.S. Do you have any specific targets for market share or new product launches like the Greentop brand in the North American market?

**Moloy Saha:** We are predominantly in the B2B segment, our private label. So on our own brand, Greentop, we launched in India. And in a small way, we have started in UAE also. So we are not much focusing on our own brand and Greentop, but major focus in the private label. U.S. is the biggest market for frozen foods, like big houses like Costco, Walmart.

So we are working back-to-back with all these customers to penetrate this market and expand our business horizon. So we are expecting a good growth from the U.S. definitely. Apart from that, we are also trying to get something in the West Asia also. We feel there is some opportunities are expected, especially one thing I'd like to highlight, post-COVID we have seen -- I mean, experienced a significant demand in the frozen segment.

Now during this war, we are again experiencing similar kind of demand in the frozen food sector because uncertainty across the world. So most of the brands are trying to ensure that they should have the product in their store at least for 6 months. Our product is having a 2-year shelf life. So that's the way to mitigate the risk of shipment delay and all these things, they are all working

with a 6 months storage at their places. So that is helping us to increase our demand for the frozen segment.

**Aditya:** Okay. Great, sir. And my another question is that the company has confirmed orders for Tetra Recart currently stand at 400 MT, which is valued at INR8 crores. What is the total installed capacity for this line and what is your target for repeat business in FY27?

**Moloy Saha:** This year, FY27, we are expecting around INR20 crores business approximately, the way discussion is going on. So what is confirmed order in hand that we have mentioned. And overall capacity for the facilities would be around INR80-plus crores in today's value -- product value. So we have a lot of, scopes are there to expand that business, and we are working on that, and we are getting a very good traction in this category of product in the export market.

**Aditya:** Okay. And my -- hello.

**Moloy Saha:** Yes we can hear you.

**Aditya:** Yes. And one more question is that the Kusum spices sales were impacted in March by...

**Moloy Saha:** Hello.

**Aditya:** Hello. Am I audible?

**Moloy Saha:** Yes. Can you repeat, please?

**Aditya:** Yes. Kusum Spices sales were impacted in March by the war which is going on. So are there any plans to diversify the export destinations for the spice segment to mitigate regional geopolitical risk?

**Moloy Saha:** Very good points you have raised. Yes, we are all working on that line only because our major export business in the Gulf countries, Oman is one of the major destinations for us. And we are working for some European countries and some Southeast Asia.

The negotiation and sample approval process, all things going on. So as of today, it's a very preliminary stage. We may not be able to give any guidance. But yes, we are working in a manner that we can diversify some of the export business to other regions.

**Aditya:** Okay, sir. Thank you so much.

**Moloy Saha:** Thank you.

**Moderator:** Thank you. The next question comes from the line of Ramesh with SJ Investments. Please go ahead.

**Ramesh:** Hi, sir. Thank you for the opportunity. So, I wanted to understand the pectin process like project right now. We have been planning to commercialize it for a while now. I just wanted to understand where are we at today?

**Moloy Saha:** We have commercially production started about 7, 8 days ago. I mean earlier, we started already, and then we had some issues on the production process because as you know, this is the first time in India, this facility. So we had some teething problem. And we rectified everything. Now full-fledged commercial run started, there is no hindrance on the production process.

And good part is that earlier, we thought that we'll be only doing from the dry peel. But now we have invented one more option that if we can use the wet peel and successfully, we are today processing wet peel also so that during the mango season, we can use the wet peel and non-mango season, we can use the dry peel.

So that's the advantage we are getting. And we are -- it's a long process to get approval from big brands being a very specialty products, but we are quite hopeful that this year, there will be a significant -- I mean, at least 50% of the capacity can be fully utilized for the current year.

**Ramesh:** So since all the validation process are over and did we decide the final customer also?

**Moloy Saha:** Pardon?

**Ramesh:** So you had to do testing and validation for the longest time for the pectin to be used, right? I was wondering, is it going to be domestically used? Or is it going to be exported?

**Moloy Saha:** So basically, our consumers are the same. They are the same juice manufacturers or the ketchup manufacturers. So the potentials are the Coke, Pepsi, Unilever, Dabur's, etcetera. We need not restrict ourselves. Maybe it's the preserve manufacturer like Mala's and Kesar, Mapro whatever. So multiple of this. Once we have these products and it just matches the specification, it will be a no-brainer import substitution and sales is not going to be an issue at all.

**Milan Dalal:** We are also working with export customers also as you ask me. Yes, that option also we kept it open, and we are now doing the sampling process with the export customers.

**Ramesh:** Sir, when you lend a 50% capacity is it like INR7 crores to INR8 crores in terms of quantum of revenue for the year?

**Moloy Saha:** Yes.

**Ramesh:** Sir, and in the previous commentary, you mentioned extremely high margins for this line of business. Has there been any change in terms of margin structure?

**Moloy Saha:** No, it's similar, as the raw material is from waste. So margin structure is similar. There have not been any major change.

**Ramesh:** So where do you think it will end up during the year? At 50% utilization?

**Anand Krishnan:** So INR7 - 8 crores of revenue is what we can actually expect at 50% utilization and the gross margins are approximately around 70%-odd of that.

**Ramesh:** Got it, sir. And in terms of expanding our capacity, is there any plan right now for the pectin?

- Moloy Saha:** As of today, definitely, because if we can -- I think another 2 years, if we can run successfully and able to get a market, there is a big opportunity for India also because India import -- I don't have the data.
- Anand Krishnan:** 350 metric tons.
- Moloy Saha:** 350 metric tons India import from -- mainly from China. And our capacity is 150 metric tons. So there's a scope to grow in this segment, and we'll be working on that line only.
- Ramesh:** Got it, sir. And the ready-to-eat segment, we've been growing well. That's a great job we've been doing that. I wanted to understand U.S., I understand the largest frozen market. But do you see opportunities in Europe? You already, I think, alluded to the fact. But I wanted to understand the opportunity in Europe and do we also have any plans to expand B2B segment in India also and other neighboring countries?
- Moloy Saha:** Europe is definitely, Europe. Pulp is a good business. Tomato, we have started exporting to Europe, and that's also exporting now.
- Ramesh:** I was talking specifically the ready-to-eat segment, right?
- Moloy Saha:** Pardon?
- Ramesh:** The ready-to-eat frozen segment.
- Moloy Saha:** Ready-to-eat segment, ready-to-eat private label, yes, Europe, we are also exploring because we have a constant on the capacity because present capacity is almost saturated. We are doing a lot of -- I mean, trying to manage the demand. But unless we expand the capacity, we cannot go in a big way.
- Anand Krishnan:** This is the frozen segment.
- Moloy Saha:** Frozen segment. So ready-to-eat.
- Anand Krishnan:** That is also within ready-to-cook.
- Moloy Saha:** So that segment, we are working with some satellite unit also temporarily if we can manage the demand. So yes, we are exploring Europe market also. In Europe market, U.K., we are already supplying since 1993. So U.K. is a big market for us on the frozen segment apart from the U.S. Other part of the Europe market, yes, we are trying to expanding in a small way. We have just started with some distributors, and we believe that it can be a big market.
- Ramesh:** So sir, for the year, what kind of capex do you have in plan for the LD segment? Like could you give a breakup of the capex overall spend what you're planning? And what would be. How -- the last segments?
- Moloy Saha:** We are working with some cluster development program with Government of India supported National Horticulture Board where we have to tie up with the farmers and the farmers output in

our facility up to value add. And there is some scheme on the subsidy or the thing we're working on it.

We have already got in principle approval for this cluster development program. And I think by another 1 month time, we have more clarity on this that what kind of capex we would like to do and how the entire scheme will go. So give us some time, we'll come back to you very soon on this. Because we believe that this segment today is INR100 crores.

Our target is next 3 to 4 years' time, this segment to become INR300 crores to INR400 crores. That's much opportunity we can see across the world today in frozen. Frozen segment. I'm talking about frozen.

**Ramesh:** Sir, in terms of gross margins, how is the ready-to-eat segment different from our pulping business in terms of gross margins?

**Moloy Saha:** The frozen food segment actually has around 50% gross margins.

**Ramesh:** Got it, sir. So you mentioned the INR300 crores target, right? So do you see in terms of EBITDA also contributing at a much higher level with the gross being so high, right?

**Moloy Saha:** Yes. But there are costs for cold storage, which needs to be incorporated at the below gross margin level as well, because supply chain cost in frozen segment is quite high, almost 10x compared to any ambient product. So that has to be factored.

**Ramesh:** Got it, sir. So this INR300 crores target, when do we expect to reach? And what kind of capex will we need to do to reach that?

**Moloy Saha:** As I told you, we need about a month or so. We are working on it. And after that, we've been able to tell you more details.

**Ramesh:** But in terms of the target of achieving INR300 crores for the next 4 years, is it?

**Moloy Saha:** Yes, yes, yes. That's the target.

**Ramesh:** Got it, sir. And one more question is regarding our Tetra Recart facility. I understand the offtakes have been difficult. So can we also repurpose this plant? Or will we need to only do the Tetra Recart?

**Moloy Saha:** Tetra Recart had the initial problems. Now we are seeing order book position slowly and steadily increasing. Yes, it's not a rocket science that if we don't succeed in Tetra Recart, obviously, it can be scrapped, but that's not the idea.

So if the market requires -- this is a perfect mix for a B2C segment, e-com, etcetera. But as we are into the HORECA segment and other things, we will add on additional technologies, which are not going to be very costly. All the prepacking facilities are already in place, but we would consider other not too costly kind of solutions and add up to our product mix.

- Ramesh:** Got it, sir. So out of the capex we ended up doing for the Tetra Recart, so what was it on machinery versus what was it on [inaudible 0:46:06]?
- Anand Krishnan:** So approximately INR30-odd crores of total capex, out of which INR24-odd crores was for the machine and INR6-odd crores for the building as such. But the building has been built in such a way that I can put 3 more machines in.
- Ramesh:** Got it, sir. And in terms of, let's say, packaging, you also mentioned that there could be also other opportunities. So why don't we start with it already instead of waiting for Tetra also to start becoming bigger, because it has already got delayed by quite a bit. Just to understand why don't we just enter into other segments also simultaneously?
- Moloy Saha:** So we have been trying to explore that. But unfortunately, the larger brands have not yet signed on the dotted lines because of which we have not been able to get it out in the market.
- Ramesh:** But what was exactly the issue, sir, when you mentioned that we had some issues with offtake. What was the exact issue? And how is it exactly changing right now?
- Milan Dalal:** I'll give you a little bit on the technical side. Tetra Recart is a retort technology. In India, you must have seen the retort pouches available whether it's ITC or any other big brand or the MTR. The retort pouch is packaging cost-wise, quite cheaper than Tetra Recart.
- But quality-wise, Tetra Recart is a different technology, is an alternate solution of can packaging, which is very well established in export market. India is taking time to establish maybe for the cost factor, but we are continuously exploring with big brands.
- But we see that exploring export market is much easier since it's already accepted at year end and since few years. And we hope that one day we can be able to crack this India market also. We are talking to the brands, a few brands also in this regard.
- Ramesh:** So export markets, would it be just the Russian market? Or would it be other markets also that we're exploring already?
- Moloy Saha:** We are in Finland, Germany, U.S. is a big market...Already products are on the shelves there.
- Anand Krishnan:** Canada is also there.
- Ramesh:** Got it, sir. So basically, we thought we could explore this technology in India, but it's not been working out. So we are focusing on the capacity for international?
- Milan Dalal:** Yes. Let us be very, very frank. This is the example I keep coming, a very close friend of mine mother enjoyed the product when she was given this gift. But she called me directly and said, Milan, you're guaranteeing a preservative-free product, and it is impossible to do one.
- Now that's the challenge, and we need to come up with educated thing at the right time, we shall do so that we actually don't use any preservatives, and this is the technology that helps the shelf life of 2 years. So another question came up in the marketing thing, why don't you keep a shorter

date shelf life? Though you are eligible for 2 years, why don't you write 6 months and sell the products, they will feel more safe and secure.

But the minute you do that and should the product not have moved 100% in that fifth month, we would have had to take back those materials. So all these are intricacies. It's the first in the country, it takes time. We need to have some patience. Yes, my patience is also running out, my investors' patience is running out. But I'm sure a little bit of wait and watch and there should be success in this technology.

**Ramesh:** Understood, sir. So, regard -- coming to our Spices division, so Middle East was the primary market. I wanted to understand, how can we explore that business into other geographies, let it be India and other places. Is there any opportunity? Because Europe is also a huge opportunity for spices, right? I'm trying to understand what's happening there.

**Moloy Saha:** I say that before this pricing, we have just responded that, yes, we are also exploring with other regions, Europe, US as well as some Southeast Asia, but each country has their different pesticide compliance requirements for which you need to have a contract farming. So, it's a long process, but we have initiated the process. And we hope that we'll be able to capture this supply of Europe and other countries. We are working on it.

**Moderator:** Thank you, sir. Mr. Ramesh, I would request you to please come back in the queue for further questions. The next question comes from the line of Arnav Sakhuja with Ambit. Please go ahead.

**Arnav Sakhuja:** So, my first question is that in Q4, you mentioned. that...

**Moderator:** Sorry to interrupt. Mr. Arnav, could you please use your headset?

**Arnav Sakhuja:** So, my first question is that you had mentioned that the average realization declined 25% year-on-year because of the inventory manufactured during 2025 crop, which was at a lower raw material cost. So, my question with regards to this, is that, of the inventory that we have currently, how much of it is the lower raw material cost inventory, which we'll have to sell at lower realizations?

So, when can we see the realization start improving? Because I think the mango prices at current mango prices have started improving. So that's my first question.

**Moloy Saha:** Based on the current scenario, this year also, the raw material price likely to be similar like last year, if not lower, because as we mentioned, due to the war situation, demand has decreased significantly. So, the price range where the inventory is there and current year price likely to be in the similar range.

So next full year, we have this low realization sales only. And subsequent year also, we are looking the similar because if the price is lower this year, FY28 also will be likely in the low realization product. So, this is something in the agricultural product, we can't help it. But our objective is growth volume. That's the objective as I was repeatedly saying.

**Arnav Sakhuja:** Sorry, could you repeat that last part?

- Moloy Saha:** Hello.
- Arnav Sakhuja:** Yes, can you hear me?
- Moloy Saha:** Yes. Now we can hear you.
- Arnav Sakhuja:** Yes. Sorry, could you repeat the last part you said.
- Moloy Saha:** I've tried to say that our objective is to grow -- concentrate on volume growth. That's what I'm trying to highlight.
- Arnav Sakhuja:** Okay. So, my next question is what impact are we expecting on our performance given the El Niño situation?
- Moloy Saha:** It's very early to say. We are hearing, we are reading -- yes, definitely, if El Niño effect being agricultural commodity is definitely going to affect -- if it is so bad as we are reading the news. But I mean, last 20 years, we have experienced 4x this type of situation. And in processing industry, I have seen whether it's a mango or tomato -- not tomato, mango and other vegetables, getting the raw material is not a big challenge. Challenge is the price. When there is a mismatch in the demand supply, the price moves, I mean, either direction in a very bad way.
- So that may be the challenge. But otherwise, the mango contributes more than 75% in our turnover. I don't see any challenges on getting the mango. But yes, vegetable some extent may be a challenge. But too early to say. Let's see how the things move. We are also working in such a way that if current year raw material prices are lower side, we are exploring if we can produce and keep some stock considering next year maybe an effect on El Niño effect for the mangoes. But not yet decided. We are just evaluating and exploring and talking to the brands if they are interested to cover long term.
- Arnav Sakhuja:** Thank you for answering my questions. Okay
- Moderator:** The next question comes from the line of Amish Kanani with Knowise Investment Managers. Please go ahead.
- Amish Kanani:** Sir, one clarification. The 18% growth, is it including the frozen food volume growth as well or it's only the mango plus tomato, sir?
- Moloy Saha:** No, no, overall. All product portfolio as a whole basket, we are talking.
- Amish Kanani:** Okay. And sir, our pricing strategy in terms of gross profit margin per ton, is it a fixed or it's inflation adjusted, just to understand because our overheads do grow at a double-digit growth?
- Moloy Saha:** Yes. When you're talking about the fixed cost, yes, I mean, every year, when we fix the pricing, inflation factor always considered.
- Moderator:** The next question comes from the line of Amit Gori, an Individual Investor. Please go ahead.
- Amit Gori:** My question is related to solar capacity. Can you please guide us?

- Moderator:** Mr. Amit, your voice is not coming clear. Could you please use your handset?
- Amit Gori:** My question was related to solar capacity?
- Moloy Saha:** Yes. Can you repeat the question? We could not hear you properly. So solar, yes, but what solar...
- Moderator:** Sorry to interrupt, sir. Current participant has been disconnected. We'll move on to the next question. It's from the line of Ramesh of SJ Investments. Please go ahead.
- Ramesh:** Hi, sir. Thank you for the follow-up. So, I wanted to get back to -- so most of -- the largest part of our business is pulping, and we also want to go ready-to-eat segment, right? So, in the next 3 to 4 years, where do you expect the split to be at, in terms of pulping versus the rest of the segments?
- Anand Krishnan:** So internal strategy-wise, 4, 5 years ago, we were actually at 92% from the product mango and the rest was from the other businesses as such. So, the internal strategy over a period of time is to actually make the other businesses contribute 40% of the total revenue without degrowing the mango business. So that's the internal target.
- Ramesh:** Got it, sir. So right now, at the blended level where you're expecting 40%, 60%, where do you think the gross margins can be at an EBITDA?
- Anand Krishnan:** So, the other businesses have a slightly better gross margin. The other spray drying business or the frozen businesses have better gross margin. But with respect to the EBITDA margin percentage, the frozen business consumes something as a storage cost as such. So that comes with the EBITDA part.
- Ramesh:** Got it, sir. But I'm just trying to understand the blended level, what could be the potential margins split you're expecting?
- Anand Krishnan:** Percentage, I think that we never guide basically because it's -- I mean, it's always a pass-through for us, right? I mean the raw material cost is a pass-through for us. So, we never guide on the percentage, but it's definitely about to increase basically because of the mix.
- Ramesh:** Sir, do you have any absolute number in mind in the next 4 years, where do you want EBITDA to be at?
- Anand Krishnan:** That is something that we have internally. We are not very comfortable guiding that as of now.
- Moloy Saha:** But not sure of what is currently that is.
- Ramesh:** That gives very little guidance, sir, but I think I understand. But going forward, let's say, most of our -- do we have any idea on how do we expand our operating cash flow to EBITDA conversion? So, what are the plans do we have there?
- Anand Krishnan:** So yes, we need to improve our free cash flow as such. So, I mean, there is some capex that we might need to do as our CEO mentioned about the NHB project that we are actually getting into

as a company. But once that is through, I don't think there will be any capex in the company, and we should be improving our free cash flow over a period of time.

So, I mean, we are very confident on that. All the existing businesses and all the investments are not 100% capacity utilized as of today, and we are working towards increasing capacity utilization so that the fixed overheads get absorbed by the existing capacity. So that will, in large actually contribute towards better ROCE as well as better EBITDA margins.

**Ramesh:** Got it, sir. So, one question regarding the cash flow. So, we work with most of the MNCs. So, bill discounting is likely to be very easy. But is it a very expensive measure for us to improve our cash flow? Or what is the idea behind it?

**Moloy Saha:** No. Bill discounting is definitely easy and most of the MNCs have gotten bill discounting. So, once we invoice to get the realization is not a big issue because credit period is not much with the MNCs. But the problem in our industry is that, we produce and hold the stocks on behalf of them. So that's the challenges, and that block the working capital as well as huge interest cost. Otherwise, post invoicing, getting funds is not a big challenge for MNC.

**Ramesh:** Got it, sir. And so, in terms of working capital for pulping business, is there any further scope of improvement? Or are we at the best we can be at right now?

**Moloy Saha:** No, definitely improvement is -- every day, we are trying to improve it. We are talking to the customers for extending some advances, which we are also working. We are already getting some advances. We are trying to scaling up if the advances can portion can be much more what we are getting today. So, we are -- every day, we are working on that, how to reduce. And that's why if you see this year, our interest cost has reduced to INR10 crores compared to last year. So, this is some exercise, which we'll be continuing doing it.

**Ramesh:** Got it, sir. And last question regarding our overall assets. Do we have any surplus land or any other assets that we can sell to pay down debt? Or what is the plan to pay down debt?

**Moloy Saha:** As of today, only one asset is there, but we don't have any plan to liquidate any asset as of today. We look because land cost, as you know, day-by-day it's increasing. So, we look for any future expansion if at all required, we may look. Otherwise, as of today, nothing is in card to liquidate any asset.

**Ramesh:** So, the debt repayment, how do we exactly plan to achieve it in terms of...

**Moloy Saha:** From the internal accrual -- our cash profit and everything, whatever long-term debt we are having around, I think, INR71 crores or INR72 crores. Our annual commitment is around INR20 crores. So, we'll be comfortable to pay from our internal accrual, not an issue.

**Ramesh:** Got it, sir. And one last question regarding our PLI scheme. So how much more do we -- how much have we received so far? And how much more do we expect to receive?

**Anand Krishnan:** We've received around INR83-odd crores. The total that we can actually get under the scheme is around INR145 crores. So INR60-odd crores are remaining.

- Ramesh:** So, this PLI scheme, what was it -- did it cover entire capex cycle over the last few years? Or what percentage did it cover?
- Milan Dalal:** It was a onetime commitment and payback was in 6 years with a minimum 10% CAGR growth up to maximum 15% in that year for incentives.
- Ramesh:** So, it was mostly -- it was completely paid for like in term -- if we do achieve all the conditions, the PLI scheme would pay for most of the capex, right?
- Milan Dalal:** More than 2x double it. We have -- it's more than double our capex. And we've already covered our capex as of date. And with the balance 2 years, there would be a kind of a net accruals.
- Ramesh:** Got it, sir. And in terms of food processing, I understand pulping is our main thing and we are also doing spray-drying. Are there any other more food technologies and processing that we can enter into, because since we already have a good connect with farmers and all these customers already. So is there any other ancillary segments that we can enter?
- Moloy Saha:** We are exploring multiple options.
- Milan Dalal:** We have to start with if we are in spices, we can easily get into condiments. If you know the [Biba range 01:04:17] of products or, "we could get into ketchup. We could get into, we are already processing for Capital Foods, which is now a Tata company, which is the Ching's Masala". So all the technology and all that is everything available within us and nothing stops us from expanding within this range.
- Ramesh:** But why haven't we -- is there any thought process, I think we already entered?
- Milan Dalal:** Well, it's like analyzing anything, everything. Can I do -- I'm sorry, I'm sounding a little bit, but do I have the drone technology? Why can't I do drones, why can't I do aircraft? Why can't do I do that? So it takes this time slowly and steadily. We are #1 in the mango processing, and we need to maintain ourselves. There are the plus and minuses of doing it. And slowly and steadily, it's not been an easy journey that in 3 years, we became #1. It took a long number of years. And we are patiently getting into multiple segments.
- Tata bought over Capital Foods as a \$1 billion valuation. That's not a small amount. Maaza is in their 50th year under Coke. It's now valued over 1 billion. So, it takes its time. So, the more we'll be able to sell more we'll be able to open up the segments. We are here to ensure that we kind of cater to all the segments.
- Moloy Saha:** We -- one segment in India is growing since a few years is the hotel, restaurant and catering business, which is called the HoReCa segment. That segment is growing in a phenomenal pace. And we are now focusing also on that segment for a B2B supply. And we started supplying around 2 years back. Today, we are getting a good demand from that segment. So, I think these are the way we are trying to expand our business.
- Moderator:** The next question comes from the line of Amit Gori, an Individual Investor. Please go ahead.

- Amit Gori:** My question was related to solar capacity addition, Vankal and Gonde. Can you please guide in which month both of them has been added? And what is the savings of both of them?
- Anand Krishnan:** Okay. So, the solar capacity has been added in the month of May as such. And we will be starting using the facilities only in the coming months. So, it's not capitalized as on 31st of March. The payback period is less than 3 months for both the projects. Capacity is already given around 1,300 kWp at each facility.
- Moderator:** Mr. Amit, does that answer your question?
- Moloy Saha:** Basically, it's at each of the plants.
- Amit Gori:** Sorry, I didn't hear you.
- Moloy Saha:** Sorry.
- Amit Gori:** I didn't hear you. We can't hear you.
- Moloy Saha:** 1,300 kWp is the capacity of the solar plant at -- both of the plants.
- Amit Gori:** Right. What would be the payback?
- Moloy Saha:** Less than 3 years.
- Moderator:** Ladies and gentlemen, that was the last question for today. I now hand the conference over to the management for closing comments.
- Anand Krishnan:** Thank you. As a closing remark, I would like to reiterate that the food processing industry is inherently cyclical and performance can often be influenced by factors beyond our control, including crop conditions, geopolitical developments and commodity prices.
- Our focus remains on building a stronger and more diversified Foods and Inns, that can create sustainable value across cycles. We remain excited about the opportunities ahead and look forward to updating you on our progress in the coming quarters. Thank you once again. That's it from our end.
- Moderator:** Thank you. On behalf of Arihant Capital Markets Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.