

**Dated:- June 03, 2026**

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

**Scrip Code: 544568**

**Scrip ID: ZAPPFRESH**

Dear Sir,

**Sub: Transcript of Investor Conference Call held on May 29, 2026.**

In continuation of our letter dated May 25, 2026, informing about the uploading of the audio recording of the Conference Call held on May 29, 2026, we enclose herewith transcript of the said Conference Call, in compliance of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The above said transcript has been uploaded at the Company's website [www.Zappfresh.com](http://www.Zappfresh.com).

Kindly take the above on your record.

Thanking you,

Yours faithfully,

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

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*Encl: Transcript of Conference Call held on May 29, 2026*

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DSM Fresh Foods Limited

H2 and FY26 Earnings Conference Call

**May 29, 2026**



**MANAGEMENT:** **MR. DEEPANSHU MANCHANDA – CHAIRMAN & MANAGING DIRECTOR**  
**MR. SAURABH GANDHI – CHIEF FINANCIAL OFFICER**  
**MR. AKHIL GUPTA – CHIEF STRATEGIC OFFICER**  
**MR. HARSH AGARWAL – FOUNDER’S OFFICE**

**MODERATOR:** **MS. MEHAL GOGIA – GO INDIA ADVISORS**

**Moderator**

Good morning, ladies and gentlemen. I'm Akash, moderator for the conference call. Welcome to DSM Fresh Foods Limited H2 and FY26 Earnings Conference Call. As a reminder, all participants will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal, an operator by pressing \* and then 0 on a touch-tone telephone. Please note this conference is being recorded.

I would now like to hand over the floor to Ms. Mehal Gogia from Go India Advisors. Thank you, and over to you, ma'am.

**Mehal Gogia**

Thank you. Good morning, everybody. It's my pleasure to welcome you all on behalf of DSM Fresh Foods Limited. Thank you for joining us today for the H2 and FY26 earnings call. Today on the call, we are joined by Mr. Deepanshu Manchanda, Managing Director and Chairman Mr. Saurabh Gandhi, Chief Financial Officer, Mr. Akhil Gupta, Chief Strategic Officer and Mr. Harsh Agarwal, Founder's Office. Please note that today's discussion may include certain forward-looking statements.

Therefore, they must be viewed in conjunction with the risks that the company faces. I, now invite Mr. Manchanda to present his opening remarks, after which we will open the floor for Q&A. Over to you, sir.

**Deepanshu Manchanda**

Thank you, Mehal. Good morning, everyone, and thank you for joining us today. Today is a very special moment for all of us at DSM Fresh Foods as we complete 11 years of our journey of building, learning, evolving and staying committed to a vision that started with one simple belief that Indian consumers deserve access to hygienic trusted and high-quality fresh protein through an organized, transparent, and technology driven ecosystem. When we started Zappfresh, the Indian fresh meat industry was still overwhelmingly unorganized. Consumers had limited visibility into hygiene standards, sourcing quality, or product consistency.

And building a branded fresh protein business with integrated cold chain infrastructure seemed extremely challenging. However, we believe that over time, Indian consumption patterns would have evolved and towards trusted and organized food brands, that belief became the foundation on which Zappfresh was built. Over the last 11 years, we've built a company patiently, one customer, one city, and one supply chain layer at a time.

Today, that business has evolved into an integrated omnichannel fresh protein platform spanning online, retail, and HoReCa channels across key consumption markets like NCR, Bangalore, and Mumbai. More importantly, looking at this shift in perception from moving just beyond meat delivery and moving into an omnichannel, a trusted fresh food and protein brand is a long-term evolution and scalability of the business.

FY26 has been one of the most transformational years in our journey so far operationally, strategically and financially. During H2 FY26, the company delivered a very strong acceleration in scale with revenue growing to INR 125 crores compared to INR 65 crores in H2 '25, reflecting robust growth of nearly 100% YoY. This growth was driven by strong traction across B2B HoReCa channel, deeper penetration across existing markets and increasing contribution from fish and seafood as a category. EBITDA for H2 FY26 stood at about INR 15.9 crores compared to INR 11.1 crores in the corresponding period last year, reflecting healthy growth of around 42% YoY. EBITDA margins stood at 13% during the period.

This is largely on account of strategic investments undertaken towards scaling operations, strengthening supply chain capabilities, expanding newer categories such as fish and seafood. PBT increased to INR 11.5 crores compared to INR 8 crores in H2 FY25, a distinct growth of nearly 43% YoY. On a full-year basis, revenue from operations stood at INR 2.21 crores compared to INR 131 crores in FY25, representing strong growth of almost 69%.

EBITDA nearly doubled to INR 31 crores from INR 16 crores last year, while EBITDA margins improved from 12.5-13.5%, reflecting benefits arising from scale, procurement efficiencies and improving operating leverage across the business. PBT for FY26 increased significantly to INR 43.2 crores compared to INR 11.7 crores in FY25, with PBT margins improving from 8.9-10.4%.

PAT for FY26 stood at INR 14.4 crores compared to INR 9 crores in FY25, reflecting a growth of nearly 59% YoY. And FY26 PAT includes the impact of deferred tax adjustments during the year. Adjusted for this deferred tax impact, the underlying PAT for FY26 in true form is INR 18.4 crores, which we believe is more accurately reflects the normalized earning power of the business going forward. What gives us confidence today is that growth is no longer coming at the cost of profitability. We are now seeing scale operating leverage, profitability improvement simultaneously.

Validating the long-term sustainability of the business model, which we have tracked, one of the most important strategic developments during FY26 has been the diversification of our top in business mix. Today B2B, HoReCa business contributes nearly 68% of our revenues, while B2C contributes 32%. Standing scale, supply chain utilization, revenue visibility, most certainly.

We currently service more than 300 restaurants and institutional customers across categories and geographies and continue to see a strong long-term opportunity in the underpenetrated organized HoReCa segment. From a category perspective, chicken contributes approximately 50% of our revenues, while meat and seafood together contribute around 50%.

With seafood itself emerging as a rapidly growing category, fish contribution increased from 21% in H1 to 27% in H2 in overall FY26. This diversification across both channels and categories is helping us build a more balanced, scalable and resilient protein platform with stronger wallet share and cross selling opportunities. We believe fish and seafood, in particular, has the potential to emerge as one of the most important long-term growth and margin drivers within our portfolio.

During FY26, we further strengthened our sourcing ecosystem through partnerships with nearly 300 seafood farmers and initiated the development of an integrated aquaculture platform spread across approximately 270 acres of land India. This initiative enhances sourcing reliability, improved traceability, and quality control, creating a strong procurement efficiency across the value chain.

As integration benefits continue to flow through, we expect encouraging improvement in seafood margins over the coming years. As part of a broader food platform strategy, we are also evaluating opportunities within adjacent categories, which will offer cross selling potential, higher brand stickiness, and better shelf economics. Discussions and evaluation processes are currently underway and expect to provide more clarity on any strategic initiative over the coming quarters.

The next phase of the evolution has now started through Meevaa Foods, which is a frozen ready-to-eat brand, which we have launched recently and which is receiving great response from e-commerce and across the categories. Meevaa represents a strategic entry into the significantly larger convenience and value-added foods opportunity allowing us to participate in a much broader share of the consumer food wallet.

The response has been good with over 5,000 orders within 48 hours of launch. In NCR, we believe Meevaa represents an important step in our evolution into a broader omnichannel food platform. We expect Meevaa Foods to contribute about 15-20% of overall revenues in FY27, while also strengthening our presence in higher-margin and value-added two categories. We also invested significantly during the year towards strengthening consumer engagement, brand visibility to participation in various food retail, and lifestyle ecosystem events along the targeted digital campaign and customer engagement initiatives, continuing strengthening the position of Zappfresh as a modern trusted food brand.

The Meevaa “Me First” campaign generated strong engagement and emotional resonance among younger urban households. Another proud milestone for us was the recognition received at the CII Unicorn Summit 2026, where DSM Fresh Foods was honored with the IPO Trail Blazer '25 recognition. We were also recognized at AMA Futurescape 2025 with awards in innovation and brand retail partnership, reflecting the strength of our omnichannel strategy and the modernization of meat shop model. Outstanding startup in Agri food sector was another category in under which we got honored by the awards.

I was also personally humbled during the year to be appointed as a Goodwill Ambassador for the United Nations Sustainable Development Goals by the intergovernmental institution for the use of Microalgae Spirulina against Malnutrition as an organization. I see this recognition as a reflection of the larger journey that Fresh has undertaken towards building a more organized, transparent, and technology driven food and supply chain ecosystem in India.

Beyond business growth, we also remain deeply committed to creating meaningful social impact during the year through our association with the Baby Foundation and various community initiatives.

We continued contributing towards nutrition awareness, women empowerment, and social welfare initiatives. As a food company operating at the intersection of health and nutrition, we believe our responsibility extends beyond commercial success and towards building a more responsible, inclusive, and sustainable ecosystem for the Communities resource.

We've also started scaling our local meat shop partnership initiative more aggressively where we partner with neighborhood retailers by becoming their sourcing supply chain and technology partners. Through this model, we are helping modernize and organize local meat retail, where simultaneously strengthening the fresh hyperlocal brand visibility and distribution reach.

The pilot involving 15-20 stores has delivered encouraging and early results in terms of throughput, customer engagement, and operational integration, giving us confidence to scale this model meaningfully over the coming years. We have already identified and onboarded approximately 100 stores and are targeting to scale this network to nearly 300-400 partner stores by year end.

Looking ahead into FY27 and beyond, our strategy remains very clear, continue deepening our leadership across existing markets, scale-up offline retail presence, strengthen backward integration, expand fish and seafood and value-added category, improve automation and technology capabilities and continue building a scalable omnichannel food platform with sustainable profitability.

Based on the visibility across our existing operations and upcoming growth initiatives, we are targeting revenue growth of 70-80% for FY27, while continuing to improve profitability and operating leverage across the platform. We believe this growth will be driven through simultaneous scaling across the core Zappfresh business, increasing contribution from Meevaa Foods, expansion of HoReCa relationship, deeper penetration across fish and seafood and value-added categories, as well as contribution from upcoming adjacent food verticals, which we keep exploring.

Organized protein market in India still remains in the very early stages of normalization, rising protein consumption, increasing awareness around hygiene and food quality, and the ongoing

shift from unorganized wet markets towards trusted and branded food platforms continue to create a very large structural opportunity for companies like Zappfresh.

As we enter the next phase of our journey, our ambition is not just to build India's leading fresh protein company, but to build one of India's most structured omnichannel food brands where we empower sourcing partner, customer investor, and stakeholder, who has believed in us over the last 11 years, thank you for being part of this Zappfresh story. The foundation has been built, and we generally believe that the most exciting phase of our journey still lies ahead. With this, I thank you all. Mehal, to take over.

**Moderator**

Thank you, sir. Ladies and gentlemen, we will now begin the question-and-answer session. If you have a question, please press \* and 1 on a telephone keypad, and wait for your turn to ask the question. If you would like to withdraw your request, you may do so by pressing \* and 1 again.

The first question comes from the line of Mr. Akash Choudhary from Easy Equity. Please go ahead, sir.

**Akash Choudhary**

Sir. Am I audible?

**Deepanshu Manchanda**

Yes. Hi, Akash. Please go ahead.

**Akash Choudhary**

Hi, Deepanshu, sir. The numbers are very nice. So, congratulations on that front.

**Deepanshu Manchanda**

Thank you so much.

**Akash Choudhary**

I have two questions. Yes. So, I think the B2B versus B2C split is 68% and 32%, right? So that in the first half, I think it was almost closer, 48%-52% in that range. So, if you check that wise, the B2C has actually degrown, half year versus half year. So, because of maybe, what challenges did we face? And maybe you can give us a flavor of how B2C works. Is it just store plus website or, how is it?

**Deepanshu Manchanda**

Yeah. So, we feel that B2B and B2C at the steady number, at a going forward will be around 50-50 as a number broadly. Because, see, we understand that the larger institutional consumption market is very, very large as compared to people consuming at home and also

looking at a deeper penetration across the product profile, which is beyond chicken, and adding more fish and seafood.

So, under that initiative, we move towards a little bit more on the B2C side aggressively because, we are investing heavily on the Aqua side, and that requires a certain volume, to be driven because the new business which we have just formed, Marina Aqua, is a farming business where we will have large volumes to contain and to manage. For that reason, we believe that we need a certain B2B business also to move that kind of volume and stock.

Now B2C generally requires, consistent marketing and burn overall. And while we are focusing more on the expansion on the bottom line, we have to manage this balance. So, we it hasn't degrown, but has been a conscious movement, which we have delivered mostly on the B2B side. And in the B2C, generally, it is online. It doesn't have any retail portion currently.

So, when I say that we will be moving towards adding more shops, big retail shops, as I just stated in my statement. We are already partnered with 100 stores, and we're looking at about 300-400 stores. So that is a B2C story which will get added and contribution then will grow very large as those stores keep increasing. I hope I answered your question, Akash.

**Akash Choudhary**

Oh, yes. So just to be like you did, shares would on a forward basis, it should be around 50-50%, alright?

**Deepanshu Manchanda**

Yes. That's correct. Should remain in that zone.

**Akash Choudhary**

Yes. And margin to be maintained, because I think somewhere you said on a net level, let's say B2B versus B2C, the margin is same. That even if the EBITDA kind of fluctuate across, right?

**Deepanshu Manchanda**

Yeah. So, as I said that, because we are investing in the fish and seafood category from an integration point of view, what happens is because we've added 300 farmers also to an FPO. So those farmers need, very large quantities to operate when you do contract farming or when you start fishing.

So that way, you have to accommodate and budget for that large number of fishes and all that produce coming to you. So that gets better pushed in B2B immediately. So, once it's steady over a period of time, it will always be hovering around this 50-50 number. But because of the breathing cycle, new business investment at integration level with fish and seafood, we are seeing this additional B2B coming, in H2.

**Akash Choudhary**

Got it. So, can you give on a broader level of margin profile which we can maybe maintain? Because the income from which I was kind of getting to it, even though, let's say, B2B hasn't been not an issue, but the margin kind of just to give a number, let's say, last quarter on INR 100 crores, we did PAT of 7% and right now, it's 1,267, right? So just to get a visibility of how can we kind of go forward basis assess the margin profile as well?

**Deepanshu Manchanda**

The margin profile will certainly improve, because, we are looking at 20% contribution coming in the new financial year, from the Meevaa range. So, if you see, we have specifically, investing in two sides of the business. One is the seafood, integration at the back end, and another is the ready-to-eat value-added product profile business through the Meevaa range. Both of these initiatives are aligned towards increasing the margins. And as you currently see, there are three contributions largely, chicken 50% and remaining 25-25 almost mutton and fish.

**Akash Choudhary**

Yes.

**Deepanshu Manchanda**

In this split with mutton and fish. So Meevaa will take over approximately 15-20% this year, and that will increase the PAT margin profile significantly. What that number we will see, but we are operating at very significantly high gross margin profile when it comes to the value-added products. And because of our controlled fish and seafood the back end, we will look at, a higher number. There will be an increase, in my view, approximately 25%, overall, on the margin profile.

**Akash Choudhary**

Sorry, 20% what?

**Deepanshu Manchanda**

25% approximately will be an increase overall, which we can anticipate on the margin profile.

**Akash Choudhary**

Okay. So, if I got this wrong, so let's say maybe Meevaa and seafood would mostly, hover around high-teens to maybe early twenties as a margin, directionally. Not exact. Then mutton would be somewhere a little 2-3% down the line, and chicken would be which is 50%, it gives us the volume. It should be somewhere in mid-teens to little early, I think, somewhere in that range.

**Deepanshu Manchanda**

Right, right.

**Akash Choudhary**

Got it. I think, I have got most of the answer. I'll back in the queue.

**Moderator**

Thank you so much, sir. The next question comes from the line of Deepak Pruthy from Wealth Wise Wisdom. Please go ahead, sir.

**Deepak Pruthy**

Hi, Deepanshu. Congratulations on great set of numbers. Just wanted to get an understanding of how does your monthly transacting user in B2C look like. And how has it progressed over last one and a half years?

**Deepanshu Manchanda**

So, Harsh, would you like to take that?

**Harsh Agarwal**

Yeah. So, right now, the monthly transactions that we are doing monthly users, right, that is around INR 80,000-90,000 a month, earlier, I think that number would be maybe around INR 1 lakh or so, right? So as mentioned, I guess, so the focus as of now, is to build the B2B base for the expansion of aquaculture business also to kind of, place the increased produce. So given that the B2B has increased and B2C has decreased, right. So, the number of users has decreased by around 15 odd percentage in this half.

**Deepanshu Manchanda**

And, also, I want to also add here that the Meevaa food range will be now extensively pushed in the quick commerce side as well. We have already partnered with Amazon, Big Basket, all of the other players. So, the online business will continue to be at a certain level, and then the retail business will take up another portion of the pie. And that in total will come combined together will be 50% as a contribution at a steady level moving forward.

**Deepak Pruthy**

Okay. And what is generally the retention rate at a customer level? So, what is your churn rate and retention rate?

**Deepanshu Manchanda**

Yeah. About 85% is the retention rate.

**Deepak Pruthy**

Okay. That's it. Thank you, Deepanshu, and all the best.

**Moderator**

Thank you so much, sir. The next question comes from the line of Mr. Gunit Singh from Counter Cyclical Investments PMS. Please go ahead,

**Gunit Singh**

Hi, sir. So, what is the reason for fall in EBITDA margins, if we compare with H1 and even if we compare with H2 last year?

**Deepanshu Manchanda**

So, this is basically because of the B2B sales increasing. We have seen a slight dip there on the gross margin profile.

**Gunit Singh**

Got it. So, are you saying that in the B2C segment, have we seen some degrowth in volumes and revenues?

**Deepanshu Manchanda**

See, initially, whenever we start a new range of business, which is what we have started the value-added and also the fish and aqua business that's what established. So, then you generally focus on building a certain volume, and to ensure that there is efficiency and there's no waste risk, because, essentially, we are dealing in perishables. So, we have to be very cautious in terms of inventory utilization management. Otherwise, it creates a big hole if the leakages and the wastages are high. So, for that reason, you have, the B2B channel absorbs large-volume instantly.

So, this particular push is has happened organically where we've got an opportunity to cater to a certain growth number from fish and seafood side of it. And also, our investments in the ready-to-eat food side, is both our long-term impact, situations. At short-term level, the gross margins and the category contributions, will definitely move here and there. But, at a steady level, as I said, that we look at a 50-50% contribution from both sides at a steady pace.

**Gunit Singh**

Got it. But in terms of volumes, number of users, orders from my website, B2C orders. And if you compare with H1, have the volumes grown?

**Deepanshu Manchanda**

So, it has remained almost the same because we haven't expanded to any new market. We are operating almost in those same cities. We wanted to penetrate and build more stickiness with the existing customer base. And also, the idea was that with this new range of ready-to-eat product, if you see, we'll receive a great response. We got almost 5,000 orders within two days of launch of the ready-to-eat product.

So that means we've been, building that stickiness on the online front rather than customer acquisition and more expansion in the new markets, because that is more fundamental to the growth rather than, just a spray and pray where you invest heavily on the marketing side, and then the stickiness is not there. So, also, we have enhanced our technology experience. We are improving a lot, and working a lot with partners now. So, this year, we will see more trust coming from these investments which we have made recently on the technology side, and also on the product expansion side on the online channel.

**Gunit Singh**

Got it. So generally, if the poultry prices, broiler prices increase, does that impact our margins in any way, or are we able to pass them on, to our customers?

**Deepanshu Manchanda**

It doesn't, because we are investing in contract farming at the back end. So, the strategy here is to manage the farmers and their breeding cycles by supporting them, by giving them certain advances, certain payments, earlier payments, and whatever they want to do in terms of capacity in expansion, we come as an investing partner with them. So that ensures that we get a certain price benefit in the view of that investment.

**Gunit Singh**

Got it. So, in the investor presentation, it's mentioned that we go 70% for the next two years CAGR. I would like to understand, I mean, if you have a concrete plan of where you see this growth coming from and which segments growing the most.

Number two, also, I mean, if you're planning to enter any new cities, can you help us understand the amount of CapEx or the investments that it will take to enter any new city?

**Deepanshu Manchanda**

Right. So, one is the retail channel, which we are extensively growing. As I said that we've already partnered with 100 stocks, who we have modernized in Mumbai and Bangalore. That number, we are hoping to take to 300-400 number very fast within next few months or a year maximum.

And that will contribute to a certain growth profile, which will fall under the B2C segment. And then the other piece is the ready-to-eat contribution coming as an additional bump up of 15-20% in the overall growth. So that will also be supported by the export market, because 90% of that business is currently catering to U.S., Canada, Europe markets. And currently, we're already doing approximately INR 40 crores of annual run rate in that business.

That business before our acquisition peaked at INR 16 crores. As soon as we have acquired, we have scaled that business within three months to almost more than double, okay? So, the

growth is going to come from Meevaa, which is a new acquisition. And because it's a young project, so we will see a sharp growth in the initial 2-to-3-year horizon.

And there is currency benefit from an export side as well, which we will get -- which will impact both the revenue and the profit, of that particular initiative. And from a geographic standpoint, we will be expanding more on the West and the South side and looking to open Pune and some of the near markets like Nashik and also in some markets near, Bangalore will be on the radar for us.

**Gunit Singh**

Got it. So, basically, we are saying around INR 25-30 CR registered from Meevaa branch.

**Deepanshu Manchanda**

More. No, no. It'll come more. INR 30-40 crores are currently ongoing. So, we are at a monthly level operating at INR 30-40 crore annualized run rate. So that will contribute to at least INR 70 crores of the overall year or more.

**Gunit Singh**

Got it. And around 20% EBITDA margin, is it fair to assume?

**Deepanshu Manchanda**

Yes. That also will be around that range, maybe slightly more.

**Gunit Singh**

Got it. And currently, I think we have partnerships with 100 stores already, right?

**Deepanshu Manchanda**

Correct.

**Gunit Singh**

So, we would be scaling this up to 300-400 stores. So, can you help us understand on average, I mean, what kind of revenue and EBITDA margins can we expect from this store expansion?

**Deepanshu Manchanda**

Harsh, can you take that?

**Harsh Agarwal**

Yes. So, each store contributes on an average INR 5 lakhs per month revenue. And on a net basis, we earn 8-10% on that revenue. So, each store will be contributing around 50 odd 1000 to the profits, a month. And given that, we'll be expanding this to 300 to 400 stores, right? So, accordingly, the revenues and profits will increase.

**Gunit Singh**

Got it. And, for the new, geographic expansions, are we looking at expanding, I mean, from which channel? Are we starting with B2B, B2C, or with the website?

**Deepanshu Manchanda**

See, whenever we launch a new market, we don't look at it only from a B2B or B2C standpoint. We go across the geography. So recently, for example, in Marina Aqua, the newly registered aqua project, which we have just formed, under that, we have taken about 300-270 acres of land for fish farming seedings. That is in Kanpur. One land parcel is in Ghaziabad, which is a beautiful fish island, which is currently in place.

And then there are places in Nagpur and also some land in Assam. So, idea is that whenever we keep having our presence, we will open and that could be through any project, right? Let's say the fish project. For example, the Meevaa project is in Chandigarh.

So that Chandigarh market will also open. Once we have our setup in any form, whether it is a fish farming setup or whether it is a processing setup of any kind, we open up across the categories, across the distribution side of the business. And then we look at what is the growth, which is coming from this segment, naturally, and then we push a certain channel with that kind of a strategy which we follow.

**Moderator**

Gunit sir, I'm sorry to interrupt you. I'll request you to join back the queue.

**Gunit Singh**

Alright.

**Moderator**

Thank you, sir. The participants, in the interest of time, we request you to restrict with two questions in the initial round, and join the queue for more questions. The next question comes from the line of Mr. Srinagesh Burugucherla from Shubh Capital. Please go ahead, sir.

**Srinagesh Burugucherla**

Yeah. Good morning, and congratulations for the great numbers. I have just a couple of questions.

**Deepanshu Manchanda**

Thank you so much.

**Srinagesh Burugucherla**

Yes. Meevaa has shown encouraging traction, but frozen foods is a highly competitive category. So, what sustainable advantage does the brand possess against the large FMCG place?

**Deepanshu Manchanda**

So, in food, what we see is that the palette is differs from one audience to another audience. And I'm sure since -- I'm assuming that you are in South. So, for you to consume a product coming from South will make more resonance. We have dragged base profile of a North audience, okay?

So, the same North, audience is sitting in U.S., Canada, and those markets. So, the idea is to tap, a certain taste profile of audience, which is North Indian, who are stationed internationally. They don't get options to have this kind of a product taste profile. For example, we are looking at frozen as a very broad category.

But when we go a little deeper, and understanding frozen, which are the leading products, you will see french fries and, nuggets will be topping the most, okay? We are not in those categories at all, okay?

So, there is a serious differentiation which we are bringing in the product profile as compared to the hero products where we play the large competition is already existing. So we're not touching those categories at all. These are very gourmet line of products, which are snackable for the NRIs, who are mostly from the North Belt. And they could be craving and missing a taste which is coming from India and that too the roots from the northern side, they feel -- they are the right customer segment.

And we don't think there is any other in very strong competition in that side of taste profile, which is available for them internationally. Domestically, however, the strategy will be different to cater to the retail shops, which we are taking over, where we will set up and start giving them products like seekh kebabs, and tikkas, and multiple other products, which will be complementing to the existing line of fresh products.

So that, I think, will be still falling under a high competition side of the business. But when you look at export and international market, we have a very strong edge in terms of differentiation from a taste profile point of view, which is already established. So, it's not that we are establishing it.

They've already cracked some customers, but they were not able to scale, and there were other issues. So, we took over that business. Jubilent is one of the customers. Some of the Punjabi communities in Canada, who are looking for their authentic taste are one of the buyers. And then U.S., we are doing Baigan ka Bharta.

So, a very wide variety, extensive range is available to us to focus towards the different target audience internationally. And domestically, everything aligns to the core business complementing so what complements the core businesses, how we are going to move from a product strategy point of view. So, product strategy overall in the domestic market is evolving, but largely, it will remain closer to what we do in the protein side.

**Srinagesh Burugucherla**

Okay. My next question is over the next three to five years, how important do you expect value-added and frozen product to become in the overall revenue mix?

**Deepanshu Manchanda**

Oh, that's risk. Okay, I see that there are very strong investment and belief, which we have recently shown, with launch of the new range of Meevaa Foods. The capacity, which we have, currently is INR 500 crores of revenue, which we can do only in Meevaa from a point of view of land, plant, and machines, everything available in Chandigarh, which is there. It's a state-of-the-art plant.

So, we have we have the capacity and capability to do that kind of a number as of within a year, okay? Now, when it comes to -- how much it contributes, it's really difficult to say as a number. But I say that overall, in the scheme of things, it should be approximately 20% - 25% minimum of the total revenue, which is a good number.

**Srinagesh Burugucherla**

Yes. Thank you so much.

**Moderator**

Yeah. Thank you so much, sir. The next question comes from the line of Mr. Lakshay Seth from Emerge Capital. Please go ahead, sir.

**Lakshay Seth**

Yeah. Hi. Congratulations on the strong performance and execution, sir.

**Deepanshu Manchanda**

Thank you. Thank you, Lakshay.

**Lakshay Seth**

Sir, so does the partner store model, materially improve our customer acquisition economics and brand visibility compared to the channels that are purely online?

**Deepanshu Manchanda**

Significantly. So, if you look at any localized physical distribution business, let's say, if you look at OYO or 1mg or look at, PharmEasy, all of these guys have demonstrated a very deep

penetration in the local clusters. And I mean, a lot of people are not aware of them just online as a player, but they have seen their stores. And that's how they see overlap where, offline and online, combines together and creates a very physical kind of an experience. So, we are moving in that direction only.

And I think that this is going to be very, very differentiated playbook, which will create maybe 1000s of stores as we move forward in the coming years. These 100, 200, 300 stores are still very, very meaningful of what exists out there. And also think of our Tier 2 markets. Right now, we're just doing Tier 1. So, Tier 2 markets itself, are mostly they do online, but they have more time to go out, and purchase.

So, we want to capture both sides, and that will create a harmony amongst both the segments. And we will see, brand visibility going very high with the top-line approach. It's a very inexpensive way to build a brand.

**Lakshay Seth**

Got it. And, sir, one more question before I join the queue again. So as multiple growth initiatives are being scaled in the business simultaneously, so according to you, which areas currently represent the biggest execution risk for the management?

**Deepanshu Manchanda**

Biggest execution risk. I think, we are looking at from a macroeconomic point of view, I think the war as a factor is a risk for our business, because we're now looking at exports and shipping outside the country, some raw material pressures. So, all those things are the only risk I foresee.

**Lakshay Seth**

Got it. Thank you so much. I'll join the queue again.

**Deepanshu Manchanda**

Thanks.

**Moderator**

Thank you, sir. In the interest of time, requesting the participants to stick to two questions in the initial round and join the queue for more questions. The next question comes from the line of Mr. Sahil from STR Investments. Please go ahead, sir.

**Sahil**

Hello? Am I audible, sir?

**Deepanshu Manchanda**

Yes. Please continue.

**Sahil**

Yeah. So, great set of numbers, Deepanshu sir. So, my question was that, you mentioned that we are going on a 60%-70% growth for this year. We are targeting that number. So, can you break it down in between the different segments that you are getting to? Like, that fresh organic will be this much, Meevaa will contribute this much, etc.

**Deepanshu Manchanda**

Yes. So, as I said that Meevaa will be about 15-20%. Fish and seafood is already currently at 27% of contribution, which will move to at least 30-35%. And remaining, the mutton will be reduced further, and chicken will remain around 40-45% from a category point of view, is how we are looking at it.

**Sahil**

And on a consolidated basis, the margins that we are targeting are similar to FY26, or we can expect more growth going forward?

**Deepanshu Manchanda**

So, there'll be 25% improvement on the bottom line, because there was a deferred tax element also if you see in the balance sheet, which has been going for the last H1, H2 both, impacted from the previous years. So that factor will not be there, next H1, and we will see the improvements drastically on the bottom line then. Because effectively, the true profit after tax, considering the standard tax slab rate will come around INR 18 crores. So, there is that additional 10%, 20%, 15%, deferred tax element, which will also go away. And also, looking at additional contribution of the ready-to-eat project, which is a high-margin profile business, will also impact drastically.

**Sahil**

Alright, sir. And sir, one question, on the acquisitions. I read some articles on PE etc. So are we looking for another some further acquisitions as well as part of our business operation?

**Deepanshu Manchanda**

So, nothing is in immediate pipeline, because acquisitions takes a long time and, we have our hands full currently. So, the idea for us right now is to consolidate the new acquisitions and the new initiatives which we have done, which is the fish and seafood project and the Meevaa range. These two projects are keeping us very busy along with the retail penetration going on. So, we'll see if there's a good asset coming our way, then we'll look at, but otherwise, there's nothing immediately, which is tied up.

**Moderator**

Thank you, sir. The next question comes from the line of Mr. Prasad Shetty, an Individual Investor. Please go ahead, sir.

Prasad sir, please go ahead with your question, sir.

I believe there is no response from Mr. Prasad Shetty. We'll take up the next question from Mr. Surendra Reddy from Chartered Investments. Please go ahead, sir.

**Surendra Reddy**

Yeah. Can you hear me, sir?

**Deepanshu Manchanda**

Yes. Hi, Surendra.

**Surendra Reddy**

Yeah. Hi, sir. Thanks for the opportunity. Sir, I have two questions. So, the first one is, I'm just observing the sector. So, all the participants are actually loss-making, and we are only profit making. So, may I know main reason for that and also whether these profits are going to be sustainable going forward? That's my first question.

**Deepanshu Manchanda**

Yeah. So, the reason we are profitable as compared to the other peers is we follow a backward integrated project sort of our integration strategy where we partner with the farmers directly, and then that gives us a benefit of operating at a better quality, better margin. When we buy the live bird, we liquidate the entire live bird. So, to give you a specific, 1.6 kg is the weight of the bird. And, generally, what the peers do, they buy a completely clean slaughtered bird.

What we do when we buy the live bird, we are able to sell off the ancillary products like the feathers, the feet, etc., which is part of the unfinished product, and that impacts the bottom line and the profitability procurement. And, also, we are able to work with small and medium sized farmers and integrators that also gives us better control on the pricing overall. So, this is one of the major differentiators with respect to the other guys. From a sustainability point of view, yes, the margins will be sustainable. We are investing in more high-margin profile businesses and products. So, we continue to remain stable on that side.

**Surendra Reddy**

A follow-up question for that --

**Surendra Reddy**

Yeah. Sorry. Then the follow-up question for that, where could we see our top line and bottom line in next two to three years?

**Deepanshu Manchanda**

I would -- I'm hesitating to give you a specific number, but we have given it in our PPT. The growth has been at a CAGR level. We have been growing at 50-60%, if you see overall. And because we have opened up new businesses and we are investing in new lines of products. This growth will be continuing for the next two to three years.

**Surendra Reddy**

Okay. Yeah. Coming to my second question, sir. Sir, actually, I can see that there is a huge distribution in the shareholding pattern. So let me know, though the promoters are holding very low shareholding, just 28%. So, is there a plan to buy the shares? Because I already –

**Deepanshu Manchanda**

I'll be executing the warrants very soon. There was a lock in on for me to buy any shares through the warrant instrument, because of the lock in for the IPO and the financial results announcement.

So, all of that is completely out now. So, we will be exercising warrants, and I will be adding more equity. That's correct.

**Surendra Reddy**

Yeah. Sir, thank you very much, sir. Sir, I have just two suggestions. One is, like, try to just to provide a quarterly business update, and the second thing is, like, plan more investor meetings going forward, sir.

**Deepanshu Manchanda**

Okay. Alright. Thank you so much. Our adviser -- Go India team should actually make a note on that.

**Surendra Reddy**

Yeah. Thank you very much, sir.

**Deepanshu Manchanda**

Thank you.

**Moderator**

Thank you so much, sir. Next question comes from the line of Mr. Achuth Pabbath, an Indian Investor. Please go ahead, sir.

**Achuth Pabbath**

Hello, sir. First of all, I would like to congrats you on a great set of number. But only one thing I'm not able to understand is what about the cash flow, sir? Cash flows are going bad and bad every year. So, when can we expect improvement in cash flow side? Do we have any plan to raise funds to continue our business, sir, in future? How many cash we are in currently?

**Deepanshu Manchanda**

Harsh, would you like to take that up?

**Harsh Agarwal**

Yeah. Sure. So, in terms of cash flows, obviously, if you see, cash flow operations, you will see negative amount there. Although, we are generating a good amount of EBITDA, right? And that is because of expansion in this scale and the revenues.

So, as we scale, obviously, we have to invest in working capital, and that's why your overall cash flow is negative. Coming to your cash point, as of now, we are sitting on a very good liquidity wherein we have approximately INR 20-25 crores of cash. And for future also, fundraising will -- if we have a good headroom there in terms of raising debt as well, because if you see our leverage ratio as well, right?

It has reduced in FY26 from FY25. So, if you were to see the net debt to equity ratio for FY26, it is below point 5x as of now. And we have good visibility in terms of securing additional deadlines to ensure that we have sufficient capital going forward for all these initiatives that we want to undertake in this year.

**Achuth Pabbath**

So, when can we expect a positive cash flow, sir? Do you have any time line for that? I mean, you planning positive cash flow in the near future?

**Harsh Agarwal**

So, yeah, it is difficult to give a timeline because it is a factor of growth. So, if we were to decide, today that we want to pause the growth and maintain this scale, we can do that and turn the cash flows positive, right? But that's not the focus, I would say. But anyway, I think, I see in two to three years is something that we'll be expecting, to kind of generate positive, cash flow from operation posts the working capital investment banking.

**Achuth Pabbath**

Thank you for that answer, sir. Thank you.

**Moderator**

Thank you so much, sir. The next question is a follow-up question from Mr. Gunit Singh from Counter Cyclical Investments. Please go ahead, sir.

**Gunit Singh**

Sir. Hi, sir. So, I would like to understand more about the EBITDA margins. They were 17% last year, now 13%. So out of this 400-basis points delta, can you help me understand what are the sort of one-time costs for, I mean, the outlook I'd say or all our initiatives, which might not flow into H1 FY27?

**Harsh Agarwal**

Alright. So --

**Deepanshu Manchanda**

There is -- go ahead, Harsh.

**Harsh Agarwal**

Yes. I think you're referring to H2 FY26 compared to H2 FY25 and the 400-500, which is point stock in EBITDA, right. So, the main reason for that is the change in the contribution of B2B and B2C, right.

So, if you were to see in FY25, the overall contribution from B2B would be in the range of around 20-25%, which has increased to now close to 70, right? And if you see the gross margins, obviously, the gross margins are different in both these categories. So B2C would be around 45-50%, and B2B would be around 20-25%. There's a significant difference there. And that's the major, reason for the drop in the margin.

**Gunit Singh**

Got it. So, in FY27, I mean, what kind of EBITDA margins are we targeting? And, given that our B2B is heavy right now, So basically, I mean, what would be the drivers?

**Harsh Agarwal**

Right. So, over the next two years, we are targeting an improvement of 3-4% at least in the EBITDA margin. This will come from two, three things, right? So, one is the aquaculture build, which will contribute 200-300 basis points on the fish contribution.

Second is the expansion of the ready-to-win business, right? So that business operates at a much higher level of margin. Gross margins are approximately 50% there, right? So, increasing share of ready-to-win.

And third, as mentioned, right? So, in long term or medium term, the objective is to maintain the B2B and B2C split at around 53%, right? So, again, once the B2C component increases, the margins will also increase.

**Moderator**

Thank you, Gunit sir, we have another follow-up question from Mr. Akash Choudhari from Easy Equity. Please go ahead, sir.

**Akash Choudhari**

Yes. So, the B2C which we talk about is, is it just the website or the --

**Deepanshu Manchanda**

Just the website. The digital stores are still building up. So that's why I'm saying that there will be a stronger push which will be coming from the stores in this financial day.

**Akash Choudhari**

Okay. So, store is also B2C, right?

**Deepanshu Manchanda**

Yeah. Yeah. Store is also B2C.

**Akash Choudhari**

One conclusion I had. So, I think so right now, let's say, website is the prime source of B2C. And I think the B2C is reduced because we might be doing less of an advertisement and all, right? So maybe, let's say, on a Meevaa level, if we push through quick commerce, so there also, the margins would be affected, right? Because quick commerce takes a lot of, what do say, margins out there.

**Deepanshu Manchanda**

No, no. It will be increased. See, Meevaa coming in is a straight bottom-line impact in any form, whether it is sold in B2B, whether that range of product is sold online, that or whether that product is sold on retail because of high capacity and capability on that side, we will be operating at a very good margin.

**Harsh Agarwal**

Just to add here, Akash, the margin structure of the product and for the app-less products are quite different, right? If you just compare the gross margin, there is a significant upside when you're ready to effectively of around 25-30% on gross margin point, right? And if you will be aware of the normal commission or marketing that is spent on this channel, quick commerce channel is around that range.

So, the ready-to-eat products specifically will be able to absorb that incremental cost that happened on the quick commerce side. And that's why if you see, for cold Zappfresh products, primarily, we have targeted our own channels only online. We are not kind of -- there's too much in the e-commerce side as of now because of the margin profile right there. And that's one of the reasons that if you compare with the competitors, right, which would be loss meeting as of now, and we are profitable. That's one of the reasons, because their primary sales online happened through these quick commerce or online platform, third-party platforms like Blinkit, Zepto, etc., right? Wherein they have to incur commission and a marketing expense, which we don't have to incur.

**Moderator**

Thank you so much, sir. In the interest of time, that will be the last question for the day. Now I hand over the floor to the management for closing comments.

**Deepanshu Manchanda**

I really, appreciate everybody spending time and showing interest and their trust in our project. We continue to build, a very iconic organization and a large conglomerate, as we in the coming years. And I'm looking forward to engaging again, next time with everybody. Thank you so much.

**Moderator**

Thank you, sir. Ladies and gentlemen, this concludes your conference for today. Thank you for your participation and for using Door Sabha's conference call service. You may disconnect your lines now. Thank you, and have a pleasant day.

**Deepanshu Manchanda**

Thank you.