KRISHIVAL FOODS LIMITED

CIN No. L74120MH2014PLC254748
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Tel no.: 8779558264, Website: www.krishival.com, Email: cs@krishival.com

November 9, 2026

To,

National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Bandra (E), Mumbai-400051 **Symbol: KRISHIVAL**	BSE Limited P J Towers, Dalal Street Mumbai - 400 001 **Scrip Code: 544416**

Subject: Transcript of the Q2 & H1 FY'27 Earnings Call held on Thursday, November 5, 2026

Dear Sir/Madam,

Pursuant to Clause 15 (b)(i) of Schedule III, Part A, Para A read with Regulation 30 (2), Regulation 30 (6), Regulation 46(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are hereby submitting the transcript of the Earnings Conference Call held on Thursday, November 5, 2026, to discuss the unaudited financial results of the Company for the quarter and half year ended September 30, 2026 (Q2 & H1 FY'27).

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

You are requested to take note of the same.

Thanking You,

For Krishival Foods Limited
RAHUL SURESH GAWANDE
Digitally signed by RAHUL SURESH GAWANDE
Date: 2026.11.09 17:17:25 +05'30'
Rahul Gawande
Company Secretary and Compliance Officer

“Krishival Foods Limited

Q2 & H1 FY27 Earnings Conference Call”

November 05, 2026

E&OE: This transcript is edited for factual errors. In case of discrepancy, the audio recording uploaded on the stock exchanges on November 5th 2026, will prevail.

MANAGEMENT: MR. SUJIT BANGAR – CHAIRMAN – KRISHIVAL FOODS LIMITED
MR. NANA MHASKE – CHIEF EXECUTIVE OFFICER – KRISHIVAL NUT AND DRY FRUIT DIVISION
MR. ABHISHEK PURANIK – CHIEF EXECUTIVE OFFICER – MELT N MELLOW ICE CREAM DIVISION
MR. VIVEK KUMAR JAIN – CHIEF BUSINESS OFFICER – KRISHIVAL FOODS LIMITED

Moderator: Ladies and gentlemen, good day and welcome to Q2 and H1 FY27 Earnings Conference Call of Krishival Foods Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

Today we have with us Mr. Sujit Bangar, Chairman, Krishival Foods Limited, Mr. Nana Mhaske, CEO Krishival Nut and Dry Fruit Division, Mr. Abhishek Puranik, CEO, Melt N Mellow Ice Cream Division, and Vivek Kumar Jain, CBO, Krishival Foods Limited.

We will now begin with opening remarks from the management followed by an interactive Q&A session. Please note that this discussion may include forward-looking statements, which should be viewed in conjunction with the risks and uncertainties that the company faces.

I now hand the conference over to Mr. Sujit, sir. Thank you, and over to you.

Sujit Bangar: Thank you. Thank you very much. A very good morning to all of you. On behalf of management of Krishival Foods Limited, I welcome you all to our Quarter 2 and first half for the current financial year, and that is 2026-'27 earnings conference call. Thank you for taking the time to join us today.

I hope you have had an opportunity to go through our media release and presentation and financial results which have been shared with the exchanges already. Today I will take you through company's business performance, key operational developments during the quarter, and our priorities for the coming period.

We'll talk about the overall business overview of the nuts and ice cream, both the segments of Krishival Foods. Krishival Foods is building a diversified consumer-focused food platform through two complementary businesses, healthy snacks through this Krishival Nuts and ice cream and desserts through Melt N Mellow.

So Krishival Nuts focuses on market for premium nuts, dry fruit, healthy snacking, while Melt N Mellow operates in an ice cream and dessert segment. Broader consumer market is evolving with consumers increasingly balancing affordability with premiumization. Product quality, taste, nutrition, convenience, and differentiation are becoming important factors influencing purchasing decisions.

We believe this presents opportunities across both of our businesses. Our focus is on offering products across different price points, strengthening our brands, and expanding our distribution reach to address a wider consumer base. We'll now speak about business updates for our nuts and dry fruits division. We call it a healthy snacking division.

Starting with our nuts business, we continue to focus on strengthening our sourcing capabilities, expanding our product portfolio, and improving our manufacturing infrastructure. Our integrated operations include grading, roasting, flavoring, packaging, enabling us to maintain quality and consistency across our product range.

In May 2026, we have added 10 metric ton finished kernel production capacity to the existing capacity of 10 metric ton finished kernel production per day, overall taking our total installed finished nuts production capacity to 20 metric tons per day. Going forward, we intend to gradually ramp up utilization of this expanded capacity.

As outlined in our roadmap as presented in our investor presentation, we are targeting further capacity addition with the objective of reaching 40 metric tons finished kernel production per day by FY28. On the product side, we continue to strengthen our presence across different consumer segments. Our portfolio includes flavored cashews, almonds, pistachios, makhana, and other exotic nuts and other healthy snacking options.

We are also expanding our affordable on-the-go offering through INR20 MRP range which include trail mixes, cereal mixes, salted nuts, mixed assorted nuts, roasted almonds, and assorted mixes. Our approach is to address both value-conscious and premium consumers through a differentiated portfolio.

We believe that growing awareness around nutrition, convenience, and branded packaged products provides an opportunity to expand our presence in the organized nuts and healthy snacking market. Alongside general trade, we continue to strengthen our presence across modern trade, e-commerce, quick commerce channels, enabling us to improve consumer accessibility and expand our market reach.

Our priorities remain strengthening distribution, improving capacity utilization, and building a wider portfolio of quality products. Now we'll talk about our another segment, that is ice cream, which is under the brand Melt N Mellow. In Melt N Mellow, this segment continues to expand its distribution network and strengthen its presence across the markets.

As of end of Quarter 2 FY27, our deep freezer network stood at 18,752 units with the target of reaching to 27,000 deep freezers by the end of this financial year. While our products are available across 35,000 plus retail touch points across Maharashtra, Goa, Karnataka, Telangana, Andhra Pradesh, and newly recently in this quarter Tamil Nadu.

During the quarter, we added 85 new distributors taking overall distributor count to 205. We have also maintained a distributor retention rate of approximately 95%, means, if we have 100 distributors, the churning is only among the 5 -- for 5 distributors. So 95% is the retention rate in the distributors. That is one of the key strengths of our distribution network, and this also reflects the strength of team with distributors and the ecosystem.

Our network currently operates through 13 depots, supporting our efforts to improve market reach and product availability. Geographically, we continued our expansion in Tamil Nadu adding new locations including Vellore, Hosur, Erode, Tiruvannamalai, and Salem and adjoining area. In Andhra Pradesh, already as mentioned in the last quarter, we have ensured our distribution through C&F locations covering Rayalaseema, Vijayawada, and Visakhapatnam.

On the product front, Melt N Mellow continues to offer wide range of products across different consumption occasions and price points. Our portfolio includes cones, kulfis, choco bar, tubs,

family pack, Novelties, Ice Cream Cake, Pastry, and Marvel range from the extrusion line. We are also adding some better-for-you offerings like zero added sugar options.

As consumer preferences continue to evolve, we see opportunities in product innovation, premium offering and differentiation, flavors, and formats. Our focus is to strengthen our portfolio while catering to consumers across different price points and consumption occasions. We are also developing our premium retail presence through our Mellow & Co. concept.

Our first outlet is coming at Apte Road, Deccan, Shivaji Nagar, Pune. The place is already secured and it is under commissioning and will be expected to be inaugurated shortly. This initiative will provide us with opportunity to build a more direct consumer connect and showcase our products through an experiential retail format.

After the launch of this outlet, we plan to expand to 25 FOCO outlets in the Pune and the vicinity. Regarding the manufacturing infrastructure, which is the key pillar for Krishival Foods, so in both the segments, in the Kolhapur district near Belgaum, we have entire manufacturing setup for the nuts, dry fruits, and healthy snacks segment.

And in Sambhajinagar, we have our ice cream and related production facility. The installed capacity of the ice cream is 1 lakh liter per day. It also has 20 metric ton per day milk product and 10 metric ton per day bakery products capacity, which is slowly, slowly we are ramping up. Current financial year, we expect to reach almost 37% of the ice cream capacity of the installed capacity. And as full capacity utilization, we are targeting in Q1 FY29, the full capacity utilization in ice cream can give us INR600 crores top line.

Facility is equipped with automated production lines including extrusion and stick lines, cone filling facility, blast rotary tunnel, homogeneous and pasteurizers. We also have end-to-end cold chain infrastructure and an in-house R&D center to support product development and operational efficiency.

As the business expands, our focus remains on improving utilization of existing infrastructure, maintaining operational efficiency, and aligning capacity expansion with demand and distribution growth. Important update during this quarter, in quarter 2, is about leadership strengthening at Krishival Foods. So I would like to highlight this important addition to our leadership team.

Mr. Vivek Kumar Jain joined Krishival Foods as Chief Business Officer effective October 23, 2026, last month. He brings over 25 years of experience as an Industry Veteran with extensive exposure to consumer goods sector. During his career, he has held leadership responsibility across business strategy, category management, modern trade, e-commerce, and export. His experience in scaling business and strengthening consumer-facing channels will be valuable as we continue to expand our operations and build our brands across market.

I would request Vivek to introduce himself. Over to you, Vivek.

Vivek Kumar Jain: Yes, thank you, Sujit. Good morning everyone, I am Vivek, and as Sujit mentioned, joined Krishival last month. Over the course of my career, I have built and scaled consumer businesses,

strengthened iconic brands, led omnichannel expansion including international markets, and developed growth platforms and also led diverse teams across multiple markets. Specifically speaking about Tata Consumer, I played a key role in building and scaling modern trade and e-commerce capabilities there and expanding the company's international presence in exports.

In Nestle, I worked for almost 18 years, and during my tenure, I did diverse sales and business leadership roles in general trade, modern trade, and food services across India and Thailand. Just from an educational point of view, I am a Commerce Graduate from Commerce College, University of Rajasthan, and did a PG Diploma in Human Resources and Finance from AMS Dehradun.

I have also completed Future Ready Product Management using Artificial Intelligence from IIT Roorkee and Digital Marketing and Analytics from IIM Mumbai, and also hold a general management certification from SDA Bocconi, Italy. At Krishival Foods, I would spearhead business strategy and growth initiatives, drive profitability, expand product portfolio across domestic and international markets, strengthen category play, and also drive and scale channels, general trade, modern trade, e-commerce, quick commerce, and exports.

Thank you. Over to Sujit.

Sujit Bangar: Thank you, Vivek. Thank you. Now we will talk about the financial performance in Quarter 2 and the first half of the current financial year. I will give briefly about key numbers for the quarter and the first half of this financial year.

For Quarter 2 FY27, revenue from operation stood at INR85.66 crores compared to INR66.67 crores in the corresponding quarter last year, registering a growth of 28%. EBITDA increased by 53% to INR13.87 crores with an EBITDA margin of 16.6%, while profit after tax grew at 18% to INR6.82 crores.

For the first half of current financial year, revenue from operations stood at INR174.62 crores compared with INR116.19 crores in the first half of the previous financial year. Thus, this has registered a growth of 50%. EBITDA has increased by almost 63% to INR24.56 crores with an EBITDA margin of 13%, while profit after tax grew by 22% to INR12.42 crores.

At the segment level, in our nuts and dry fruits and healthy snacks division, the business has recorded revenue of INR63.16 crores, registering a growth of 19% year-on-year, with EBITDA of INR10.44 crores, up 33% year on year, and EBITDA margin of 17%. Our ice cream business has reported revenue of INR22.50 crores registering a growth of approximately 65% year-on-year.

In ice cream, we had a very healthy EBITDA because of sound management of raw material, packing material, and the good distribution ecosystem management, also because of the depot system introduced, the EBITDA we got at INR3.53 crores, reflecting significant 566% growth vis-a-vis last year's, EBITDA.

The EBITDA margin in ice cream, we got 16%. This is above our target, and because of sound input cost management, we got this margin. FMCG sector, as we all know, has witnessed a

challenging operational environment in Quarter 2 in FY27 in India, because of inflationary pressure and evolving consumer demand impacting the industry. Retail inflation was at 5.4% in September 2026, while food inflation increased to 7.74%, putting additional pressure on household budget ahead of festive season.

Industry commentary also indicated the same during this period for the FMCG. Against this backdrop, we are very happy that we remained focused on our execution priorities and delivered growth while maintaining profitability.

This reflects the resilience of our business model, our ability to navigate external challenges including input cost pressure, the impact of El Nino, geographical uncertainties, crude oil price, increases in sugar price, all these factors were challenging in these 3 months and more or less 6 months.

But at Krishival Foods, the sound supply chain management, execution capabilities, and backend integration in both the segments is giving us an advantage while sustaining this inflationary cost pressure. At the same time, the ability of pricing for the finished good is making us able to maintain EBITDA.

Even in ice cream, in this period we have seen expansion of EBITDA beyond our expectation as Quarter 2 is relatively less top-line growth because of monsoon for ice cream, there an also profitability has been maintained. And the nuts and dry fruits profitability has been enhanced.

Now regarding the growth strategy and outlook, the way we look at it is our strategy is centered on scaling both business verticals while strengthening our distribution, manufacturing, and product capabilities. For our nuts business, priority remains expanding our branded product portfolio, increasing capacity utilization, strengthening sourcing, and widening our distribution reach, and strengthening our presence across general trade, modern trade, e-commerce, and quick commerce.

We'll continue to address both affordable and premium consumer segment through differentiated products. We'll continue to nurture our presence in Singapore for exports. During this quarter, Quarter 2, we had a very good export shipment to Singapore. The shipment to Singapore during Quarter 2 amounted to USD384,000.

And now with Vivek coming as a CBO, we look forward to expanding our portfolio to US market and also to explore Japan, as we have already mentioned about, these two territories are in our radar for the export expansion. For our ice cream business, we'll continue to focus on expanding our deep freezer network, adding distributors, entering new market.

We will see opportunities through product innovation, premiumization, and value-added offering in line with evolving consumer preferences. As outlined in our investor presentation, we are targeting approximately 50% growth in top line and 50% growth in profitability in current financial year, that is FY27.

If we look at a six-month performance in the first half of current financial year, we can say with satisfaction that we are on the course of achieving it. As in the first half of the financial year,

operating revenue from operations has grown at 50% and the EBITDA growth is 63%. By FY 2029, we expect almost equal contribution from healthy snacks division and ice cream division.

Further, we have set ambitious target of achieving consolidated revenue of INR1,500 crores for FY29, and all our efforts in capacity ramp-up, even distribution network expansion, and everything, new product launching in both the segment whatever we are doing is, by keeping this FY29 targets in the sight, and this current year's target of 50% top-line growth is also as part of this journey.

This will be supported by planned expansion of our businesses, improved utilization of existing capacities, wider distribution, and continued product innovation. While we remain mindful of broader input cost environment and the importance of maintaining profitability, our approach will remain focused on building a scalable business, strengthening execution, and creating long-term value for our shareholders.

While scaling, we strongly believe the scaling has to be with profit. Then that scaling becomes sustainable, and that scaling will take you to the newer orbit. And with that objective, we are planning our execution going forward.

With this, I would like to conclude my opening remarks, and thank you everyone for your time. We can now move to question and answer session.

Moderator: Thank you very much, sir. We will now begin the question-and-answer session. The first question is from the line of Ishan Modi, an Individual Investor. Please go ahead.

Ishan Modi: Yes. Good morning and congratulations on the great set of numbers. My first question is around your nuts and dry fruit business. So from last 4 quarters, I think we are growing between 15% to 20% only. So first of all, like, why is that reason? Like, why being the smaller size company, why we cannot grow around 30%? That's the first question.

And the second is the EBITDA growth is much higher compared to the top line growth in the nuts and dry fruit business. So, but I see the B2B and B2C mix is around 55% and 45% from last 4 quarters. So what actually driving this EBITDA growth and how much EBITDA margin we can achieve at max in this business? Currently it is 70%, but what is the ceiling here we can achieve with 20% kind of growth here?

Management: Yes. So good morning, Ishan. Thank you for this question. So first question is about the nuts growth is not matching. Practically, nuts growth is almost 15% to 20%, last 3 to 4 quarters. And as we say, the ice cream is experiencing much higher growth, if we compare both the segments.

See, nuts is typically a different segment, and nuts, as you see, we have done expansion in production capacity in which we have already reported in May 2026 we added 10 metric ton capacity to our overall capacity to -- earlier capacity was 10 metric ton finished kernel production per day. So now expanded capacity is 20 metric ton finished kernel production per day. If you see our earning call for last financial year which we did in May, that time also we announced that in this expanded capacity in current financial year we expect to utilize only 25% of the additional capacity.

And in a staggered manner, we will continue to deploy the capacity utilization in the nuts segment. The nuts segment, the important factor is that we are growing while maintaining profitability. Our strict control over cost structure, strict control over the input price while sourcing and very tailored distribution across both the segments like B2C and B2B. And that has been evident by way of the growth from 15% to 20% last 3, 4 quarters.

In nuts, we expect next couple of quarters we will expect 20% to maximum 25% growth. But in ice cream, the growth is way beyond the nuts, and that is because of certain -- because low base also, and also certain industry-related dynamics also. This ice cream industry is having some groundswell because of many other things. So therefore ice cream is witnessing a very -- almost double the growth of the nut segment. So that is the reason for that.

But in the future, in the coming years, we are anticipating the planning in such a way that our capacity, as I mentioned, we are from 20 metric tons to 40 metric tons per day kernel production. That capacity we are ramping up by March '28. And while ramping up capacity, simultaneously we are going to do the things into enhancing distribution, across India, even certain exporting. So in staggered way, the nuts capacity utilization will happen and the growth will come up beyond what it is today. Now your next question is about?

Ishan Modi: Yes.

Management: Your next question is about the profitability. Next question is about the profitability. In the profitability, if you see in the nuts segment, our core strength is in the sourcing. For all the nuts, the sourcing, we plan sourcing in a very good way. If you see our financials, you will see inventory cost -- inventory ramp-up for this quarter. And the purpose of -- the reasoning for this inventory ramp-up is the sound management of this raw material and the ingredients for the nut segment.

Because in the nut segment, if you manage your supply chain well then only you can give good product to the customer and also you can manage your cost very well. And that has been a strength of our nuts and dry fruit segment. And that's why the EBITDA of almost -- 14% to 16% EBITDA almost we have been able to maintain last 1.5 year or almost last 2 years in the nuts segment. So that is the strength.

In B2B also, as you are questioning about B2B. So in B2B is very niche. B2B we do in nuts and dry fruit in Krishival. Our B2B is only for mithai ingredient partners. So in the mithai ingredient partners, you get a good rate for providing good product to them. So if we have Prashant Corner, Meetha by Radisson, Haldiram Delhi then Home Sweet Gurgaon, these are our few examples of our mithai partners.

And with this, the rates which in these mithai partners for ingredient, for the good kernels, the profitability is very good vis-a-vis if you supply to certain resellers and then later it becomes a totally commodity play. So therefore, in B2B we are maintaining almost similar profitability as compared to B2C.

Ishan Modi: But sir, like EBITDA margin expansion, if you say 33% over the revenue growth of 19%, it's like extraordinary margin expansion. So should we assume that in a nuts business, current

EBITDA margin, which is 70%, is the top and now going forward, let's say from FY28, our EBITDA and top line growth will be in line -- there will be no operating leverage will be playing out anymore here in a nuts business.

Management: See, nuts business, EBITDA beyond 18% is very challenging, I tell you. So, our target EBITDA in nuts is 15% to 16%, or our target EBITDA in ice cream is also 15% to 16%. When -- in ice cream, when optimum capacity is utilized in FY'29. But as you say, our financials in this quarter, our ice cream EBITDA is almost 16%, and that is -- but our target was 8%.

Your quarter one, our ice cream EBITDA is 10.25%. Our target was 8%. But fortunately, we have -- this is a good problem to solve. We had a good EBITDA in quarter one, quarter two in ice cream. Whereas amid these challenges, I think we have been extra cautious while managing our cost, and that has reflected in enhanced EBITDA.

But to answer your question, overall, in nut segment, EBITDA -- 15% to 16% EBITDA we, keep as our target, ideal target. Any beyond that is always bonus.

Ishan Modi: Yes, and what did you say, like what will be the going forward growth rate of nuts business here, like 20%, 25% from FY28 onwards? That's what you mentioned, right?

Management: We expect next two to three quarters, 20% to 25% growth in the Nut segment, whereas in ice cream the growth will be much more than this, almost double the Nut segment.

Ishan Modi: Yes, and one more, I have a question for the Ice Cream segment. I -- we have gotten news that one of the biggest players is also entering the ice cream with affordable pricing. So, are we facing any competition? Because I think we are operating in the same region as of now. So, are we facing any competition? And what's the strategy to compete with them? Like they are coming with a very low price, right?

Management: I tell this thing with pride that in last three years in India, in general trade, I don't think any player in India apart from Melt 'N' Mellow who has been successful in general trade expansion in more than five states with EBITDA positive -- EBITDA profitability. And this has been made by Melt 'N' Mellow while competing with all the industry leaders in the ice cream industry.

And now, as you see last quarter we explained about we entered Andhra Pradesh, and when we were doing Andhra Pradesh, we got inquiry from Tamil Nadu. This quarter we started Tamil Nadu also. So practically, good part with Melt 'N' Mellow is that product has been accepted by the customers. In Ice Cream division, the most difficult segment is general trade. General trade is at -- in Melt 'N' Mellow, we have solved that difficult segment first.

And secondly, we have been growing with profitability, with a positive EBITDA. Till last year, we were not having the positive EBITDA, but from March '26, with the positive EBITDA, we have been growing. I feel any competition which will come will not stall our growth because competition has been there and we have been -- already have gathered the experience of dealing with that.

Ultimately, your product should have a mouth feeling which your customer likes and customers should come again to you, and that is the key in the Ice Cream segment.

Ishan Modi: All right, I also see the receivable has spiked quite a lot along with the inventories also spiked quite a lot. So, what is the reason behind it? Are we facing any challenges for our receivables here or is this strategic decision right now?

Management: See, the receivable, peculiarly in this year, if you see the September month, out of our total sale for this quarter is almost INR85 crores something.Out of that, almost INR55 crores -- up to INR55 crores sale has come in the month of September, for example.

So, because in ice cream, July and August are a very slack, so much of the ice cream sale has come in the month of September. And as it is -- September-October is the maximum sale month for the Diwali and festive season so September nuts and dry fruit sale also has rampedup. So that is one of the reasons in the receivable.

Secondly if you see in peculiarly in ice cream, we have done sale has almost 300% growth in the sale. So, in the first quarter, first six months, the sale in ice cream segment is almost INR74 crores, and against these INR74 crores, if you compare with the last year's ice cream sale, this is almost three- times the sale which has been -- sale has been tripled in ice cream, for example.

So, while managing the distribution ecosystem and when the sale has also gone on the triple level, one example in ice cream segment, this has impacted into some enhanced receivable. In Nut segment, if you see our B2C mix-up, so in B2C, direct -- this e-commerce sale and modern trade, this proportion was almost 5% to 7% last financial year. And these six months, that proportion has gone to 20%, these six months.

And this has also impacted on certain non-receivables. But receivable thing during the year is not a comparable metric because if you take the case of 31st December, how it will be the situation? The 31st December, the receivable will be at a minimal level. If you take the case of 31st March, on the 31st March, in Nut division, receivable will be at a very low level, and some receivable whatever there will be from the ice cream segment, because in March ice cream will be bigger.

This receivable is a transient thing for sector ending thing. Regarding the inventory. So, regarding the inventory, so inventory as it is this year is a very peculiar because of El Niño effect and inflationary pressure and all the inputs, raw materials and everywhere we have gone on a strategy of having some buildup stock for everything. So that is the reason for the inventory buildup in this.

Ishan Modi: Okay, I have one last question…

Moderator: I'm sorry to interrupt you, sir. If you have follow-up questions, please rejoin the queue.

Ishan Modi: All right, thank you. Okay, thanks.

Management: Thank you, Ishan. Thank you.

Moderator: The next question is from the line of Mahesh Kumar from MU Investments. Please go ahead.

Mahesh Kumar Yes, good morning, sir, and congratulations on the results. I have three questions. I'll ask the first one, first. On Mellow and Company, I understand that the company is planning to launch its first outlet in Pune. So, could you help us understand the rationale behind choosing the FOCO model for this business?

And going forward, what are you looking at expanding? Like, how are you looking at expanding this retail format across other cities?

Management: Okay, so good morning, Mellow & Co. outlet, as we have already updated that by September end we are going to launch. So, September end we have secured the place, it is commissioning, but the launching will happen in this month. In Apte Road, if you know about Pune, Apte Road is just in between JM Road and Fergusson College Road, very prominent location.

There the place is almost 1,400 square foot carpet space, we have already secured and it is under commissioning. So, the plan is of opening this first outlet. The first outlet will be like a hub and the 15 outlets will be spoke. So, we are doing hub and spoke model.

Once this outlet is open, after that immediately 15 FOCO outlets as a spoke will be open. And initially we are targeting Pune city, and after that we may be expanding to Navi Mumbai or Hyderabad. And what was your another question?

Mahesh Kumar: So, going forward, how are you looking to expand in other cities? This was answered, and I was just saying that what is the rationale for choosing the FOCO model for this business?

Management: So, rationale is very simple because if we go for franchisee-owned, franchisee-operated, there is a high chance of brand dilution. An ice cream outlet is not like just like selling ice cream from any retailer from your deep freezer. Ice cream outlet is like giving dessert experience to the customer, and that needs to come with a trained manpower, even managing the daily fresh inventory, even everything.

And for that, you need to have a specialized approach. And we were always clear that we need to have Mellow & Co. outlet company operated. Now, in any real estate -- of this thing, any retail outlet, real estate cost is the major pain point. To handle that, what we did that if it is a franchisee-owned, the rent and electricity goes to the franchise owner.

So, then it becomes a very asset-light way of going for this for company. Franchisee owner will pay for the rent, franchisee owner will pay for the electricity, and the outlet will be managed by the company. In this case, for company, bringing that outlet to breakeven becomes very easy because what will be company's cost? Company's cost, one thing will be inventory, and secondly the manpower which is managing.

As it is, with our whole distribution across these six states, we have our 200 plus foot soldiers on the ground who are managing our distribution in these six states. So, as it is our manpower is on the ground. So therefore, this manpower who is handling this store will not be an extra -- will not be per se extra cost for us. Also, these stores are with high gross margin.

Almost gross margin is double what we get in our regular sale, these retail stores. So, with this approach, bringing these stores to profitability from the company's P&L point of view becomes very easy. So, in a nutshell, two are -- two reasons are there for this FOCO outlet.

First, to manage overheads and bring this outlet as early as possible to the breakeven. And secondly to ensure customer experience doesn't get diluted and brand doesn't get diluted. So, these are the two reasons for going for the FOCO model.

Mahesh Kumar: Okay, okay, understood, sir. And sir, coming to the nuts and ice cream business, since both have different seasonality -- seasonal demand patterns, like typically nuts are stronger in the festive season and winter season, the ice cream during the winter season and the ice cream during the summer. So how do you see the revenue mix between these two businesses evolving as the company scales up?

Management: The next two years, ice cream business will grow at much faster pace than nuts business, and that we are witnessing currently the way it is happening. After two years, we feel in almost by March '28, nuts and ice cream will be at 50%-50%. And going forward, it will remain in that fashion. That's what we feel.

Mahesh Kumar: Okay, understood, sir. And lastly, sir, on raw material cost, given that the company sources various nuts from international markets, how are you managing fluctuation in the raw material prices? And also, do you see input costs trending over the next couple of quarters?

Management: See, one, this current financial year across the FMCG, the input cost is an issue everywhere, you go to any FMCG input cost is the issue. And in such situation, the strategy followed by a company like Krishival comes for the rescue. Like in Krishival, as we always say, our core strength is into firstly sourcing and secondly backend.

Like our complete manufacturing of ice cream happens by our own people, and in case of nuts also, our complete processing happens at our plant, and also in both the segments, we manage -- we consider sourcing and managing the input cost as a key exercise to maintain profitability. And that strength which company develops comes to rescue.

To give one example, this year as you see in quarter one also, we were very conscious about the cost pressure. I will give example of ice cream. We were in ice cream, we were expecting 8% EBITDA. For current year also in ice cream, our guidance is of 8% EBITDA. But quarter one, we had a 10.25% EBITDA, and quarter two EBITDA has crossed 15% to 16%.

And that has been because we were very conscious about the input cost, and accordingly we managed our affairs. And that has given us some extra benefit. Same thing in nuts and dry fruits. We are very conscious about these developments. And we are managing our inventory in such a way that the cost can be managed very well and while not compromising on the quality of the nuts or finished goods.

Going forward in the remaining six months, I don't feel there will be any impact on profitability because already you can see our inventory has also piled up for March -- September -- 30

September. The reason is that this financial year because of drought and oil price and even crop pattern as weather is because of El Niño all this.

So therefore the managing cost has been very key issue and fortunately because of so sound sourcing model the Krishival has been able to manage it properly. Rather, we got benefited because of that conscious approach. So, profitability, instead of reducing EBITDA has expanded in the six months. We'll feel that for next six months, same thing will be continued.

Mahesh Kumar: Okay, understood, sir. Thank you for answering my question. That's it from my side.

Management: Thank you.

Moderator: Thank you. The next question is from the line of Nimesh Pandeya from an Individual Investor. Please go ahead.

Nimesh Pandeya: Hello, sir. So, I have a couple of questions. So, the company recently entered the Tamil Nadu market. What are the initial opportunities in this market? And what is the broader geographical expansion strategy for Melt 'N' Mellow?

Management: So first, your voice was not properly audible. About Tamil Nadu, what you said in first question, can you please repeat again?

Nimesh Pandeya: Sir, the company recently entered Tamil Nadu. What are the initial opportunities in this market and what is the broader geographical expansion strategy for Melt 'N' Mellow?

Management: Understood. See, company has entered Tamil Nadu, basically this Tamil Nadu has happened unplanned way because we, as is, we expanded to the Andhra Pradesh, and in Andhra Pradesh product acceptance has been very good. In last call also we mentioned that.

And in Andhra Pradesh we have been getting inquiries from the Tamil Nadu, and after that we decided that we'll test the market, and we got good channel partners, and these locations we started with Tamil Nadu. And going forward, for us, we don't feel we'll expand beyond these markets till we reach a INR600 crores ice cream top line.

So, if at all any territory comes, then it may be apart from this Tamil Nadu, Kerala, this side, or that side Orissa or Chhattisgarh. That also not fully, partly. But mostly our 80%, 85% sales will come from these five to six states, this Maharashtra, Karnataka, Telangana, Andhra, and now Tamil Nadu, with these states.

Nimesh Pandeya: Wonderful, sir. Sir, my next question is, what opportunities does management see in expanding the nuts business into international markets? And sir, what are the company's plans to strengthen its export presence and contribution over the medium term?

Management: In export, we feel a very good opportunity, and yes, our experience in Singapore has been very good. In last quarter, this quarter too, we had a $384,000 shipment to Singapore. In Singapore, we have almost presence 300-odd retail touchpoints, our presence is there, our products are there.

Our experience in Singapore has been very good, and we feel Japan and USA are good market for that. And as one shipment, we had already sent off a very small experimental segment 1.5 years before, but after that, because of tariff and uncertainties and all those things, we had stopped exploring it.

Now going forward, we feel very confident about USA as a market for expansion. And we are seriously thinking about that. And as Vivek is on Board, we are confident that we will sail through properly on that. So, in the flavor nuts, USA is a very good market, and we are targeting -- targeting next, for two years, creating our distribution base in the USA.

And also, Japan is also a very good market that we'll explore. So firstly, we'll start with USA by next year, and then simultaneously we'll explore Japan. But USA, we are very bullish for the expansion in USA for the Nut segment.

Nimesh Pandeya: Understood, sir. That answers my questions. Thank you.

Moderator: Thank you. The next question is from the line of Ishan Modi an Individual Investor. Please go ahead.

Ishan Modi: Yes, thanks for giving me opportunity again. So, this nuts and dry fruit business, like, we are exploring the international market for the expansion. That feels good, but my question is more about that -- given our size is very small in India, don't we see opportunity like quality of -- quality opportunity of expansion? Like, why are we exploring the international in specific?

Management: See, India is a very good opportunity and no doubt about that. In nuts and dry fruits, in international, if you see, we have started with Singapore and we are focusing on USA now going forward. So, if we have our expansion in industry -- this export market, then this balances our seasonality also.

In India, three months, four months like quarter one is very less for nuts and dry fruits, so quarter one if you see our results also every year quarter one nuts and dry fruits sales are at some lower level as compared to other three quarters. So always if we have certain export exposure, then this seasonality is also taken care of.

Secondly, the markets in like Singapore, USA is a very high margin market. If you have your own distribution in the USA going forward, then this gives you very high EBITDA and high profit margin. For that, your own distribution has to be there in the USA. So that's what is the challenging. And but if it is done in a proper way, it can give a very good profitability opportunity.

From these two points of view, we want to go for export. As you see, last two years, three years in export, we have been very cautious. Just we have been expanding in Singapore. We have not been ramping up export to multiple countries, just expanding in one single territory, creating good distribution ecosystem over there, and ensuring our products and our brand are going there.

Same way, if we work on the USA next two years, three years and create our own distribution ecosystem, it can create a very good profitability opportunity and it would add as a one good buffer to the overall sales strategy.

Ishan Modi: All right. My next question is more about the cost which sits below the EBITDA, which is the depreciation, amortization, finance cost, and other expenses. These are quite high and it is hitting up our net profit margin. So, my question is more about when can be the inflection point in ice cream business or let's say, let me ask in another way, like our depreciation.

All these costs are right now picking up, and do -- can we expect a PBT margin expansion going forward as our EBITDA gets expanded year-on-year basis?

Management: So now in depreciation going forward, in will increase to some extent because of deep freezer expansion in ice cream segment. So apart from that, we don't feel a very huge depreciation cost adding up from next year onward. So current financial year, yes, the depreciation is eating up the difference between EBITDA and net profit.

And that is what shows that company is investing and preparing itself for the next growth. The way we are looking at FY29 targets we have kept and the backend strength we have been developing in both the segments, and that strength and that investment is being reflected in EBITDA and net profit differentiation.

But as the scale increases, this impact will be less pinching, and then this is the net -- along with EBITDA, net profit expansion will also be seen, and that's what is the operating leverage going forward.

Ishan Modi: But sir, is there any internal target? Like, what can be the inflection point? Because right now we are also coming with the focus towards depreciation and interest cost will increase because we are also expanding the chilling center. But is there any inflection point or internal timeline like we can see improvement in the net profit here?

Moderator: I'm so sorry to interrupt.

Management: Yes.

Moderator: Please go ahead, sir.

Management: Ah, so yes, so in that I tell you, financial year '29 is our inflection point. So, our -- this expansion, growth, everything will continue for next two years, and financial year '29 will be the inflection point. For that we are targeting INR1,500 crores top line.

Ishan Modi: Alright. Thank you.

Moderator: Thank you very much. Ladies and gentlemen, we will take the last question from the line of Neev Jhaveri from Sky Ridge Wealth Management. Please go ahead.

Neev Jhaveri: Yes, hi. So, my question was on the borrowing levels. They have significantly increased in H1 compared to FY26. So, what is the sustainable level for our borrowings?

Management: Borrowings going forward, borrowings will increase only -- in ice cream segment. In the nuts segment going forward, there is no -- we don't see any increase in borrowing in next one year or 1.5 years. That has been properly sustainable. In ice cream segment, to some extent, borrowing will be increased in next financial year, and apart from that there won't be any further borrowing pressure.

Neev Jhaveri: To what levels could they increase?

Management: That exactly level we cannot say now, but that will be very, maintaining the ratio. I mean, because the growth is also going to come. So, for example, suppose the last year, if you take the case of ice cream, INR47 crores to INR92 crores, the top line has enhanced from March '25 to 'March '26. And current financial year, already, past six months, we have completed almost INR74 crores, INR75 crores top line.

So, with this, almost the -- we can see what level of growth ice cream will come. So, if some debt increase is there in the ice cream segment, that will be completely managed by -- completely balanced by EBITDA and top-line growth. So that will not be any issue in case of debt increase. In the Nuts per se, there will not be any further debt requirement going forward.

Neev Jhaveri: All right, thank you so much.

Management: Okay.

Moderator: Thank you. Ladies and gentlemen, that concludes our question-and-answer session. I would now like to hand the conference over to Mr. Sujit Bangar for his closing remarks. Over to you, sir.

Sujit Bangar: Thank you. it was a pleasure interacting with all of you today. I sincerely thank everyone for taking the time to participate in this call and for your continued interest in Krishival Foods.

On behalf of entire Krishival Foods team, I wish everyone, your families, a very Happy Diwali. May the festival bring happiness, prosperity, and success. Thank you very much. Have a good day.

Moderator: Thank you very much, sir. On behalf of Krishival Foods Limited, that concludes this conference. Thank you all for joining us today and you may now disconnect your lines.