Foods & Inns

Date: 13th November, 2026

To, BSE Limited The General Manager, Department of Corporate Services, P.J. Towers, Dalal Street, Mumbai – 400 001 Scrip Code: 507552	To, National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East),Mumbai – 400 051 Symbol: FOODSIN

Dear Sir/ Madam,

Sub.: Transcript of the earnings discussion/conference call dated 07th November, 2026 to discuss the unaudited financial results for the quarter and half year ended September 30, 2026

In compliance with regulation 30 read with Schedule III to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosing herewith the transcript of the conference call held on 07th November, 2026 to discuss the Unaudited financial results of the Company for the quarter and half year ended 30th September, 2026.

You are requested to take note of the same

Yours faithfully,

For **FOODS AND INNS LIMITED**

Milan Bhupendra Dalal

Digitally signed by Milan Bhupendra Dalal
Date: 2026.11.13 12:46:51 +05'30'

MILAN DALAL
MANAGING DIRECTOR
DIN: 00062453

“Foods and Inns Limited

Q2 FY27 Earnings Conference Call”

November 07, 2026

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

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

Moderator: Ladies and gentlemen, good day, and welcome to the Foods and Inns Limited Q2 FY27 Earnings Conference Call hosted by Arihant Capital Markets 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 touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Deepali Kumari from Arihant Capital Markets Limited. Thank you, and over to you, ma'am.

Deepali Kumari: Thank you so much. Hello, and good morning to everyone. On behalf of Arihant Capital Markets Limited, I thank you all for joining into the Q2 and H1 FY27 Earnings Conference Call of Foods and Inns Limited. Today from the management, we have Mr. Milan Dalal, Managing Director; and Mr. Moloy Saha, Chief Executive Officer.

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

Milan Dalal: Good morning. This is Milan Dalal. At the outset, let me wish you all a very happy Diwali. Before we go forward with addressing queries, concerns, etcetera, I would like to just make this opening statement on 2 counts. The previous quarter, we suffered a lot of dispatches being delayed because of the containers nonavailability as also very high freight rates.

Before even things have changed in the last 1 week geopolitically around the world, October had softened up and there was a substantial movement of dispatches and that with the change in geopolitical situation and some announcements in the newspaper as on today, we expect further softening up of the freight rates and in turn, availability. So that's something to cheer for.

Second, of course, it's a bit of a dampener with the quarter after many, many years having reported a loss due to forex, though it would be notional in nature, but in accounting standards, it has to hit the P&L. This was necessitated to do forward cover because of the banking norms. The bankers insist on doing it. And somehow everything went wrong since February of this year and dollar kept appreciating. We have kind of arrested the maximum impact and going forward and for the full year, we should be back on track.

With that, may I ask Deepali to start off with the first speaker, and we could continue and interact more freely. Thank you.

Moderator: Sir, should we start with Q&A session?

Milan Dalal: Please go ahead.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Yash Somani from YS Capital.

Yash Somani: Sir, my question is regarding our unshipped orders. So around 3,300 metric tons of unshipped orders. So how much has been shipped in October and early November? And will all of it be recognized in Q3?

Moloy Saha: Okay. This is Moloy here. Yes, almost 60% of the material already shipped out in the month of October itself because as Mr. Milan told that freight situation is much better. And yes, we expect that entire carryforwards or spillover will be completed in Q3 only.

Yash Somani: Okay, sir. Are there any penalty costs or some other cost escalation related to it?

Moloy Saha: No, because our contract is on FOB basis. So it is more from a customer point of view because we have to take the approval for the freight. Since the freight rate was very high, the customer was not agreeing, and now it is starting softening. So most of the customers are now pushing us to ship it in view of this. So there is no penalty clause or anything.

Milan Dalal: There are no penalty cost. But just a point of caution because this has happened, it's a very freak case that has happened that when the customer has agreed to a freight and it's already in high season before it reaches there, the shipping company comes up with an extra debit note saying was surcharge. And that became a bit of an issue doing about it, but it was resolved.

It was never under our contract, but there was a little back and forth in doing it, but this is very freak and very small in doing it. But ultimately, we did not pay for it. The customer sorted it out with the shipping company.

Yash Somani: So sir, coming towards the customer, so like in Q1, you said there were no cancellations, only delayed call-offs. So is it still true like...

Milan Dalal: Yes, very much. There are no cancellations whatsoever.

Yash Somani: Yes. So that's what I was asking.

Milan Dalal: Yes. So in fact, they are very different. It's not giving any other hope, but generally, like post-COVID, post war, we have seen numbers, there would be a pent-up demand. Very differently, if you all read in the newspapers as far as the frozen segment is concerned, there was a major hacking of freezers in Europe, which has got nothing to do with it. It could have been meat.

It could have been other foods, vegetables, everything, but a lot has gone into the waste. We should be expecting some additional kind of queries for urgent supplies and all that. So one has to look at it into the positive part into doing it. But definitely, no cancellations, yes-slight deferments were there. And as Mr. Moloy just mentioned, in this Q3, we should be completing all the execution.

Yash Somani: Okay, sir. One last question, sir. the forex loss of INR106 million, so like what caused the forex loss? Is it mark-to-market, settlement of forward contract or like foreign currency borrowings?

Moloy Saha: It's a forward contract because to comply with the RBI guideline against the export sale, we are supposed to hedge it if banks may penalize with the higher interest rate. So this thing is continuing with us for last several years. We generally cover forwards for the earlier, I mean this

financial year, we may take the forward for the next financial year, export sales. That is the trend we always follow.

But unfortunately, situation not in our favor, rupee has depreciated a lot, and that caused the forex loss. Basically, the sales booked sometimes at higher rate, realization is lower rates. Sometimes we could not meet the forward on the maturity date due to the delay in shipment for nonavailability of the vessel, all these things. So that together has caused this. So, these are all basically notional in nature, but yes, we have to comply with the guideline.

Yash Somani: So sir, will you be making any hedging policy changes after this loss?

Milan Dalal: Very good point. I appreciate you ask. We have taken a call that we will not, for last - since April onwards, we have not booked anything and we'll not do anything at this stage because if you see the INR80 is always depreciated. So it has been advised by the Board not to do any forward.

However, there may be a challenge from the banking point of view, which we'll be discussing with the banks on how to mitigate this if some penal interest something at all. Though it's marginal, but we may have to talk to the bank. But as a company, we have now decided not to do any forward cover, keep it open.

Moderator: The next question is from the line of Saket Kapoor from Kapoor & Company.

Saket Kapoor: Just to reiterate what Moloy sir, what you answered that as our currency is in the depreciating mode over many years, so we are discontinuing with the hedging part of it. So any more rationale that we have? Or what would be the finance cost that would be imposed on us because of we discontinuing the practice?

Milan Dalal: We have not ready data at this stage because such type of scenario never happened with our company that noncoverage caused us any penalty. But yes, there will be a minor something, which we have to discuss with the bank considering this overall global scenario. So maybe in the next call, we'll be able to tell you much informative details what would be the cost or if at all anything.

But our objective is not to absorb any penal cost anything. We are definitely in the course correction mode. And as rightly Moloy just said that just post Diwali, we would call for our bankers' meeting, discuss it out with them, get their suggestions, and we would take our own call and then ensure that such kind of repetition does not happen.

Moloy Saha: What our Board has told that we should restrict or limit our activities, what is in our control. What is not in our control, we should try to avoid as much as possible because that's the scenario. Global disturbance and changes, many factors which are not in our control. So we'd like to avoid all such activities.

Saket Kapoor: Sir, what has been factored in as the forex loss for this quarter? The entire INR10 crores has been booked under other expenses or...

Moloy Saha: Other expenses. You are correct. It has been other expenses.

Saket Kapoor: So the entire amount of INR10 crores has been crystallized in the other expenses?

Moloy Saha: Yes, yes. As per the accounting standard and other expenses, the forex loss to be accounted for.

Saket Kapoor: Okay. And now Mr. Dalal, if we take, sir, the H2 part of the story, and I think so we have some capital work in progress also closing balance of around INR25 crores and taking into account the current setup, how are we going to trade the second half?

Moloy Saha: Moloy here. I'll give this answer. On the capex side, in our investor note also, we have mentioned that our Spray Drying division is doing very well. We see a surge in growth in this sector for the last 6-7 months. In fact, we are very happy to say that in the month of October, we have seen the highest sales in Spray Drying division in history of Foods and Inns.

We never able to do such. So that's a very positive part. In a single month, we are able to sell 100 metric tons, which is a phenomenal. So we had anticipated this growth. And accordingly, we have taken a capex for our enhancing the capacity by around 120 metric tons per annum. So that is the capex in the books, part of the capex and in the capital WIP. And by January, mid or by end of January, the commercial production likely to start.

So that will definitely help us to grow our revenue for the Spray Drying and we have also there is some shortage of warehouse in one of our Gujarat facility. So that warehousing likely to be completed in the month of December, most probably by mid-December, it will be completed. So these are the 2 capex. There's no other capex at this stage.

Saket Kapoor: Sir, on the spray dried powder for the first half, what have been the revenue and taking into account the jump, substantial increase that we have seen in October, how should H2 on a conservative basis would perform just on the spray dry part...

Moloy Saha: Spray Drying part in H2, just one second, I'll tell you the figure.

Saket Kapoor: H1 also, if you can confirm?

Moloy Saha: In H1, I'm telling. H1, we will be having around 474 metric tons, which is 15% volume growth. And value-wise, it is round INR11 crores with value growth is around 7%. But next H2, we are expecting that it should cross 550 metric ton. So annualized basis, the volume will grow more than 18% to 19%. Value likely to be just under 10% because overall raw material cost in last 2 years on the vegetables and fruit has gone down. So that will impact the realization. But volume-wise, we will be growing around 18% to 19%.

Saket Kapoor: Okay. And how are the margins for this, sir?

Moloy Saha: It's a good EBITDA. I mean it's a very positive EBITDA side. Its EBITDA will be around 18% EBITDA in the Spray Drying division.

Saket Kapoor: Okay. And sir, can you give us some more color of how the H2 should behave in terms of the revenue profile and also the EBITDA margin part? And sir, secondly, when we look at our balance sheet part, just to come on the long term and the short-term borrowing, how comfortable are we that we can tread along or we'll be needing further borrowing, sir.

Under the noncurrent liability, the same has gone up to INR91 crores from INR53 crores. Short-term borrowings are part of business and they get settled periodically, if I'm not wrong. So on these 2 points, will you give us more color.

Moloy Saha: You are comparing the March balance sheet with the September, for our organization, Mango contributing more than 72% to 73%. So mango production completed just first week of August. So, September balance sheet is having always a higher - I mean highest inventory, highest sundry creditors, these are the 2 as well as highest borrowing if you compare the whole year. September always like that. So if you compare September to September, we are in the similar range.

But we do not need any more borrowing. And your long-term liability, what you are talking about, that is recently due to this war disturbance, Central Bank has extended some long-term facility to us due to overcome this delay in shipment and all these things. So that we awaited. That was a very timely and competitive interest rate. So we have availed that. That has gone up, and that has to be repaid over a period of 4 years.

And otherwise, we don't need any long term and short term. Short term, definitely by March end, it is going to reduce and it will be in parallel with in relation to whatever inventory we will be carrying for at that time. So, we see that there will be no more further borrowing required or anything at this stage.

I'm quite comfortable we are in this borrowing for everything. And your first question is any guidelines on the H2. For us, it will be difficult to give you any revenue guideline, but we can always tell that overall volume growth likely to be around 17% to 18% compared to last year because we are in agricultural commodities. And we do not know what prices look likely, because production is going on like tomato production is going on, guava production is going on. Similarly, for frozen vegetable production.

So price up down is there. So it will not be correct from company side to give any guideline on the revenue figure as if we do not know the raw material cost. So as we work on the cost-plus model. But we can assure there are likely to be 18% to 19% volume growth compared to last year.

Saket Kapoor: Right. One question for Mr. Dalal, sir. You are also the largest shareholder and we as minority shareholders are also reeling under the fact that value creation has not happened because of whatever reasons or because of the market value. So, what should be the thought process currently or what is your message to us as investors as we see we are trading at historical lows?

Milan Dalal: So undoubtedly, it is quite a concerning factor, and thank you for bringing it up as well. Your opening statement wanting me to do it and your closing statement that we are at an all-time low. So currently, all that I could say, a, that the worst is over. This, in my belief, is the bottom. Of course, I cannot give you any guarantees on that.

But the most important and pertinent question is that how should shareholders look, including me and you as a value creation. So surely, if we do believe that all these external factors are got at - is kind of resolved. And the will of the team is to perform and perform better. And once all

these kind of minor aberrations are out, the way forward seems to be very positive, and we should look towards enhanced appreciation of our portfolio.

Moloy Saha: Moloy here. I'd like to highlight we have also now started actively working to expand our business on the brand Green Top. I think we are regularly updating our progress in the LinkedIn and Instagram on social media. North, we have launched our Green Top brand, and it's really doing very well. Though we are very low - I mean, just started monthly sales figure, maybe around INR60 lakhs, INR70 lakhs, but it's growing in a phenomenal pace.

We have reached up to Kashmir now, our distribution. So, I think India frozen category or frozen market is growing in a phenomenal pace. And if we do not venture out, it will be wrong at our part. So we have North is our focus now. North, we have already launched. We are launching now South very soon.

So what Mr. Dalal told for value creation, we are also seriously looking how to build up our own brand in international market as well as in Indian market so that appropriate value can be recognized. So that's in all angle, we are working on it.

Saket Kapoor: And lastly, sir, every year, we have some subsidy portion of indication that we get from the government. I think so last year also, there was some portion which we factored in our results and then maybe probably the fourth quarter. So what have been - what should we factor in for this year as subsidy part? Or correct me, sir, if that is not the case for this year?

Moloy Saha: Subsidy always is recognized on cash basis as and when we receive, okay. That is - so every time we do the fourth quarter, I think that is the trend we have seen. This year also, we have applied. But there are some issues due to the March month, the nonavailability of the vessels and all these things.

So DGFT, that is customs and DGFT, they have already extended the period because there are some compliance issue because due to this - officially, they have extended across all industry by 45 days. So in line with that, our application also submitted to the ministry. I think it is under consideration. As of today, I won't be able to comment on this because nothing is in our hand. But what we come to know everything on a positive note.

And recently, if you see a few days ago, I think government ministry has already approved similar PLI issues for other industry, electronics industry. So we are quite hopeful that the similar kind of consideration will be taken care for our industry also. So we'll be - hopefully, by next quarter, we'll be able to give a better answer to you on this.

Saket Kapoor: And what have been the last 3 years' average, sir, for FY25, '24 and if you have the number?

Moloy Saha: Total subsidy received, you are talking about?

Saket Kapoor: Yes, yes, sir.

Moloy Saha: On last 4 years, we received around INR84 crores total.

Saket Kapoor: Okay. And last year's specific number, sir?

Milan Dalal: INR30 crores. Yes, a little less than INR30 crores and over INR27 crores - between INR29 crores or INR28 crores something like that.

Saket Kapoor: And this year also, the number should be in that vicinity only we have applied for or...

Moloy Saha: Yes, yes, applied for. Yes, similar range, similar range.

Saket Kapoor: And sir, now with the talks of the trade imbalances being settled with the U.S. and I think the U.K. being implemented, how are those or will benefit our industry and company in particular? And secondly, sir, our size and the product profile, can you provide us with a clear comparison or what kind of market share do we hold in tomato, guava and as well as mango? I think Jain Irrigation has been one of the largest player in the mango particular category, so correct me if I am wrong on these two facts, sir.

Milan Dalal: No, So you're slightly incorrect as far as that is concerned. We are number 1 in Mango, which is there. Jain currently is not into tomatoes in a big way. So there is no such direct peer competition doing it. There are a lot of players in the non-listed segment, which are at the number 2, number 3 position. But we have to evaluate into 2 distinct areas of business. One is pulping, which is Mango, Guava and Tomato, which definitely with our size of mango, we would be in the pulping the largest.

Having said that, there are other companies who are doing big in tomato. And in fact, in my opening remarks, I missed out, but under the new scheme of - though it is mentioned in the investor note, the National Horticulture Board, we were one of the 12 companies which got selected for doing the cluster development and Honorable Prime Minister, in fact, virtually inaugurated that program on 30th of October, whereby we will develop in the Nashik region by onboarding almost 15,000-plus farmers, and they would benefit by this scheme. And in turn, we would benefit by getting regular supplies.

So now having said that, on the pulping part of it, there is a second segment, which is the second part of the division, which is the frozen foods, spray dry, and our Tetra Recart. Now there is no single company which is in that combination. As a B2B, we do supply to a lot of these brand managers, brand owning companies. We have started our own branded initiative within India and slowly and steadily in the international markets.

So we don't have a like-to-like comparison as such. But as a combination, we should be well up the ladder, but we would really hope to kind of develop our B2C segment. And of course, we have forgotten and not discussing right now is our spice division, Kusum spices. And we definitely see a lot of that things of loose spices have been banned from being sold.

So it will benefit all the branded companies basically packed and we have that strategies, and we are coming back. We had this packing of small sachet where basically to compare - to enter into the market where the loose spices were being sold apart from our regular packs and bulk packs as well.

Saket Kapoor: To continue a small point on the branded spices part. Am I audible sir?

Milan Dalal: Yes.

Saket Kapoor: Sir, in the spices part, we see various brands like MDH, Sunrise. So do in any way we can be ahead competing with them or we're doing some white label job for them in the vicinity? And also, sir, if you could just provide us the split of revenue between the different verticals as a ballpark percentage for the year as a whole last year also?

Moloy Saha: Spice is not included in this stand-alone basis, Foods and Inns. It's a separate company. So the revenue is not included here. On the spice, what you are talking about, we are following the hybrid model. We are working on the white label as well as private label both because we see the opportunities and our focus is on export market also.

That market is growing. I think a couple of years ago, we had some setback in the Oman market due to some pesticide issue of another brand, but that has now overcome. So our export market also growing. So we'll be continuing to the hybrid model. And on the revenue breakup, I can tell you that pulp content, that is Mango, Guava, Papaya, Tomato, everything contribute 80% plus and Frozen and Spray Drying and other segment is growing around 20%. So that is the revenue breakup.

Saket Kapoor: Okay. And last point on the cash flow, sir, if you look at the consolidated cash flow, the mark-to-market, there is a mark-to-market gain that you have shown, sir, for the September quarter of INR5 crores. So please correct me where is the reading going wrong.

Moloy Saha: But the loss is there. In the negative figure is a loss.

Saket Kapoor: Okay. we have given a bracket and gain. So that is given now misrepresentation to us.

Moloy Saha: It's a loss figure. It's not a gain figure. That's why - that's the forex part of it, which we have been saying.

Saket Kapoor: Yes, under the mark-to-market, bracket is mentioned as gain and without bracket as loss.

Moloy Saha: No, no, it is mentioned gain/loss in bracket. If you see, it is very clearly mentioned, gain/loss in bracket.

Saket Kapoor: So INR5 crores is the number is there?

Moloy Saha: That's also loss. Everything is a loss.

Saket Kapoor: INR5 crores is the number. We spoke about INR10 crores. So where is the other INR5 crores?

Moloy Saha: Yes. Okay. This is the MTM entry. Another entry comes in the books, that is sale versus realization. When your forward books are, say, INR100 and rupee depreciated to INR110, then your sales has to book at INR110, but realization will come at INR100. So that notional loss has to be also booked into the system. So the balance figure is the sale versus realization. This is the accounting standard. Can't book the sale at net realization.

Saket Kapoor: And sir, again, from the investing activity, we have done acquisition of tangible and intangible assets to the tune of INR41 crores. This relates to which head sir?

Moloy Saha: Come again, I didn't get you. Can you repeat, please?

Saket Kapoor: Sir, under the cash flow from investing activity, we find acquisition of tangible and intangible assets to the tune of INR41 crores. What would you attribute this to, sir, INR41 crores?

Moloy Saha: Okay. I have to come back on this. I don't have readily details available. Can I come back to you if I get your details. I'll just - if you can just send me to - write to us @foodsandinns.com, I'll reply to you immediately.

Saket Kapoor: Okay, sir. My number and details are mentioned there for the call, email ID everything is there.

Moloy Saha: Okay. I'll take your number from there and I call back.

Saket Kapoor: Everything is mentioned sir. My name...

Moloy Saha: Sure. I'll do the needful Mr. Kapoor.

Saket Kapoor: For the current maturity, can you confirm?

Moderator: Sorry to interrupt Saket sir. May we request that you return to question queue for follow-up?

Saket Kapoor: Yes, I'll do.

Moloy Saha: I will call you. Okay.

Moderator: The next question is from the line of Devansh Mehta, an Individual Investor.

Devansh Mehta: So first of all, most of my questions have been answered. There are still a couple of questions that I wanted to ask. So with the frozen food volumes growing at roughly around 11% and year-on-year, it has grown to roughly 27% in Q2. So what additional strategies are being deployed to accelerate the market expansion in majorly U.S. and GCC markets?

Moloy Saha: We are getting a very good traction in the U.S. market, as you rightly said, and that segment is growing, and we are also focusing that segment. And now recently, we participated in the Gulf food. Just we came back on 5th - sorry 4th we came back from the food show. And I mean, last time also we visited, but we have not seen so much inquiry and traction on the frozen food.

But this time, we are seeing significant - I mean, surge in the demand across the GCC countries, we can see. We are tied up with a Saudi customer for some frozen mango pulp as well as frozen vegetable. We are also expanding other frozen segment to that Saudi customer. So we see the next 3 years, we will be on average, we can grow at 25% to 30% in this segment. That's the market trend.

Devansh Mehta: That was quite elaborative.

Moderator: The next question is from the line of Amish Kanani from Knowise Investment Managers.

Amish Kanani: Sir, if I remember correctly, our first quarter and fourth quarter is heavy on the domestic side and the second and third quarter probably is heavy on the export side. The question, sir, is, one, since we have shifted some of the volume from second quarter to third quarter and mostly everything will be caught up all the deficit.

The question is, sir, whether our margins on the export side is better than the domestic? And should we be assuming a better margin in third quarter because of that phenomenon? That is question number one.

And sir, second question is about our pricing strategy, sir. What we have seen is we have kept the gross margin per ton similar. But with inflation, our overheads are rising fast. And there are also maybe at times these forex losses, which comes, which I understand is not a cash expense, but it comes as a lower realization in rupee terms at least, though rupee has depreciated.

The question, sir, is, are we relooking at our pricing strategy critically and seeing that say, we are decent - we are making decent margin or even at the EBITDA level, sir. So your view on that because we have observed that gross profit per ton is same, but because of the operating expense rising fast in this inflationary environment, we are not catching up on EBITDA per ton.

So your thoughts on that. Because we are dealing with these Pepsis and the Cokes of the world, I think they should be appreciative of our concern on investment, and they should be reasonably compensating us.

Moloy Saha: Good point, Mr. Amish. Yes, your concern is also our concern. I totally agree with you, but it's hard to make that into reality. Yes, we work as a cost-plus model as we discussed. In the cost-plus model, the issue came that when the dispatch is delaying and when the dispatch is getting delayed, they give the interest reimbursement.

But interest reimbursement is not recognized above EBITDA. It is recognized or adjusted against the interest component, okay? So that is one factor even if they give it, but we cannot recognize as accounting standard. So that is one point. Second point on the pricing strategy, yes, we are working on the pricing strategy in a better way on the Spray Drying as well as on the frozen segment.

These 2 segments, as you rightly said, we are able to capture the inflation in a right way. But on the pulping segment, since we have a long holding rupee such time, we are not able to capture the entire inflation, but we are in discussion with all the brands to consider that. So that will come back to you.

On the margin point, what you asked on the export and domestic, it's a hybrid model. If you talk about the frozen segment, yes, margin definitely in the export is much better than the domestic 100%, and that's a good part. Spray Drying is 95% is the domestic. So we have a good margin. As I told, EBITDA is 18%, 19%.

On the pulping segment, it's a mix. Like Alphonso is a premium product, which India market do not consume much in the pulping category. So that we are having the Japan and France and all the premium customers where the margin is quite impressive.

But the other category of product, India market is much better than the export market, like Totapuri is one of the variety, which is the main volume for mango. Their Indian market is much better margin than the export market. So this is a few guidelines.

Amish Kanani: Sure, sir. And sir, just a quick after this thing, one follow-up. On the horticulture side, is there any commercial benefits that we get in terms of being a cluster development head or it just that we are recognized for our efforts by the government? And what are the, say, tangible benefits that we might reap over a longer term, sir?

Moloy Saha: Okay. It's a good point. Yes, there is definitely financial benefit. Otherwise, I don't think any company will be able to join hands to develop. There are 2 things. One is for last 5-6 years, we are seeing there's a lot of uncertainty on procuring the raw material because due to this climate change, erratic movement and all this pesticide issue, we have a serious challenge on the Indian agricultural segment to get the right material.

And that is causing sometimes to lose the order also because many of our raw material or fruits are in the pesticides. So unless we control the pesticide front, definitely, we'll be the loser in the long term. So for that, we have joined hand with government for the cluster development where we will have a full control on the pesticide uses as well as agricultural practices. So if we get the - it's basically garbage in, garbage out. If you get the right material, definitely we'll be able to do better order. So that is one part.

Milan Dalal: I'll just add up what Mr. Moloy said, the scheme works like this, that the farmer has to get certified by us and that we are the implementing agency to ensure that they fall under the norms. When will be certified that we have got the receipt of that material. So we are assured of a quality product. And once we have done that, how do they benefit government gives them the incentive. It's not - it won't come to us. It will go directly to the farmers. So to that extent, we believe it is a win-win situation. Continue, Moloy.

Moloy Saha: Yes, that is the farming segment. So another segment is government is in the cluster development, that is the value addition of the agriculture produce. As we are repeating in last few calls that our frozen segment is growing and our current capacity is fully capitalized, we are unable to move further even if we have demand. So we need to really expand in the frozen segment.

Otherwise, we will miss the bus. So for that, government will be giving a capital subsidy. It is around 35% to 38%, whatever capex we'll be doing it on that. So that is also approval received. We are working on it, how to get benefit of that. So that we can quickly expand our existing capacity. And our objective is that in next 3 years, frozen segment should go to the 3x level.

That's the way we are working because that's giving us better margin and better revenue everything. So these are the 2 separate benefits. One is, as Mr. Milan told that farming segment will be assuring our raw material is the right quality raw material.

Financial benefit directly go to the farmers, obviously subject to our certification. And second is the infrastructure benefit, which government is giving us 35% to 38% depends on the capex on various equipment for expansion of our existing capacity.

Moderator: The next question is from the line of Amit Gori, an Individual Investor.

Amit Gori: My question is to Mr. Milan. Sir as you rightly said that we are almost at the bottom of the valuations. And as I see since December 2003 to June 2024, sir, Dalal family and group companies have sold around 11.70% kind of promoter holding. And if I see the market cap of that particular time around INR800 crores to INR1,000 crores.

So quite a good amount was raised. So, and currently, the current market cap of the company is around INR300 crores. So the amount raised at that particular time can buy out 30% kind of raising your holding. So is there any plan from your side to invest in the company as the valuations are very low?

Milan Dalal: Yes. So this is a little contradictory statement. When I say it's bottomed out. At the same time, the previous speaker said, how do you look towards us as investors. So when it's bottomed out, it definitely is to the benefit of all. And when I'm now specifically asked a question of whether I would like to - undoubtedly, this is the great levels at which one could - should enter as far as I'm concerned.

Plans are on whether one should do it in the secondary market, one should look at some private thing. There are a lot of regulations to do about it. Currently, the Board meeting was just over on the 5th. So I am debarred until Monday, but there is Diwali coming forward. Maybe it's a little long. You might find my answer, but the intention is very much there to consolidate further.

Moderator: Thank you, sir. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to management for closing comments. Thank you, and over to you, sir.

Moloy Saha: Okay. This is Moloy. Thank you very much for - I think a few of the questions was quite deep, and we appreciate when the investors ask such type of questions, we can give more clarity for the larger audience. So we always welcome any questions which can be prepared in a right manner.

With a closing note, I would like to say that we are seeing this Q3 as far as revenue is concerned for the export market in an encouraging situation as worldwide, we are seeing softening in the freight rate as well as availability is quite improving. And Q4, as you know, it's a major for us in the domestic market.

So we are gearing up, talking to all our brands for the speeding up the dispatch. So we're quite hopeful that Q3 and Q4 will give us, bring back the situation what we have earlier experienced. And with this time, wish you all happy Deepavali. I would like to end my session. Thank you very much.

Milan Dalal: Thank you, Deepali, team Arihant and the Chorus Call for having conducted this call, thank you. And also our IR company Stellar.

Moderator: Thank you, sir. On behalf of Arihant Capital Markets Limited, that concludes this conference call. Thank you all for joining us, and you may now disconnect your lines. Thank you.