November 07, 2026

To,
National Stock Exchange of India Limited
Listing & Compliance Department
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra-Kurla Complex, Bandra
Mumbai - 400051 India

Company Symbol : **HOACFOODS**
Company ISIN : **INE0S6S01017**

Subject — Transcript of the Earnings Conference Call for the Quarter and Half Year ended 30th September, 2026

Ref: Regulation 30 read with Para A of Part A of Schedule III, and Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir / Madam,

Pursuant to the above-mentioned Regulations, and further to our intimation dated regarding the audio recording of the call, we wish to inform you that the Company held its Earnings Conference Call on Thursday, November 05, 2026, at 04:00 P.M. (IST), hosted by EquiBridgeX Advisors Pvt. Ltd., to discuss the Unaudited Financial Results (Standalone & Consolidated) of the Company for the Quarter and Half Year ended 30th September, 2026.

Please find enclosed the transcript of the said call. The transcript is also available on the Company's website at the following link: www.hoacfoodsindia.com

Yours faithfully,
HOAC FOODS INDIA LIMITED

RAMBABU THAKUR
Digitally signed by RAMBABU THAKUR
Date: 2026.11.07 21:05:02 +05'30'

RAMBABU THAKUR
MANAGING DIRECTOR
DIN: - 08084215
Place: New Delhi

"HOAC Foods India Limited

H1 FY27 Results Conference Call"

November 05, 2025

MANAGEMENT: **MR. YASHWANT THAKUR –DIRECTOR AND CHAIRMAN -- HOAC FOODS INDIA LIMITED**
MR. MANISH SHARMA – CHIEF FINANCIAL OFFICER – HOAC FOODS INDIA LIMITED

MODERATOR: **MS. RUCHIKA SHAH – EQUIBRIDGEX ADVISORS**

Moderator: Ladies and Gentlemen, good day and welcome to the HOAC Foods India Limited H1 FY27 Results Conference Call hosted by EquibridgeX Advisors Private Limited.

As a reminder, all participant lines 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 this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this call is being recorded.

I now hand the conference over to Mr. Gautam Nagar from EquiBridgeX Advisors. Thank you and over to you, sir.

Gautam Nagar: Thank you, Riya. A very good evening to everyone. Welcome to the Q2 and H1 FY27 earnings con call of HOAC Foods India Limited. From the management team, we have with us Mr. Yashwant Thakur, Director and Chairman, and Mr. Manish Sharma, Chief Financial Officer. We will have opening remarks from the management team, post which we will open the floor for the Q&A.

With that, I would like to hand over the call to Mr. Yashwant sir for his opening remarks. Over to you, sir.

Yashwant Thakur: Thank you. Good evening, everyone, and thank you for joining us. Before I take you through the numbers, I want to go back to where we started. We had one store and we knew many of our customers by name. When they came back the following week, we knew we had earned their trust.

That was how we measured progress then, and it's still how I think about growth today. We may serve many more customers now, but every family that puts our attas, spices, or oils on its kitchen shelves is making that same decision to trust us.

Now, let's talk about numbers. For the six months ended 30 September 2026, our revenue from operations reached INR43.19 crores, compared with INR21.73 crores in the corresponding period last year. This is a growth of approximately 99%.

Gross profit increased to INR12.42 crores from INR7.21 crores, a growth of approximately 72.3%. EBITDA stood at INR6.61 crores, compared with INR3.45 crores in the same period last year.

Profit before tax rose to approximately INR6 crores from INR2.65 crores, a growth of 126.7%. And profit after tax was INR4.38 crores, compared with INR1.95 crores last year, a growth of 124.5%.

Revenue nearly doubled and the profit after tax more than doubled. We also saw gross profit grow more slowly than revenue. As we expand, we are watching the margins we earn on each sale and how efficiently we turn higher volumes into profit.

During the first half, we introduced the HOAC stores and the mini-store format and opened five new stores under the concept. The smaller format gives us a way to take Hari Om into more neighborhoods in Tier 1 cities, and a big presence in the Tier 2 cities. We also built a dedicated franchise team to evaluate new opportunities and support partners through the opening process.

Our B2C customer base has reached approximately 1.25 lakh, and we are adding around 2,200 new customers a month through our stores. Our app has crossed 11,000 downloads. Every new customer is an opportunity to build a relationship. What matters to us is whether they find what they came for, receive the quality they expect, and choose to order from us again.

We made the app and website easier to use, and customers can now place orders for delivery across India, while promoting our online channel state-by-state with a focus on markets where we already have stores. That gives customers who know us locally another way to shop with us and gives us a better understanding of what they want to buy online.

We also expanded the range with 6 flavors of makhana, roasted peanuts, toor dal vadi and moong dal vadi, traditional pickles and chutneys, and sesame, almond, and peanut oils. These launches give customers more reason to shop with Hari Om, whether they are stocking up on everyday staples or looking for something to serve with a meal.

Our B2B vertical gives us a way to reach retailers and institutional buyers in markets where we have a limited store presence. As part of that strategy, on 4 November, we announced the acquisition of the registered EVERGROW brand name. Hari Om is a brand customers know through our stores and online channels.

EVERGROW gives our trade business a dedicated identity across general trade, wholesale, and institutional sales. Under EVERGROW, we introduced rice, spices, ready-to-eat products, and other packaged staples. The brand is already generating over INR1 crores in monthly sales across Delhi, Haryana, Uttar Pradesh, and Madhya Pradesh. We plan to deepen distribution in those markets and take EVERGROW into Maharashtra and other selected markets in the next phase.

Through HOAC Exports, we shipped 26 20-foot containers, up from 14 in the comparable period last year. This is approximately 86% growth in shipments. We are building our presence in Australia, the United States, the United Kingdom, and we recently added Hong Kong as a market.

Our focus is to take our flagship products to more customers overseas and earn repeat orders as those relationships develop. Alongside the work to enhance our existing manufacturing capacity, I am pleased to share that commercial production begins today at our new facility in Madhya Pradesh Vidisha. Machinery trials began on 1 November and were completed on 4 November.

Vidisha brings fully automated flour, spices, and edible oil lines under one roof. The wheat cleaning line can handle 4,000 kilograms an hour, and the atta line can mill 2,000 kilograms an hour. The salt and spice machines can process a combined 270 to 280 kilograms an hour, and the oil seed crushing line can handle 6,000 to 7,000 kilograms over 24 hours.

For our customers, the most important benefit is the greater control we have over how their food is made. Automation helps us produce more while keeping quality consistent from one batch to the next. As production ramps up, we expect the facility to help us use labor and electricity more efficiently per unit of output. It also gives us space to add machinery in phases and more flexibility to develop new products from a portfolio that already spans more than 255 plus SKUs.

For our team, seeing that first production run means a great deal. A fully automated plant was something we had worked towards for years. I want to thank the people who installed the machinery, ran the trials, and are now responsible for making the plant work well every day. We have also grown our team and moved into a larger office to give our people the space and working environment they need as the business expands.

When I look back at the first store, I remember how much it meant when a customer came back and brought someone from their family with them. Today, we have more ways to reach people through our stores, our app, our trade partners, and our export business. The responsibility is still the same. We have to give people a reason to come back.

To our shareholders, thank you for backing us through this journey. We know that consistent growth takes work every day. We will expand at a pace we can support, stay close to our customers, and keep you informed about our progress. And when something takes longer than we expected, we will be just as open about that.

Thank you for your time and for your continued trust in HOAC Foods. We are happy to take your questions. Please.

Moderator: Thank you very much. We will now begin the question and answer session. Thank you very much. The first question is from the line of [Shrihari from Totla 0:10:17.1] Capital. Please go ahead.

Shrihari: Hello.

Management: Hello sir, namaskar. How are you sir?

Shrihari: Namaskar Yashwant bhai.

Management: Yes sir. Yes, yes sir. Are you able to hear my voice?

Shrihari: First of all, congratulations on a good set of numbers.

Management: Thank you sir.

Shrihari: My question was, why was the setup of the Vidisha factory delayed so much?

Management: Sir, we have installed some enhanced machinery in it. Initially, we did not have a plan for the oil segment. Now we see a very good scope in the oil segment, and the demand for oil is also increasing for us. Compared to last year when we used to sell about 8% of our total revenue from oil, this time that oil percentage has increased to around 10% to 11%.

So we added oil machinery to it. Because of that, it got delayed, and some normal factors were also involved, like negotiating items that became expensive due to wars in between, and taking time for materials to arrive. Anyway, it has started running from today. So now we won't have to wait, and we apologize for the delay.

Shrihari: Okay. My next question is, what is the maximum revenue possible from this Vidisha factory at full utilization?

Management: Sir, we estimate that we can reach approximate numbers like INR300 crores to INR350 crores from this. Also, we have left space there to add machinery, and there is space beforehand as well, so if we need to go beyond this, additions of machinery can be done.

Shrihari: Are you talking about INR300 crores to INR350 crores leaving the existing capacity, or including this?

Management: No sir, INR300 crores capacity is of this plant alone. We just have to increase the shifts, and mainly not many machines will be required, just one or two machines whose installation time will be around 15 to 20 days, and the capacity will increase.

Shrihari: Okay. Meaning the existing capacity is around INR100 crores, and the new capacity is around INR300 crores. So roughly our full capacity has now become INR300 crores to INR400 crores.

Management: Yes sir, yes.

Shrihari: We can understand that. Now capex...

Management: There is absolutely no need to invest more in capex right now. We currently have full capacity with us to use it over the year and get good production out of it.

Shrihari: Okay. In land acquisition...

Management: Sorry to interrupt you, but one more thing is that we still have 50% land remaining in land acquisition, where in future if we need to expand, we can increase capacity there.

Shrihari: Okay. So going forward, are there chances of EBITDA margins improving?

Management: Yes sir, we are trying our best right now to bring consistency to our EBITDA margins, and we will definitely give you brilliant results going forward, and you will see good improvements in EBITDA margins as well.

Shrihari: Okay. I just wanted to ask this much.

Management: Our effort is to try to reduce production costs, and that is why we made the factory fully automatic, which will lower labour costs. And in Vidisha, actually labour costs are lower, electricity costs are lower, so we will get the benefit of all these things there.

Shrihari: Okay. All the best for the future. We are with you. Thank you very much.

Management: Thank you sir. Thank you so much.

Moderator: Thank you. Next question is from the line of Gaurav, an Individual Investor. Please go ahead.

Gaurav: Am I audible?

Management: Yes. Gaurav ji, how are you? Namaskar.

Gaurav: Good, good. Namaskar sir. First of all, many congratulations for quite good results from HOAC.

Management: Thank you sir.

Gaurav: My first question will be, what guidance would you like to give for the top line by the end of FY27 along with PAT margin? And next question is, will this growth rate continue in FY28 as well?

Management: Sir, I cannot share numbers with you right now. But I am giving this surety to you and our investors that our growth will be very good, we will give brilliant results, and we will maintain this growth.

Gaurav: Okay. Sir, in the last Arihant concall, I asked you a question and you gave a slightly strange answer. I asked what your asset turnover would be, and perhaps the answer from your side was that you don't know what asset turnover is. So sir, if the CFO is beside you, can you tell what your asset turnover will be for FY27 and FY28?

Management: We are not exactly for this, I told you about this last time as well. You can mail this to our IR, they will provide you all the details from my CFO's side. Yes.

Gaurav: Okay sir, my next and last question will be…

Management: Sir, our interest coverage is around 17x in H1 FY27 versus about 7x in H1 FY26 roughly. So it has increased.

Gaurav: Okay sir. And what will our capex be for FY27 or FY28 if you can say?

Management: Sir, I cannot give you those guidelines right now, sorry.

Gaurav: Will it be available on email or?

Management: Yes, yes, you just mail us on our IR. They will connect to our CFO's team and they will provide you all answers.

Gaurav: Okay sir, when will the oil plant achieve 100% capacity utilization?

Management: Sir, we have thought that we will keep this capacity for two and a half to three years, and for two and a half to three years, this capacity will be fully utilized. And even after this, as I answered in my first question, we have a lot of space for additions, so it will take 15 to 20 days to make additions and the capacity will increase again.

Gaurav: Okay. Sir meaning by then it should be done...

Management: Sorry sir, I cannot give you guidance on numbers in that manner, but we will do stellar growth. And you have seen that growth this time too, and consistently for the last three years that growth is visible. And in the coming years also we are trying to maintain the growth and give you the best possible results.

Gaurav: Okay sir. So the price hike happening in raw materials, are you able to pass it on well, and is there any issue with margins?

Management: This time the price hike in the commodity segment has been very high. So for that, we discussed in the last concall and also in the Arihant one that the inventory we keep is precisely so that we can procure it at a better rate. But I cannot keep 255 SKUs together, which is why we keep a large inventory of wheat.

Gaurav: Meaning sir, pressure on margins will not come going forward?

Management: No sir, margins will remain stable.

Gaurav: Okay sir, thank you so much. Thank you.

Management: Thank you ji, thank you.

Moderator: Thank you. Next question is from the line of Ananya Sharma from Family Office. Please go ahead.

Ananya Sharma: Congratulations for your H1 results.

Management: Hi Ananya Sharma ji, how are you?

Ananya Sharma: Yes, I am good, how are you?

Management: I am also fine. Please go ahead.

Ananya Sharm: So my first question is how much of the current production capacity is being used? Also like what is the process on the proposed facility of 55,000 square feet, and how much investment will it require?

Management: At present, 95% of our capacity is fully utilized. And our Vidisha plant is operational from today, so 100% of our capacity is available there. So we will utilize it.

Ananya Sharma: How much is the progress on the proposed facility of 55,000 square feet?

Management: I had mentioned in my last question that it is INR300 crores to INR350 crores.

Ananya Sharma: Okay. So how much investment will it require?

Management: Right now we are not talking about these numbers. But we can talk about this later. Capex we already did. So right now the investment part is not what we are looking at the money that had

to be put into capex has already been invested. And we have a sufficient amount so that we can run our working capital and cycle going forward.

Ananya Sharma: What made you choose Bhopal for expansion outside Delhi?

Management: We chose the Vidisha region of Madhya Pradesh because firstly it was falling in the center. Secondly, it is an eco-friendly zone and the cost of land there suited us. And we will be able to easily cater to all states from there. We can do all of Madhya Pradesh from there, Jaipur is close, Maharashtra, Mumbai, Delhi are nearby. So because of being central, we chose that state. And the costings there -- labor cost, electricity cost we are seeing a significant cost reduction in them as well. So it is a better location for us like it was a financial and operational decision basically.

Ananya Sharma: So how much of your business comes from online sales today?

Management: Yes if we consider on-call sales and online sales, that comes from around 60%. Because 50% of our customers comes from our on-call sales and the rest 10% of customers come from our website and mobile application. So the remaining 40% visit our stores and take products. So 10% online and on-call sales is around 50%.

Ananya Sharma: So what are your plans for e-commerce and quick commerce?

Management: We have an e-commerce website and mobile application and we are trying to enhance it through marketing, promoting it heavily in the states where we have a presence. And we are able to deliver fresh products through e-commerce platforms. Like if we talk about our recently quick-commerce mobile application and Blinkit, Swiggy, Zomato, what we have seen is that they are providing goods in 10 minutes.

But if we talk about freshness, that is not possible there. But on our mobile application and website, we are able to make that possible with freshness. Let's suppose you want 10 kg of wheat flour, but you want it fresh. You cannot get that from Blinkit or Zepto; they are in quick commerce and will give it to you in 10 minutes, but it won't be fresh.

But if you do it through our mobile application or website, in the states where our stores have a presence, we are able to deliver a freshly made product to your home within 1.5 to 2 hours. So to make customers understand and educate them on this, it will take a little time, but we see a very good scope in this.

Ananya Sharma: So after a strong first half, what are your expectations for H2 financial 27 like what challenges could affect growth?

Management: Basically for H2 first half as such we do not see any such challenges because we have been in business for quite some time and our H2 is comparatively much better than H1. We have maintained inventory. So we are going to do quite well in it.

Ananya Sharma: But what are your expectations for H2 financial 27?

Management: Expectations, sorry mam, I cannot talk about numbers, but we will do well.

Ananya Sharma: Could you share the H1 revenue split between B2B, company-owned stores, franchise outlets, and exports?

Management: Okay. So H1 revenue from B2B, okay segment-wise sales, right?

Ananya Sharma: Yes.

Management: So B2B contribution is almost 55% to 60% and B2C is around 29%, 30% and export will be 11%. Export was newly added; it has only been a year and we are doing quite well in it, having shipped around 26 containers combining 20 feet we have captured four countries so far across the USA, UK, Australia, and recently we started Hong Kong.

Ananya Sharma: Okay which channel grew the fastest?

Management: Mam, B2B will grow faster because we are able to tap every kirana store in it. Margin-wise, B2C is more better and stronger and export is also more better and stronger. B2B is very good for us to build brand awareness and scale the brand, but we are not keeping B2C and exports behind. We are bringing B2C and exports alongside B2B so that we can see good numbers, good brand scaling, good overall margins and everything. As for B2B, we are also entering institutional sales now, so that helps us in top-line growth and easy brand awareness.

Ananya Sharma: Like your net profit grew by around 125% faster than revenue?

Management: Sorry?

Ananya Sharma: Net profit grew by around 125% faster than the revenue so what helped the company improve profitability during the first half?

Management: Mam, the 125% growth in PAT that you are mentioning, the major reason behind it is what we discussed last time. We added some value-addition products and high-margin products like ready-to-eat concepts. So we saw good sales and growth in revenue from that. Plus, we targeted good countries in exports, where we saw better margins. Plus, we did cost-effective things, added new marginal add ons and basically increased product SKUs at our stores, which is giving us good growth.

Ananya Sharma: Okay, sir, congratulations for your H1 results. Thank you.

Management: Thank you.

Moderator: Thank you. Next question is from the line of Bhaskar Kanrar from 3Head Capital. Please go ahead.

Bhaskar Kanrar: Hello. Am I audible?

Management: Yes tell me. Namaskar.

Bhaskar Kanrar: Namaskar. Thank you for giving the opportunity. Sir, my first question is about the Vidisha plant that has now become commercial. Is there still space available for Brownfield capex in it?

Management: To increase the machinery?

Bhaskar Kanrar: Yes Brownfield capex like you have said that Greenfield capex which we have in that INR300 to INR350 revenue potential is there. So after that think that more demand will come for doing the Brownfield?

Management: Yes absolutely I included that in my first answer, that whatever our capacity is we can increase it. For that, we have space inside our factory to add machinery and we are using only 50% of our total land part. So in the remaining land, we can increase our shed and enhance our factory. It won't take much time if our sales and top-line growth increase faster than our expectations.

Bhaskar Kanrar: And one more thing, sir. We saw that your store expansion was at 22 outlets then you stopped expansion because there was no capacity?

Management: No, sir we have 22 outlets, we just haven't updated it yet; you must have received an update in the PPT. Right now we have 26 outlets. We have opened very good outlets in Uttar Pradesh, the Bhopal region and Delhi. And going forward you will keep getting announcements and particulars regarding these as well.

Bhaskar Kanrar: So any plan for store expansion in FY27 and FY28?

Management: Sir, we are expanding at a good rate. For this very reason, I have set up a dedicated franchise team and management team for the B2C store concept, which is converting franchise outlets and stores and giving franchise outlets in different regions. So you will see a good number, nobody will be disappointed with our store expansion.

We are working on new concepts and new models. And last Q1 we stated that we also went into mini-stores, under which we opened smaller-sized, smaller-budget stores in Tier 2 cities, in smaller square feet under the name HOAC Mini Store. Those are also running quite well and becoming profitable. So you will see a good number going forward, and we will stay connected.

Bhaskar Kanrar: Sir, my next question is which geography and which city/state we are targeting because as much as I understand, our product is slightly premium. And since we don't use any chemicals, the expiry date of our products might be slightly less than other branded ones because we aren't using chemicals, which makes our brand premium. So what is your plan for geographical extension, how will we target city-wise pan-India?

Management: Sir, your question is very good, I am very happy hearing this question. We don't add anything to increase its shelf life. So the shelf life it has is its natural shelf life. Like spices, if they have to run for 12 or 15 months, they will run. I just have to bring turmeric from Guntur or Salem, chili from Guntur, good grade chili, clean it here, grind it and keep it.

So there is a strategic move where the locality where we open a store, how sales will come there, we place only that much inventory so that it sells before its shelf life. Otherwise, our concept is fresh. So far we have not faced challenges where our inventory did not sell due to expiration and second question can you please repeat.

Bhaskar Kanrar: Yes target region?

Management: Yes we are in which cities which we are targeting like now we have opened our manufacturing plant in Vidisha. We are existing in Haryana, Gurugram. We are inside Delhi. There is space and good areas to open more stores in Delhi. In Uttar Pradesh, Noida is giving us very good scope, Indirapuram, Noida, Ghaziabad, Madhya Pradesh, Bhopal, Indore, Gwalior.

And then we go towards the Maharashtra side, Nagpur, Mumbai. So there are quite a few states; first we will cover the surrounding areas that touch us. And you had another question that our product is slightly premium. So in Tier 2 cities that is why we are opening lower-budget stores so that we can cater to people there and the public there can also buy. People live in Tier 2 cities too, people spend money on quality. So we don't have any such difficulty, awareness and educating the customer is necessary as to why we are different from other manufacturers or brands. Growth is easily achievable in this.

Bhaskar Kanrar: Sir, there is no doubt about the quality of your product. My last question is, on the B2B side -- dealers, super stockists how are we thinking of expanding? Please give some color on that?

Management: Sir, in B2B, what we are doing currently is catering to normal kirana stores, GT general stores through distributors or super stockists. Recently we are planning to introduce some institutional sales and some large players who also like to give quality and from whom we get a good bulk order size. So we are bringing that in as well. Like in B2B, the HoReCa segment remains, so HoReCa is there and institutional sales also come in the B2B segment. And general trade we are already doing. Modern trade doesn't have much scope for us right now.

Bhaskar Kanrar: Sir, my last question was how things are going on the export side, because last time you were doing a lot of container shipments. So some color on that?

Management: Sir, we have exported 26 containers in H1. In that, whatever existing distributors and buyers are in export, those who are already purchasing brands from India, we are pitching them to take our container, take our quality, just serve it to people, people will like it. So in that manner, things are running quite well in the US, UK, Australia, and all these places. And we have repeat orders from everyone. So a separate management team is sitting for that, which generates sales, procurement and handles operations. So easily we will achieve growth in exports as well.

Bhaskar Kanrar: Thank you sir for answering all the questions, many thanks and Happy Diwali in advance.

Management: Yes, absolutely, thank you sir. Thanks a lot.

Moderator: Thank you. Next question is from the line of Rishabh Jain from Mehta Company. Please go ahead.

Rishabh Jain: Sorry I just joined a little bit late. So I just want to know the overall business model like you are into atta and millets and masalas. I just want to know your business economics, how your business works, how you procure raw materials, how you check the quality of everyday kind of millets and atta?

Management: Sir, HOAC's concept is very diversified. HOAC has its B2B segment, B2C segment, export segment. So procurement is only one part. We have to process it completely and deliver it to the end customer. So we have simply created SOPs for each segment as to which part will do only procurement, who will bring it after procurement to the grading, cleaning and sorting section, who will take it forward.

So all this system is running through a centralized channel. We have built software according to our work so that instead of human involvement, we keep machinery involvement, which makes work and reporting easy. Logistics is in-house. We have in-house factories. We make the product from scratch, we procure, we make and we sell. So everything is in-house, which makes it a bit easy for us.

In fact, the delivery we make to customers is also in-house. So this entire route channel is linked with our centralized software, which makes our process very smooth and easy. Whether you talk about the delivery part, or you talk about logistics from factory to our store, or factory to normal kirana logistics everything is in-house.

Secondly, by giving fresh products to a very large customer segment, we are solving a very big problem which is not easily available in metro cities. We have also integrated this into our system, how a customer's order will come, how it will be shifted to a nearby store, how that store will deliver it to them within 40 to 45 minutes.

Rishabh Jain: Sir my question is like, what you are saying about how you procure grains regarding atta, how do you do it? Do you have particular connections with middlemen, or do you procure directly from farmers?

Management: We take through direct bidding, whatever farmers bring to the mandi, we have a mandi license, we also have a middleman person who does our entire procurement directly from farmers, but he gets biddings and all these things done for us in between, market rates, and the whole process so that there is no direct impact on the company.

Otherwise, it remains through farmers only. And we purchase through normal bidding which is our majority product, our majority sales product. The rest of our parties are decided, our quality parties are decided that let's suppose if we need Guntur chili, where the chili will come from Guntur that will give us a quality product. After that, the testing team tests it and forwards it.

Rishabh Jain: Okay understood. And also you mentioned about the 4,000 kirana stores, what will be the cost for that, how will you rate the margin from them?

Management: Sir, kirana stores we have done quite well through distribution channels. Initially we were pitching kirana stores directly, giving them some margins and making it slightly cheaper for the end customer. But we have shifted all those things to the distributor. Now distributors have their own kirana stores, we just send our sales person through distributors and they sell it further.

So in this we gave a little credit period, a little margin, so and quality, which is the main core for the end customer that they want quality, so we gave quality for the customer. So we are able to

do our conversion from there. And also we have good gross margins even after distributor integrations, and we are able to save good margins.

Rishabh Jain: And regarding the 4,000 kirana stores you mentioned, how do you give them a credit period, and what is the fear regarding default credit periods?

Management: No, 4,000 kirana stores we -- sorry to interrupt you sir, but we do not give a credit period to 4,000 kirana stores, we give a credit period only to distributors. Whether they are purchasing in cash or giving credit to them, that is their call, we just provide credit to all our distributors.

Rishabh Jain: Okay. If we give credit periods to those distributors, what is our gross margin percentage among the 4,000 kirana stores?

Management: No, distributors are there, and those distributors under them -- like let's suppose you have 200-250 outlets. So you are a distributor. On top of this we are now bringing the super stockist concept that we will give to the super stockist, he will give to the distributor, so our credit for a region will remain from one person only.

Let's suppose Delhi NCR, then one or two people together will take it, so our dealings will be with them only, stores won't have any role in that, and that makes our sales and operation cycle very easy. So keeping that in mind, in B2B we have four concepts south, east, west, north, so north has one, north and south has one super stockist, and west and another region has one super stockist. So we are making it even smoother and easier to run.

Rishabh Jain: Okay understood. Also just want to know about your new facility you mentioned, like buying land for starting a new facility. So what is the cost for this facility and how much capex will be required?

Management: Sir, the capacity, the entire project and cost that has come for this is around INR6.5 crores to INR7 crores for the complete plant and machinery setup, inside which there is a complete facility from flour to spices and edible oil, including grading sorting machines for dals and packaging in a fully automated manner.

Rishabh Jain: Okay. You mentioned just now that you are also going to expand in Nagpur. So what is majorly famous there the brands of spices and atta like Wagh Bakri, Suruchi which are majorly preferred by people in Nagpur and surrounding areas? How will you break this chain regarding the brand name Hariom?

Management: Sir, yes, whatever the spice segment is, you are saying Nagpur has their taste, they have a different taste of spices for eating. Like in the entire Rajasthan region, very spicy food is eaten. But if we talk about Nagpur, roasted works more there -- if it's garam masala, roasting and grinding it, if it's cumin, roasting and grinding it.

So we already have strategies for how we will cater to it and which state we will cater to, and what the particular identity of that state is, through what identity it is taking that spice, what the taste of that state is. So first we do R&D on that. Only after doing R&D do we enter that state. And currently we have 255 plus SKUs. We deploy inventories based on taste and preferences.

Rishabh Jain: Understood. I have just two last questions. I just want to know that revenue last H1 and this H1 doubled, so what do you think is the main reason behind this, which strategies you implemented because of which revenue expanded?

Management: Sir, SKUs, whatever SKUs we added those SKUs that are very fast-moving, very quick ready-to-eat concepts like we are adding flavoured makhana, we are adding makhanas, we are adding chutneys, we are adding pickles. So what are these SKUs? These are highly convertible SKUs that you kept it, and out of 250 SKUs, if you added five SKUs, the consumer will pick up pickle along with atta and easily get converted.

We just maintain our taste, that whatever quality we are giving inside Hariom outlets, kirana stores, and exports, we maintain that taste. And majorly we increased our distributors and kirana stores in B2B. And apart from this, we increased containers and countries in exports. As an example, earlier we were shipping containers to the UK just to a single party, but now we are getting queries from other people there too, and other people want to work with us.

So we started with second parties in the UK as well. So exports, B2B, and product add-ons are more likely to enhance our sales.

Rishabh Jain: What is the difference between exports and our B2B business in revenue? By difference I mean in B2B...

Management: Sir, do you want me to tell how much B2B revenue has grown?

Rishabh Jain: Yes.

Management: Sir, B2B revenue currently gives a contribution of 55% to 60%, which last year if I say was sitting at 48% to 50%. Exports we did INR5 crores sales in the half year. Last year it just started when we did around INR2 crores sales. So we have doubled this as well. So this is also a major contribution. Plus we added more marginal products and faster-churning products whose cycle moves fast, so we got growth in all these.

Rishabh Jain: Okay. So right now what could be our market share if seen in FMCG in the unorganized market?

Management: Sir, we are not calculating market shares as such right now because we are in a growing stage, we are seeing an opportunity that the market is accepting us. And we are able to give a good offering in our market. Wherever we are -- let's suppose if we are in the Dwarka region of Delhi, we are available in 60% of the Dwarka market only. If we are in Gurugram, if we talk about 100% in Gurugram, even if I talk about availability, I am available in 65% to 70% of Gurugram.

So these things are a very good setup for us to reach market share and hit a number. The unorganized sector is too big, it will not be visible to give exact market share in numbers. Yes. So I will make sure that next concall I will answer you that your particular question that What is our current market share?

Rishabh Jain: Okay. Thank you so much. Congratulations for your H1.

Management: Thank you thank you sir. Thank you.

Moderator: Thank you. Next question is from the line of Omkar Ghugardare from Shree Investments. Please go ahead.

Omkar Ghugardare: Congrats on a good set of numbers. I wanted to know, ma'am that your company is very small, revenue is around INR50 crores and profit is also around INR4 crores, INR5 crores only. So I wanted to know management's vision, in the next three years, where do you see your revenue, profit, ROCE, your overall vision where you want to take this company. Because as an investor in a small company, it is important to know this?

Management: Sir, yes, absolutely, what was your auspicious name?

Omkar Ghugardare: Omkar.

Management: Omkar ji, I am Yashwant Thakur speaking. And it felt very good that you raised this question to me. You asked about the coming three years. You must have studied my past three years too. We have given quite good growth to the market. And we have reached here with a lot of consistency. And in the coming three years too, we will try our best to maintain our consistency.

And give you, all of you good growth, good top lines, good EBITDA, and good gross margins, PAT margins. Our company is INR50 crores, it is small, but we are working through an organized and centralized channel by making SOPs, for which I don't think these things will matter if you have good management and good governance, if you have good compliance, your product is good, and you have a vision for growth, growth, that you are talking about three years, the company knows how good its next five years will be.

So we will maintain this thing and I appreciate your question that I got the opportunity to speak through you.

Omkar Ghugardare: Sir, you used the word good, can you state this quantitatively? Even if you conservatively state what your vision is, how much can you do, what do you think?

Management: Good is very good. You are asking about our last concall. And for the last two years, I have been doing concall in the market and I am the one who answers all investors from my company's side. So you can see from the last two years of good, we have done quite well. Otherwise, I can't talk numbers exactly, we try to double the run rate and growth in the next few years.

Omkar Ghugardare: So what you have done in the past 2 years, can you replicate it in the next 2, 3 years, similar kind of growth? Because your base is also small, that's why it's imperative to ask.

Management: No sir, we are maintaining our growth. And maintaining consistency. And we can and we will try our best. And all those possibilities that will give growth to the company, and enrolling all those diversifications and things that will give us growth, we will do, and we will do very well.

Omkar Ghugardare: Okay. My second question was about margins. Currently you are around 14%, 15%, correct?

Management: Sir, right now our focus is to add ready-to-eat products because they will enhance our margins. Plus we have increased our highly productive margins plus the factory we just set up, the Vidisha plant till now whatever plant I had was semi-automatic, now we are adding fully automatic

machines where employee costs are reduced, and we can get higher output and better work from machinery, plus work at a better margin.

Electricity in Madhya Pradesh is also lower, as I discussed. Labour cost is lower, and production cost we are trying to reduce. There is a whole segment for that which is taking it forward.

Omkar Ghugardare: So if you can give some idea about what your target will be regarding margins in the next three years, how much it can increase? What factors will contribute, to what level can your margin go?

Management: Sir, we will maintain this and we will also increase it and try to increase it. Everyone likes a good margin. So our entire effort is that we will increase it.

Omkar Ghugardare: No, I wanted to know what the general run rate of margins is in the segment you operate in -- is the margin you are currently operating at the run rate?

Management: Sir, the normal B2B run rate is slightly lower. Yes, I am also doing B2B because we have to scale and make our product aware. But I also have two major big channels exports and B2C. So exports have a completely different segment and a different margin. So B2C and exports will always -- they will always run parallel to B2B. If B2C and exports run parallel to B2B, then efficiently in my margins you will see very good performance that we are maintaining margins.

Omkar Ghugardare: Okay, so as you go...

Moderator: Sorry to interrupt you sir, could you please join the queue for follow up?

Omkar Ghugardare: Sure.

Moderator: Thank you. Due to time constraint, that was the last question of the day. I now hand the conference over to Mr. Gautam Nagar from EquibridgeX Advisors for closing comments. Over to you sir.

Gautam Nagar: Thank you. On behalf of HOAC Foods India Limited and EquibridgeX Advisors, I thank everyone for taking the time to join today's earnings phone call. If you have any queries, you can contact us on info@equibridgex.com. Once again, thank you for joining conference.

Management: Gautam ji, I want to give a closing note to all my investors. Thank you so much, all of you came to our concall and you all asked good questions related to our business. We learned a lot from your questions. If I was not able to reply to any question, you can mail us directly to the company, we will surely reply to you, and we will try our best to give you a reply.

The company's results are good, some margins if you did not like some numbers you did not like, it doesn't mean the company will not grow, the company is growing very well and we are consistent regarding our growth. And we will keep adding new products, we will keep opening new stores, we will keep entering new kirana stores and we will give our exports a new growth where we can tap new and new countries.

We are committed to our business and our investors. So thank you so much to all of you for joining, and Happy Diwali in advance to the entire Equibridge team and all my investors. Thank you sir, thank you so much.

Gautam Nagar: Thank you sir. Thank you everyone.

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