



HOAC FOODS INDIA LIMITED

CHOICE FOR QUALITY AND PURITY

(FORMERLY KNOWN AS HOAC FOODS INDIA PVT LTD)

CIN: L15120DL2018PLC330739

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May 18th, 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, Maharashtra, 400051, India

Company Symbol : HOACFOODS
Company ISIN : INE0S6S01017

Subject: Submission of Transcript of the Earnings Conference call held on 15th May, 2026, Friday at 02:00 PM (IST)

Dear Sir / Madam,

In continuation of our earlier letter dated 15th May, 2026 informing about the audio link of the Earnings Conference Call and Pursuant to Regulation 30 of Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company is hereby submitting Transcripts of Earnings Conference Call of the Analyst/Investor Conference Call which was held on **15th May, 2026, Friday at 02:00 PM (IST)**.

To discuss the Audited Financial Results (Standalone & Consolidated) of the Company for the Half Year and Year ended 31st March, 2026.

Further, please note that Transcript of Earnings Call will also be available on website of the Company at <https://hoacfoodsindia.com/>

You are requested to take on record the above-said information.

Thanking You.

Yours faithfully,
For **HOAC Foods India Limited**
(Formerly Known as "HOAC Foods India Private Limited")

Rambabu Thakur
Managing Director
DIN: 08084215

Place: New Delhi

Website: www.hariomatta.com, E-mail ID: info@attahariom.com, Contact No.: +91 97178 38568,
Registered Office Address: D-498, 1st Floor, Palam Extension, Sector-7, Dwarka, New Delhi, 110077, India





“HOAC Foods India Limited
H2 FY26 Earnings Conference Call”
May 15, 2026



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

MODERATOR: **MR. GAUTAM NAGAR – EQUIBRIDGEX ADVISORS
PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the H2 FY26 Earnings Conference Call of HOAC Foods India Limited, hosted by EquiBridgeX Advisors Private 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.

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

Gautam Nagar: Thank you, and a very good afternoon to everyone. Welcome to the H2 FY26 earnings call of HOAC Foods India Limited. From the management team, we have with us: Mr. Yashwant Thakur, Chairman and Director, and Mr. Manish Sharma, Chief Financial Officer. The call will begin with opening remarks from the management, after which we will open the floor for Q&A.

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

Yashwant Thakur: Thank you. I am Yashwant Thakur from HOAC Foods India Limited, Director and Chairman. Hello investors, good afternoon, everyone, and thank you all for joining us today. We appreciate your continued support and confidence in HOAC Foods India Limited. FY26 has been a remarkable year for the company, marked by strong financial growth, improving profitability, and continued expansion across our food business operations.

During H2 FY26, we delivered a strong performance across all key financial parameters. Our total income stood at INR2,865 lakhs, registering a robust growth of nearly 84% year-on-year. EBITDA increased by over 52% to INR400 Lakhs, while profit after tax grew by approximately 66% to INR246 lakhs. We also maintained healthy profitability with EBITDA margins of 13.95% and PAT margins of 8.57%.

For the full year FY26, total income increased by over 90% to INR5,049 lakhs. EBITDA grew by nearly 72% to INR731 lakhs, while PAT grew by around 77% to INR441 lakhs. Our annual EBITDA margins stood at 14.48%, while the PAT margin improved to 8.73%. These results reflect the strong demand for our products, expanding market presence, operational efficiency, and disciplined execution across the organization.

At HOAC Foods India Limited, our focus continues to remain on strengthening our product portfolio, expanding distribution reach, improving operational capabilities and building a scalable food business with long-term growth potential.

Over the past year, we have continued to enhance our market penetration across key regions while simultaneously strengthening relationships with distributors, retailers and channel partners. Our efforts toward increasing brand visibility and improving product availability have contributed significantly to the growth momentum witnessed during the year.

We are also focused on optimizing our supply chain and operational processes to improve efficiency, enhance margins and support future scale-up opportunities. Alongside this, we continue to evaluate opportunities for product diversification and expansion into newer markets to further strengthen our growth trajectory. As consumer preference continues to evolve, we remain committed to delivering high-quality food products while maintaining consistency, innovation and customer satisfaction at the core of our business strategy.

Going forward, we remain optimistic about the long-term opportunities within the food industry and are confident in our ability to drive sustainable and profitable growth through focused execution and strategic expansion initiatives. Overall, we believe HOAC Foods India Limited is entering a strong phase of scalable growth supported by improving financial performance, expanding market presence, operational strengthening, and long-term business opportunities.

With this, I would like to thank all our shareholders, customers, employees, partners, and stakeholders for their continued trust and support. Now, I would like to open the floor for questions and discussion. Thank you, everyone.

Moderator: Thank you very much. We will now begin the question-and-answer session. We'll take our first question from the line of Aakash Choudhary from Easy Equity. Please go ahead.

Aakash Choudhary: Am I audible?

Yashwant Thakur: Hi, Akash. How are you?

Aakash Choudhary: I am good. How are you doing?

Yashwant Thakur: I am very good. Please tell me, Akash.

Aakash Choudhary: Congratulations, the numbers have come out quite well. I have a few questions. So, for instance, our top-line revenue increased by 85%, and EBITDA only increased by 50%. Has there been a slowness in margins, perhaps due to raw materials? What happened there?

Yashwant Thakur: Actually, what happened is that the growth projections we calculated for ourselves required us to purchase raw materials, and the initial stock we held was not sufficient. As I mentioned last year, we started two new verticals; B2B and exports. Due to the sudden creation of demand, we had to purchase raw materials during the off-season, which increased our costing. That is why there was an impact on the EBITDA margin.

Aakash Choudhary: Okay. So, what EBITDA can we look at for the future?

Yashwant Thakur: In the future, as you might have noticed, our inventory has increased. Currently, throughout February, March, April, and May, our purchasing is ongoing. EBITDA margins will be much better in the future. We are going to give very impressive results in the upcoming cycles.

Aakash Choudhary: Okay. So, for the full year, it was 14.5%, and for this half, it was 14%. Can we sustain 15% to 16%?

Yashwant Thakur: Yes, sir, easily. We will try to provide even more than that.

- Aakash Choudhary:** Okay, okay. Thank you. And what will our store count be for this year? I think you gave an update yesterday that we opened a store outside of Delhi-NCR. We are expanding. Going forward, will stores be in Delhi-NCR or elsewhere? What number of stores can we expect?
- Yashwant Thakur:** Sir, regarding the type of opportunities we are receiving, we recently did a lot of expansion. We opened two new stores on the Noida side. And recently, as per today's announcement, we opened a store in the Bhopal region. We went interstate and opened a store, which has a completely separate management team. They will look at the Madhya Pradesh and Nagpur area belt. Specifically, we will open stores in the higher-end posh areas of those locations. As we saw this year, we opened eight new stores. Similarly, we are trying to open nine to 10 stores this year as well.
- Aakash Choudhary:** Okay. That's good.
- Yashwant Thakur:** These will be in different states. We will remain inside Delhi-NCR, but we are also moving outside the state where we are finding good opportunities.
- Aakash Choudhary:** Okay, okay. So, we done with the stores. But, I think last time you mentioned we were planning a 50,000 metric ton plant in Vidisha. You said it would be done in parts. What is the status of that?
- Yashwant Thakur:** What did I say?
- Aakash Choudhary:** I think you said, it will be developed in phases with 20,000 units first, it would not be developed in one go, something like this you had said.
- Yashwant Thakur:** Yes, that same model is currently in the planning phase. It is almost at the completion stage of the process. It was delayed slightly because of the impact on rates due to the wars. We had placed orders beforehand, and the supplier increased the rates. There was negotiation involved. Because of that, there was a delay in the PEB shed, iron, and machines. However, it will be finished and start soon. It will take us approximately 1.5 months more.
- Aakash Choudhary:** So, has nothing been built yet, or is a part of it done?
- Yashwant Thakur:** No, it is almost 75% built.
- Aakash Choudhary:** So, out of 50,000, we can say 35,000 is built? Has production started over there?
- Yashwant Thakur:** No, production will start in 1.5 months. We will provide an update on that soon.
- Aakash Choudhary:** Okay. In the middle, you provided an update on wheat plant. Is that inclusive in this, or is it separate?
- Yashwant Thakur:** No, what happened is when we realized there might be a delay, we added some machines and capacity to our existing plant so that our growth would not be hindered.
- Aakash Choudhary:** Okay. Got it. And you recently made an acquisition for a badi plant and also entered Blinkit last year. Can you share some traction numbers? For instance, our EBITDA is 15%, so I'm expecting

that the EBITDA for badi and the almonds segment to be a bit higher. Can you give growth numbers for that, so I can get an idea of what portion of revenue that will take up in the future and what the EBITDA could be?

Yashwant Thakur: Sir, all the marginal products you see that we are adding; badi, pickles, papadam, and some ready-to-eat products, which we are getting into, these are marginal products. We have kept their contribution to our total revenue at around 9% to 10%.

Aakash Choudhary: Okay. So, 90% value is the core product?

Yashwant Thakur: 9% to 10%.

Aakash Choudhary: 9% to 10%, okay. And will this grow into a sizeable amount?

Yashwant Thakur: Absolutely, it will become a sizeable amount. See, the product lines, which we are increasing are not products you would use only once a month. In an Indian thali, you use pickles every day in the evening. You use papadam in at least one meal a day. Since these are daily consumption items, they will contribute to revenue and enhance EBITDA margins.

Aakash Choudhary: Got it. Understood. Are there any issues with exports due to the war?

Yashwant Thakur: Sir, there are no issues with exports. We have taken a safety-first approach in exports. Firstly, we are not giving goods to just any party; we are working with parties that provide advance payments. Until now, we shipped to the UK, and in the last two containers, we sent to the US. Those went very smoothly with good payments. Recently, you will see an announcement very soon that we have also sent a shipment to Australia. None of our shipments are stuck. We receive partial payment in advance and the rest once it reaches the spot.

Aakash Choudhary: Got it. My last two questions, can you provide any revenue guidance? Second, what is our premium compared to other brands? For example, if we sell wheat for INR50, and another brand sells for INR55 or INR45, what is the difference and the revenue guidance?

Yashwant Thakur: Sir, I cannot give you revenue guidance in terms of exact numbers right now, but we will give very impressive results this time as well.

Regarding your second question -- Sorry, can you repeat your second question?

Aakash Choudhary: Yes. What is the difference between our pricing and the pricing of the competitor?

Yashwant Thakur: Sir, about our pricing versus competitors for our exclusive stores, we have no difficulty selling because the quality and the product we are providing are entirely different. If we match and differentiate our quality from a big brand, it is almost the same. Our price is INR59 per kg, and for a big brand, the same quality is INR62 per kg. In our other B2B segment where we provide to GT stores, we have also brought quality, but we have kept market-competitive rates.

Aakash Choudhary: Okay. So, what is the B2B and B2C split?

- Yashwant Thakur:** I will segregate that for you. Our company-owned outlets contribute 21.83% to total revenue. And our franchise-owned outlets contribute 18.65%. Our B2B sales, where we supply products to GT stores, contribute 52.34%. Our export revenue is currently 7.18%.
- Aakash Choudhary:** Was it the same last year?
- Yashwant Thakur:** Yes, and this year, the export segment will increase even more. In fact, all segments will increase because exports and B2B have only been active for one year. Last year was spent setting everything up. This year, revenue and EBITDA margins and everything will all be enhanced.
- Aakash Choudhary:** Roughly, you said the franchise-owned and the other type of stores are around 40% combined. We have done about INR50 crores for the year, so around INR20 crores came from stores. We have 19 or 20 stores. Is it right to say it is about INR1 crores per store per year, averaging INR9 lakhs to INR11 lakhs per store per month?
- Yashwant Thakur:** Sir, for the older stores, it is more, and for the newly opened ones, it is a bit less. I won't give you the exact average, or revenue guidance on that right now.
- Aakash Choudhary:** That's fine. But can we say that for the next two or three years, we can expect similar growth to what we just saw?
- Yashwant Thakur:** Yes. We will provide better growth than this. We are working on that, opening new stores, increasing EBITDA margins, and bringing new product line, SKUs into our portfolio that have heavy margins.
- Aakash Choudhary:** Okay. Nine to ten stores, right?
- Yashwant Thakur:** Yes. This time, we opened eight plus stores. For this year, we are projecting nine to 10 stores, and it might even be more.
- Aakash Choudhary:** Okay. Thank you.
- Moderator:** Thank you. The next question is from the line of Deepak Pruthy from Wealthwithwisdom. Please go ahead.
- Deepak Pruthy:** Hi, Yashwant ji. How are you?
- Yashwant Thakur:** Hi, Deepak ji. How are you?
- Deepak Pruthy:** I am good. Yashwant ji, congratulations on the great set of numbers. Give your team a pat on their back from my side. I have two or three questions, which you've answered most. But what is your revenue mix in terms of pulses, staples, cereals, wheat and rice?
- Yashwant Thakur:** So, we have divided this into total seven categories. Flour contributes 49%. In flour, we have healthy flours, normal wheat flour, gram, soya, millets, etcetera. Grains contribute 15%, which includes both rice and grains. Spices are 8%, oil is 9%, pulses are 5%, sweets are 3%, and grains and rice combined are 15% and 12%, where grains are 15% and rice is 12%.

- Deepak Pruthy:** Okay. And regarding the new products we introduced, like badi, and I think you launched dry fruits, pickles also...?
- Yashwant Thakur:** Sir, dry fruits were launched in the last H1. They were there from the start. Almond oil and peanut oil are very fast-moving goods. Then we have pickles and badi. In badi, we have three varieties; moong, tuvar, and urad. In Delhi-NCR, tuvar one doesn't usually sell; no one else sells it. We are the first to introduce it here, and the demand is quite good.
- Deepak Pruthy:** Okay. My next question is about the response in General Trade. How are the receivables specifically? What is the credit period in GT?
- Yashwant Thakur:** It is 30 days to 35 days. In some cases, it reaches 40 days, because we are new to the market and competition is high. Being a new brand, why would a GT owner or distributor take our product over existing brands? So, we are giving them a bit more margin and a slightly longer credit period.
- Deepak Pruthy:** Perfect. One more thing, I wanted to know...?
- Yashwant Thakur:** Let me clarify one more thing. Previously, we were giving directly to GTs. Now, we have started adding distributors, which will reduce our credit period. You might have seen that the credit period was 112 days, and it has now come down to 62 days.
- Deepak Pruthy:** Yes, that is a significant improvement. In our two-tier distribution, do we give to the distributor who then gives to the retailer, or are there super stockists as well?
- Yashwant Thakur:** No, sir, there are no super stockists. We will start that when we move outside Delhi-NCR, like Guwahati, Nagpur, Maharashtra. In these regions, we will start with C&F and super stockists.
- Deepak Pruthy:** Perfect. One more thing, Yashwant ji, in QSR, I saw you were listed on Blinkit, but I don't know, maybe Blinkit charges too much margin, because your prices looked a bit unaffordable?
- Yashwant Thakur:** We have kept Blinkit just for brand awareness. Actually, we are a bit disappointed with the margins from Blinkit. We are focusing on our own website and mobile application. The amount of money we were putting into Blinkit, we tried putting into our website and application, our sales doubled in that segment. So, we are growing our own channels.
- Deepak Pruthy:** Okay. Anyway, what does Blinkit charge for this category?
- Yashwant Thakur:** Almost 30% to 32%.
- Deepak Pruthy:** Okay. And are you getting any inquiries for new stores?
- Yashwant Thakur:** Sir, I get inquiries every day. We just vet them carefully, because we want futuristic growth and good sales. If someone takes a franchise, they shouldn't leave it. They should take it from a growth perspective, so sales don't drop. We look at franchises carefully, which is why I open nine to 10 stores a year, but they give us a good boom and strengthen the brand image.

- Deepak Pruthy:** Makes sense. One last question, Yashwant ji, before I let you go. Regarding the export containers you are sending, who is the exporter there? Is it a distributor who then distributes further, or how does the supply chain work?
- Yashwant Thakur:** They have their own stores. For example, Patel Brothers. Their exporter owns all the Patel Brothers stores in the USA. Similarly, in the UK, the USA, and recently in Australia, they have their own channels through, which they sell out.
- Deepak Pruthy:** So, basically, you are giving to retail chains or modern trade outlets?
- Yashwant Thakur:** Yes. If we talk about Canada, there is Brampton Cash & Carry. They have seven or eight stores, and the size of one store is around 60,000 to 70,000 square feet.
- Deepak Pruthy:** They have large format. Okay. And is there repeat demand, Yashwant ji, or are we still finding out?
- Yashwant Thakur:** Repeat demand is coming, which is why we are doing well in exports. Almost every container we send gets a second-time order.
- Deepak Pruthy:** Very good. Thank you, Yashwant ji. All the best.
- Yashwant Thakur:** Thank you, Deepak ji.
- Moderator:** Thank you. Next question is from the line of Nishita Shanklesha from Sapphire Capital. Please go ahead.
- Nishita Shanklesha:** Hello. I wanted to know about your capex plans. How much capex did we do in FY26, and how much will we do in FY27? What will this capex be used for?
- Yashwant Thakur:** Nishita ji, could you repeat the question?
- Nishita Shanklesha:** Yes. I want to know about capex. How much did we do in FY26, and how much in FY27? For what purpose will it be used?
- Yashwant Thakur:** Okay. So, are you asking about the factory and machinery, which we are setting up right now?
- Nishita Shanklesha:** Yes.
- Yashwant Thakur:** So, right now, for the new model coming in the capex plan for expansion is INR4.5 crores to INR5 crores. Last year, our capex was around INR1.67 crores to INR2 crores.
- Nishita Shanklesha:** And will this INR4.5 crores to INR5 crores capex be funded from internal accruals?
- Yashwant Thakur:** No, no, no. You might have seen our borrowings have increased. We have taken project funding for this. So, it's a mix of project funding and our own funds for machinery and sheds.
- Nishita Shanklesha:** Okay. So, by how much is our capacity increasing with this?

- Yashwant Thakur:** Ma'am, it is becoming 5x. If we talk about recent capacity, we are doing 20 tons including day and night. With this, we will be able to do 45 tons to 50 tons per day of capex from the recent factory.
- Nishita Shanklesha:** Okay. What will be the revenue potential at peak utilization?
- Yashwant Thakur:** Sorry?
- Nishita Shanklesha:** If the 45 to 50 ton per day capacity is fully utilized at optimum levels, how much revenue can we generate?
- Yashwant Thakur:** If fully utilized, it will go above INR200 crores. Currently, we will increase capacity according to demand. As demand and sales growth come in, we will increase capacity. We have already made provisions for this in our new factory.
- Nishita Shanklesha:** What is our current utilization rate? How much capacity are we using now?
- Yashwant Thakur:** The existing factory is at 95% utilization. The new factory will be ready in 1.5 months, so there won't be an issue.
- Nishita Shanklesha:** Okay. My next question was about your mention of focusing on your website and mobile app. Is that already online?
- Yashwant Thakur:** Yes. Our website is hariomatta.com and our mobile application is Hariom Atta and Spices. We have around INR2.5 crores to INR3 crores revenue contribution from this annually, which we are looking to double from last year.
- Nishita Shanklesha:** So, in FY27, we can do INR6 crores revenue from this?
- Yashwant Thakur:** Yes. And almost 60% of my contribution comes from on-call orders, where customers call our backend executives to place orders. We are planning to shift all those customers to the website and online app.
- Nishita Shanklesha:** Okay. Thank you. Understood. My next question is, how many new products are we launching this year? What is the pipeline?
- Yashwant Thakur:** Ma'am, we have planned to launch around 15 to 20 new marginal products in our pipeline. We will focus on ready-to-eat. We already have everything in spices, flours, and healthy flours. Right now, in the capacity we are increasing, we have also put peanut oil. We've set up a large capacity plant for peanut oil. We just tested it and the growth is exceptional, even more than we thought. Our planning for peanut oil is 4,000 liters per day in our new plant.
- Nishita Shanklesha:** Okay. So, these 15, 20 new products will all be launched in FY27?
- Yashwant Thakur:** Yes.
- Nishita Shanklesha:** And these are all value-added products with better margins, right?

- Yashwant Thakur:** Yes, they will be value-added with better margins. I answered this in the first question as well.
- Nishita Shanklesha:** Okay. And you mentioned a plan to open nine to 10 stores this year. How many years does it take for a new store to mature?
- Yashwant Thakur:** Ma'am to become profitable and to reach break-even, it takes nine to 10 months. That is my maximum number. If we open in even better and posh areas, it happens in five to six months.
- Nishita Shanklesha:** Just one last clarification. On the revenue bifurcations, you mentioned 21% to 22% from company-owned and 18% from franchise-owned, correct?
- Yashwant Thakur:** 18.65%.
- Nishita Shanklesha:** If you could reiterate that bifurcation again, it would be better. There was a network issue I couldn't hear.
- Yashwant Thakur:** Company-owned outlets contribute 21.83%. Franchisees contribute 18.65% and B2B is 52.34% and Exports are 7.18%.
- Nishita Shanklesha:** Will this mix remain the same or get better in FY27?
- Yashwant Thakur:** It will be better.
- Nishita Shanklesha:** Do we get better margins in exports, or are they the same?
- Yashwant Thakur:** Currently, in exports, we are working on the same margins because we need to settle the market there and provide our products at good margins. Once we have a strong hold, we can enhance margins further.
- Nishita Shanklesha:** Okay. In FY27, margins could be 15% to 16% at the EBITDA level, right?
- Yashwant Thakur:** In exports?
- Nishita Shanklesha:** No, at the Company level.
- Management:** At the Company level EBITDA margins can increase to 15% or 16%.
- Nishita Shanklesha:** Perfect. Thank you so much for answering all the questions. All the best.
- Moderator:** Thank you. The next question is from the line of Sidhant from Nidhi Broking Services. Please go ahead. Sidhant, your line is unmuted. Please go ahead with your question. Since there is no response, we will move to the next question from Aakash Choudhary from Easy Equity. Please go ahead.
- Aakash Choudhary:** Thank you for giving me a second chance. I had one thing to ask. Regarding the capacity you mentioned, I am a bit confused. You said the 20 tons is for Atta. Are you saying it's a 5x increase or 2x increase to get 45 tons per day?

- Yashwant Thakur:** I mentioned the full capacity. For Atta, it is 10 tons per day for the day, per work shift. This is not for 24 hours. When we go to our new factory, it will be 40 to 50 tons per day for the Atta plant alone for the per day shift.
- Aakash Choudhary:** Per day, meaning one shift?
- Yashwant Thakur:** Yes, one shift.
- Aakash Choudhary:** Okay. And this is only for Atta?
- Yashwant Thakur:** Yes, only for Atta.
- Aakash Choudhary:** So, it's correct to say we could have done more revenue in this financial year, but since capacity utilization reached 95% and demand is high, once this capacity is ready in 1.5 months, demand and revenue will boom?
- Yashwant Thakur:** Yes. Our sales team is adding new channels. Our franchise and company-owned store teams are separate; they are finding locations for stores. B2B is finding new distributors and areas to expand. We are segregating which new countries we can pitch for exports and which buyers in existing countries we can supply.
- We are assuming this demand and carrying that much capacity. We are expanding in other states, especially MP, because our factory is nearby and it will help. MP is a good market for spices and peanut oil. Those will give us good numbers on a marginal basis as well.
- Aakash Choudhary:** One more thing. You gave capacity for Atta, Flour, which is 50%. Can you give a flavour of capacity numbers or utilization for things like Badi and Dal?
- Yashwant Thakur:** I mentioned Badi. Currently, our capacity utilization is 3%. This year, we will increase it to a 10% to 11% revenue contribution. So, there isn't a major requirement for a large capacity increase for that.
- Aakash Choudhary:** Okay. One last request. If you could provide quarterly updates, even if not a con-call or full results, just a one-pager every quarter. It gives an idea of which direction the business is going. I think it would be very helpful for investors.
- Yashwant Thakur:** Akash, since you've mentioned it, we will certainly try. I also want us to announce our results quarterly. The sooner you get updates, the better you will feel and the more updated you will be about our results. We are planning and working on this. Very soon, you might see quarterly results.
- Aakash Choudhary:** Thank you so much.
- Moderator:** Thank you. Next question is from the line of Sidhant from Nidhi Broking Services. Please go ahead.
- Sidhant:** Yes. Thank you so much.

- Moderator:** Sidhant, please use your handset mode your audio is not clear.
- Sidhant:** Thank you so much. Good afternoon. Am I audible?
- Yashwant Thakur:** Hi Sidhant, yes, please go ahead.
- Sidhant:** Thank you for the opportunity. First of all, the numbers for FY26 are quite good. What were the key growth drivers behind this, such as volume growth, pricing, or new product additions?
- Yashwant Thakur:** In the last con-call, we talked about adding our verticals. At that time, we were just building them. You will see we created our B2B channel, our export channel, and we slightly changed our recent franchise model to focus entirely on that. We slowed down company-owned stores to focus on franchise-owned outlets and increased our volume through online channels.
- All these channels are running together, so we got very good revenue in FY26.
- Sidhant:** So these were our key growth drivers, we can say?
- Yashwant Thakur:** Yes. Last year, we were just building them and practicing against market competition and pitching to new countries. Now they are established and will provide great growth. We just need to deliver good quality products with consistency.
- Sidhant:** If you see, PAT growth was even lower than normal revenue growth.
- Yashwant Thakur:** Regarding that, as I clarified in the first question, it was about raw material costs. Based on how expansion and sales growth happened, we ran short on what we had purchased beforehand. We had to purchase raw materials in the off-season, which impacted EBITDA and PAT margins. Besides B2B margins, B2C margins were accurate, but B2B was entirely new for us. Previously, with B2C, we had our own exclusive stores.
- After that, in the B2B market, there is a lot of competition. There are many brands of Atta. To beat that competition, we had to give a slightly higher margin to our distributors and GT stores compared to the competition to get the volume. That's why there was a slight difference in EBITDA and PAT, but that won't happen now because our channels are built and will give great results in future quarters and half-yearly.
- Sidhant:** That was nice to hear. Over the next 2 to 3 years, what can be your sustainable EBITDA margin targets?
- Yashwant Thakur:** So, the margin we saw will increase and that margin will remain sustainable. We have done some practice so that we get some volume sales and growth. After this, when the EBITDA margin will increase, the EBITDA margin sustainable. We will maintain EBITDA margins at 15% to 16%.
- Sidhant:** Okay, okay. Sir, there is raw material inflation. There is wheat, spices, and mustard oil. So, this has a lot of impact. So, how will you manage this?

- Yashwant Thakur:** You might have seen our inventory has tripled. We have started stocking mustard, rice, and wheat from now so that we don't face the EBITDA margin impact we just had. We want to grow sales at a constant rate without hitting our EBITDA margins. We will reduce off-season purchasing.
- Sidhant:** Can management share the margin trend between branded and unbranded product categories?
- Yashwant Thakur:** In our B2C, we have two verticals B2B and B2C. Our B2B is entirely branded. In B2C, we have branded and exclusive stores. The net margin there is around 11% to 12%.
- Sidhant:** For B2C?
- Yashwant Thakur:** On B2C.
- Sidhant:** Okay.
- Yashwant Thakur:** You want to talk about EBITDA margin or net margin?
- Sidhant:** Sir, I am talking about margin front, gross margin front?
- Yashwant Thakur:** Gross margin is around 35% in B2C. For B2B, the gross margin is around 20% to 22%.
- Sidhant:** Sir, how will you cover the current distribution in terms of distributors and retail outlets? I am talking about current distribution reach. How will you cover all the areas?
- Yashwant Thakur:** This is a distribution channel. We have hired a manager for this channel who has experience in this area. If we talk about MP, there is a different management in MP. My Delhi management is not harmed by this. MP has a regional head, sales manager, sales officer and sales representative. This is how the B2B business model works.
- Sidhant:** If we talk about your numbers in FY26, you had the highest growth. In the coming time, which geography are you planning to expand?
- Yashwant Thakur:** In terms of our channels, B2C, B2B, etc.
- Sidhant:** Which area are you planning to expand?
- Yashwant Thakur:** Our revenue is made up of all the four verticals. If I focus on B2C, my B2B business will go. If I focus on B2B, my export business will go. Everyone has different management responsibilities. We define cities differently. We are targeting MP, Delhi NCR, Nagpur, Maharashtra, Mumbai. We will cover the metro cities first.
- Sidhant:** The company has been continuously opening franchise stores recently. What is the long-term expansion strategy for franchise stores?
- Yashwant Thakur:** We will strengthen our distributor network through the B2B channel. For franchises, we have a separate hierarchy that just creates the franchise model. Their job is solely to find franchise locations and open stores. So, we will have a very strong hand in franchises and B2B.

- Sidhant:** What percentage of sales come from general trade, modern trade, and online, e-commerce?
- Yashwant Thakur:** We don't do MT. We only do GT because in MT, the costs increase significantly. Our online sales, including on-call sales where customers call our backend executives, contribute 50%. Online sales specifically are 10%. The rest is B2C where customers come to the stores themselves. Online trade is a new channel and is growing very fast.
- Sidhant:** You are getting good sales from there. Do you have plans to join quick commerce platforms like Blinkit, Zepto, and Instamart?
- Yashwant Thakur:** We definitely have plans to join, but we will come with a different strategy because their margins are restricted and we get very little. In Instamart, Blinkit, and other e-commerce channels, we will come with smaller packaging. Instead of placing a 10kg Atta bag, we will put 1kg packets so the costing is less and we can get effective margins.
- Sidhant:** Sir, Last question. Out of all your product categories, which category is seeing the fastest traction? Spices, pulses, mustard oil, or wheat?
- Yashwant Thakur:** I mentioned peanut oil. 4,000 liters per day has a sales target of its own, so there will be a lot of focus on that. Our yellow mustard oil is of exceptional quality and its growth is entirely different. Overall, yellow mustard and black mustard oil contribute 9%. In fast-moving goods, we will focus more on papad and pickles because they are giving us sales with good margins.
- Sidhant:** Thank you so much for your time and for all the information.
- Yashwant Thakur:** Thank you, Siddhant ji.
- Moderator:** Thank you. We'll take our next question from the line of Nishant Gupta from Minerva Capital Research Solutions. Please go ahead.
- Nishant Gupta:** Hello. Is my voice audible?
- Yashwant Thakur:** Yes, sir. Please go ahead.
- Nishant Gupta:** I have two or three questions. One, the inventory of INR13.6 crores on your balance sheet -- how many months of revenue can this support?
- Yashwant Thakur:** This will be for three to four months. I think three to three and a half months.
- Nishant Gupta:** What is the rough conversion? If you have 10 crores of inventory, does it lead to 8 crores or 12 crores of top-line revenue? How do you look at inventory conversion?
- Yashwant Thakur:** In terms of revenue conversion, we take 60% to 70% of the raw material.
- Nishant Gupta:** So, 60% to 70% converts into finished goods?
- Yashwant Thakur:** Yes. Mostly, our inventory remains in raw material form. As demand comes, we convert it into finished goods because our concept is "freshly made," so we provide it fresh.

- Nishant Gupta:** Crude oil prices are spiking, and news says fertilizer prices, urea, etcetera, will go up. We have visibility for three to four months with existing inventory. If price hikes happen later, especially with erratic monsoons, how will you pass on raw material price increases? Will you absorb it and lower margins to support growth, or pass it on to customers?
- Yashwant Thakur:** Regarding the three to three and a half months of stock we have, we are not stopping our purchasing. Seasonally, for mustard and wheat, purchasing is ongoing because they give major revenue contributions, including spices. So, our three-month purchase cycle will continue, and within almost three months, this purchase will finish. So, there won't be a major issue with that.
- Nishant Gupta:** Got it, got it. Sir next question...
- Moderator:** Nishant I request you to join back in the queue please, as we have participants waiting for their turn and we are nearing call-in time. Next question is from the line of Deepak Pruthy from Wealthwithwisdom. Please go ahead.
- Deepak Pruthy:** Hi Yashwant ji, one last question. The exports we do, do we do white labeling or does the packing go under the Hariom Atta name?
- Yashwant Thakur:** Sir, we do both. Suppose you are a buyer and you have your own brand there. We want to create a win-win situation for both sides, so we will give you our product and also do white labeling for you. Gradually, it goes from 50-50 to 50-60, then 40, until it shifts 100% to us, and white labeling continues alongside.
- Deepak Pruthy:** I understand. That was it, Yashwant ji. Thank you, and all the best.
- Yashwant Thakur:** Thank you, Deepak ji.
- Moderator:** Ladies and gentlemen, that was the last question for today. I now hand the conference over to Mr. Gautam Nagar from EquiBridgeX Advisors Private Limited for closing comments. Over to you.
- Gautam Nagar:** Thank you. On behalf of HOAC Foods India Limited and EquiBridgeX Advisors, I would like to thank everyone for taking time to join today's conference call. Should you have any further queries, please feel free to connect with us at info@EquiBridgeX.com. Once again, thank you to all for joining the conference. Thank you, Yashwant sir. Thank you, Manish sir.
- Yashwant Thakur:** Thank you all. Thank you so much for joining us today. I am feeling very good that you all joined. We have given quite good results, and in the coming time, we will give very impressive results. This is my assurance. Thank you once again.
- Moderator:** Thank you, sir. On behalf of EquiBridgeX Advisors Private Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.