



12th February, 2026

National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051. Symbol: ADFFOODS	BSE Limited, Department of Corporate Services, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. Scrip Code: 519183
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Subject: Transcript of Q3 & 9M FY 2025-26 Earnings Conference Call.

Dear Sir/Madam,

Pursuant to Regulation 30 & 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we attach herewith a copy of the transcript of Earnings Conference Call held on Thursday, 5th February, 2026.

The same is also available on the website of the Company at www.adf-foods.com.

This is for your information and record.

Thanking You,

Yours faithfully,
For **ADF Foods Limited**

Shalaka Ovalekar
Company Secretary

Encl: as Above





“ADF Foods Limited
Q3 & 9M FY '26 Earnings Conference Call.”
February 05, 2026



MANAGEMENT: **MR. BIMAL THAKKAR – PROMOTER, CHAIRMAN,
MANAGING DIRECTOR AND CHIEF EXECUTIVE
OFFICER – ADF FOODS LIMITED**
**MR. SUMER THAKKAR – PROMOTER, VICE
PRESIDENT, SALES AND STRATEGY – ADF FOODS
LIMITED**
**MR. SRINIVAS AYYAGARI – CHIEF FINANCIAL
OFFICER – ADF FOODS LIMITED**

MODERATOR: **MR. RAVI UDESHI – ERNST & YOUNG LLP**

Moderator: Ladies and gentlemen, good day, and welcome to the ADF Foods Limited Q3 and 9M FY '26 Earnings Conference Call. 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 this 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 Mr. Ravi Udeshi from EY. Thank you, and over to you, sir.

Ravi Udeshi: Thank you, Palak, and good afternoon, everyone. We welcome you to the Q3 and 9M FY '26 earnings conference call of ADF Foods Limited. To take us through the results and to answer your questions, we have with us today the top management of ADF Foods Limited, represented by Mr. Bimal Thakkar, the Promoter, Chairman, Managing Director and CEO; Mr. Sumer Thakkar, the Promoter, Vice President, Sales and Strategy; and Mr. Srinivas Ayyagari, the Chief Financial Officer.

We will start the call with an overview of the business and the recent updates by Mr. Bimal Thakkar, and then Mr. Srinivas will give his comments on the financials. As usual, the standard Safe Harbor clause applies while we start the call. With that said, I now hand over the call to Bimal. Over to you, Bimal.

Bimal Thakkar: Thank you, Ravi. Good afternoon, everyone. Firstly, I would like to introduce our new CFO, Mr. Srini Ayyagari on the call. I welcome him to the ADF family.

On the results front, we delivered a strong performance in Q3 FY '26 with consolidated revenues reaching an all-time high of INR191 crores, representing a robust 29.5% year-on-year growth. On a standalone basis, revenues increased by 13.3% year-on-year to INR137.2 crores. The momentum was fueled by continued traction from listings secured in the past few quarters and strengthening our brand penetration across all our key markets.

Despite prevailing tariff challenges, our U.S. business continues to show substantial progress, benefiting from the enhancement of our sales force and strategic distributor level changes implemented at the beginning of this financial year.

Our consolidated EBITDA has also reached a record of INR37.1 crores with healthy margins of 19.4%. On a standalone basis, EBITDA increased by 35.1% to INR34.4 crores. This was driven by an improved product mix and continued focus on cost optimization. Our flagship brand, Ashoka, continues to strengthen its market presence, and our mainstream brand, Truly Indian has exceeded expectations with a marked acceleration in its growth trajectory.

We have successfully completed pilot runs at our upcoming Surat greenfield facility and Phase 1 is on track to become fully operational by Q4 of Financial Year '26. We continue to witness strong brand-led traction, supported by deeper penetration. And with our sustained focus on execution excellence and operational discipline, we remain cautiously optimistic in our ability to maintain the current growth trajectory over the long term.

I will now hand over to Srini, our CFO, who will comment on the financials. Thank you. Over to you, Srini.

Srinivas Ayyagari:

Thank you, Bimal. Excited to be a part of the ADF family. Good afternoon to all of you. I will first share the consolidated performance results. For Q3 FY '26, the consolidated revenues reached a record high of INR191 crores, marking a 29.5% increase year-on-year and a 17.5% increase quarter-on-quarter. Consolidated EBITDA for the quarter was a record INR37.1 crores, which is a 40.6% increase from the previous years. EBITDA margin was 19.4%, which has increased by 150 bps year-on-year and a decrease of 260 bps quarter-on-quarter.

The consolidated PAT, excluding exceptional items for the quarter was INR29.2 crores. This represents a 55.7% increase year-on-year and a 10.7% increase quarter-on-quarter. The resulting PAT margin was 15.3%. This PAT excludes exceptional items of INR6.8 crores, which is a onetime charge for changes in Indian Labour Code.

Coming to the 9 months performance, our revenues from operations were INR486.5 crores, up 13% year-on-year. EBITDA was INR96.4 crores, registering an increase of 30.8% year-on-year. EBITDA margin was 19.8%, an increase of 270 bps year-on-year basis. PAT excluding exceptional items, was INR70.8 crores, up 34.1% with a PAT margin of 14.6%.

I now move to standalone results. In the third quarter of the Fiscal Year 2026, standalone revenues were INR137.2 crores, reflecting 13.3% year-on-year growth and a 2% sequential decrease. The company's EBITDA for the quarter was INR34.4 crores, which is a 35.1% increase year-on-year and 8.7% sequential decrease. The EBITDA margin was 25.1%, an increase of 400 bps year-on-year. PAT, excluding exceptional items for the quarter was INR27.2 crores with a PAT margin of 19.8%.

As highlighted by Bimal, the margins increased due to improved product mix and continued focus on cost optimization. For the 9 months ended 31 December 2025, standalone revenues from operations were INR377.6 crores, up 9.9% year-on-year. EBITDA was INR94.6 crores, a growth of 24.5%. EBITDA margin stood at 25%, an increase of 290 bps. And PAT, excluding exceptional items, was INR73.9 crores, up 26% with PAT margin of 19.6%.

As mentioned in the past, we continue to invest in our brands and capabilities as an investment for future growth. This is already bearing results. Our flagship brand, Ashoka, continues to drive growth from core and emerging markets through focused market engagement and deeper market penetration, supported by strengthened teams. As previously announced, our global mainstream brand, Truly Indian, is performing extremely well with a significant ramp-up in its growth trajectory.

This growth is arising from its listings in prominent supermarket chains, including Whole Foods Market, Costco, Albertsons-Safeway, H-E-B, Stop & Shop, Giant Tiger and various other chains. The brand is available in more than 2,000 stores across the United States. The company's capital expenditure program is on track. The Surat greenfield plant has completed pilot runs and Phase 1 is on track to be operational by Q4 FY '26.

With this, I now return to Ravi Udeshi to open the floor for question and answers. Thank you.

- Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Pritesh from Lucky Investments. Please go ahead.
- Pritesh:** Sir, few questions. One, what explains the variability in your revenue growth when you look at the 9 months versus the quarter and it always happens in a lot of quarters in the past also. Is it to do with the way this channel filling happens because you have to send the goods offshore? So is it to do with that? And hence, one should look at a bunch of quarters as your number rather than looking at a particular quarter? That's first question.
- Second, you were constrained by capacity, but when I look at this quarter's number is the highest revenue, as an absolute number, so I was just unable to correlate between constrained capacity and the revenue number. I have this another couple of questions, but maybe you want to answer the first.
- Bimal Thakkar:** Yes. So as far as the quarter-on-quarter performance goes, so typically the second quarter and the fourth quarter are where you will see a bump up happening because of festive season sales. So you have quarter 2 typically leads into Diwali and quarter 3 or quarter 4, depending on the time Ramadan comes in, that's another period where you have a slight bump up in sales.
- Pritesh:** But my assessment, sir, I was asking you more from a Y-o-Y growth perspective and not quarter-on-quarter. Quarter-on-quarter, I understand the seasonality. But from a Y-o-Y perspective, when you look, when you map your growth numbers, a particular quarter is a single-digit number and a particular quarter is a high double-digit number. So there is it to do with the way the channel literally tends to fill itself us, whereby the variability in our numbers come?
- Bimal Thakkar:** Yes. This year's first quarter, because of our GPCB issues, the production was at a low. Otherwise, the first quarter also of this year should have been much higher. And some of the variances you will find is because if there are some new listings which have taken place in some quarter, you will see a bump up in sales happening over the previous year Q-on-Q.
- Pritesh:** Okay. I understood. What explains the absolute number and the capacity constraint?
- Bimal Thakkar:** Well, the capacity constraint is there on a few items, a few lines, not on everything else. But with the debottlenecking, which we have been doing over the last 1 year, we've been able to overcome that. So it was on a couple of our products where that debottlenecking has happened. So this quarter, you've seen that we've been able to grow much more, and this has been our best quarter so far for the company's history. And now with the Surat plant addition also coming in, we will further have more capacity available with us.
- Pritesh:** On the Surat plant and the capacity constraint, are you adding any new products whereby your growth rate will look different from what you have grown in the past, a slightly accelerated growth rate or the Surat plant just addresses your capacity constraint and you still grow at the growth rate that you have been growing in the past? And your growth rate has been closer to 12%, 13%.
- Bimal Thakkar:** Yes. So the Surat plant is going to have 2 new product lines. One is getting completed in Phase 1. So from -- in fact, from March onwards, one new product line is going to come out of

the Surat plant. And some of the existing product capacity expansion is also happening at the Surat plant. And the second new product line, which is going to be there in the Surat plant will be done in Q2 of the next financial year. So it's a combination of both that will happen. So there are 2 new product lines and some of the existing product lines further capacity increase.

Pritesh: So one product line this year and product line next year?

Bimal Thakkar: Correct.

Pritesh: And what are these product lines?

Bimal Thakkar: So these are also all frozen products, which we are doing. So there are some frozen breads, which we have added on, new types, which will be launched in the market soon.

Pritesh: Will it improve the growth rate...

Bimal Thakkar: Yes, yes. The idea is that helps us grow our business, and we are able to address a much wider target consumer group as well.

Pritesh: Okay, thank you very much. Thank you ma'am.

Moderator: Thank you, sir. The next question is from the line of Avnish Tiwari from Vaikarya. Please go ahead.

Avnish Tiwari: Can you explain the demand conditions in your end market? How they have been trending last quarter, second quarter and as you move in January, that will be super helpful?

Bimal Thakkar: So I mean, as you all know, America is one of our major markets. And I'm really happy to say that even with the tariff situation, the demand has been fairly robust. And overall, the demand continues to be robust for our products and our product line and ethnic Indian Foods is gaining a lot of popularity within the mainstream clientele as well, which is where you are seeing the growth coming in for the Truly Indian brand in the U.S.

This fourth quarter has also started off well. I mean we had a good month in January as well. And we feel fairly optimistic that this will now continue to -- now with the tariff situation also getting cleared off, we feel fairly confident that we will have a good robust demand on our products.

Avnish Tiwari: Second question I had was related to the tariff-related pricing increase which happened. And also the margin, if we see, Q2 was very high and then Q3 is lower. So can you just combine these 2 now because the tariffs are -- if they go away, then the end prices comes down, will that help you on the demand side? Otherwise, have been a headwind? And what explains this margin volatility we are seeing in Q2 and Q3?

Bimal Thakkar: So on the margin front, if you see between Q2 and Q3, our standalone sales, if you look at the standalone revenues, the margins on the standalone have, in fact, improved. And the consolidated margins have come down because this Q3, the sales of the subsidiaries, which

includes our distribution business and also the Truly Indian brand business, it's because of that, that you've seen on a consolidated basis, there has been a margin reduction. But otherwise, on a standalone basis, the margins continue to remain strong.

Avnish Tiwari: Now the tariff, if they go away, your end consumer prices will be down. Earlier, they were up. So was there any elasticity -- on demand which was observed earlier? And will you expect now it to help you out?

Bimal Thakkar: Well, definitely, what will happen now is there were a lot of new products which we wanted to present to the supermarkets. But because of the uncertainty on tariff, we refrained from doing that. Now with the charity being there, we will be aggressively pitching new products to the supermarkets.

And we didn't see any kind of reduction in demand, which is where you saw the growth in the Q3 business as well, even with the price increase happening, the consumer demand continued strong. And now with this clarity, I think we will have a lot more product offerings to the supermarkets. So we feel fairly confident that this is going to help us further grow our business.

Avnish Tiwari: Great, thank you.

Moderator: Thank you, sir. The next question is from the line of Charchit Maloo from Genuity Capital. Please go ahead.

Charchit Maloo: I have a question regarding the capacity utilization. So what was the utilization in Q3?

Bimal Thakkar: So in Q3, we were -- again, we have many products. But as an overall weighted average, I would say, with the increase now on the debottlenecking, we were probably at about 70%, 75% on a weighted average.

Charchit Maloo: And like you were selling from our 28,000 ton plant, right?

Bimal Thakkar: I'm sorry, I didn't hear you.

Charchit Maloo: So like this capacity utilization is from the old plant. And like going forward, the addition that we are doing of 10,000 tons. So what kind of utilization we can expect in Q4?

Bimal Thakkar: Yes. The Q4, in fact it's just going to be in the month of March that we will start production, in the second week of March, so it will just be a few weeks of shipments of that new product line, which we've gone. In the next fiscal year, we would probably see around 30% to 40% capacity utilization because there is another product line, as I mentioned, which will only start in the second quarter of next Fiscal Year.

Charchit Maloo: So like I was trying calculating the realization per ton.

Bimal Thakkar: Yes.

Charchit Maloo: So I got the number of 2.6 lakh per ton as I calculated from the volume data and our capacity. So am I getting it right?

Sumer Thakkar: It varies as per product line. Frozen generally tends to have a higher utilization -- I mean, a higher realization, but it completely varies as per product line. Spices...

Charchit Maloo: If possible, can you quantify on a broad basis?

Sumer Thakkar: We typically don't give that information.

Charchit Maloo: Okay. So my last question is regarding EBITDA margin. So what will be the impact of tariffs on our EBITDA going forward?

Bimal Thakkar: But there are certain -- like Sumer said, it depends -- the realization on a per ton basis depends on the product mix. And we don't normally calculate based on a ton basis on a weighted average on -- so it depends on product category. It depends on the product mix. There are lots of variables for a per metric ton price.

Moderator: The next question is from the line of Bharat Sheth from Quest Investment Advisors Private Limited. Please go ahead.

Bharat Sheth: First, my question is related to, I mean, when Truly Indian brand, where we were in investment phase. So how do we are seeing and when do we really expect to turn EBITDA positive, if you can give some guideline?

Bimal Thakkar: Sure. So based on the current trend which we are seeing. So if you see our business model, the standalone company sells the goods to the subsidiary. So there is a margin which the standalone company makes while selling goods to the subsidiary. And then there is a margin which the subsidiary makes while selling down to the supermarkets.

So when you add up both the margins of both the companies, we will see a breakeven happening in about 18 months. If you look at it just on a subsidiary level, then you will see a breakeven after 3 years.

Moderator: The next question is from the line of Hitesh Randhawa from CaGR Quest Capital. Please go ahead.

Hitesh Randhawa: So I've got two questions. My first question is on tariffs. So in the last con call basically you alluded towards that we are not taking any tariffs and the entire tariff is borne by distributors and it would be passed on to the consumers. So now that the tariff has come down, so basically my question is that does this -- can this increase our margins going forward as far as the U.S. business is concerned?

And why I ask this is that because, for example, for a \$2 product, due to tariff, you had increased the product price to say maybe \$3, 50% tariff and the entire tariff increase was absorbed by the consumers.

Ours is a product which is maybe closer to necessity, our end segment, target segment, consumer segment can afford to kind of absorb those prices and as well as it's not a very high-ticket price product. So, the end price -- is there a possibility wherein the end price remains the same and a

certain part of tariff is shared between the distributor and our company and thereby increasing our margins?

Bimal Thakkar: So firstly, the 50% tariff doesn't translate into a 50% price increase at the MRP level, okay? It translates...

Hitesh Randhawa: Yes. That was just an example...

Bimal Thakkar: Yes. I'm just clarifying that. It translates to a 25% price increase. And secondly, we did not increase -- I mean, we did not reduce our price while selling during the tariff time. Our price to our various distributors is a C&F price. So the tariff -- whatever the tariff price -- whatever tariff they paid, they put it in their selling price and it's passed on directly to the consumer.

Now whether after the tariff -- firstly, has a 2- or 3-month holding, I mean, stock holding, which they keep because of the transit time. So this price reduction, if they decide to do, and of course, our sales team will encourage the distributors to reduce the sales price. That will only start happening after 2 months or so.

So yes, it will definitely help in increasing sales going forward. But like you said, our products are low-priced products. So if at all, any reduction is there, it will be \$0.20, \$0.25 at the consumer end. So I don't know how much that will help in further uptake, but it's still a positive thing. Yes.

Hitesh Randhawa: Yes. But my question was different. So kind of -- is it possible that, okay, we don't reduce the end product price and whatever benefit that we get due to the tariff delta reduction, kind of the distributor and the company shares it and we benefit out of it?

Bimal Thakkar: So as I mentioned, the increase in price has happened at the distributor level, not at our level, right? Our C&F price, our margins are transparent, okay?

Hitesh Randhawa: Yes, I get that, yes. Okay. Sure. And the second question is around the kind of -- I think in your presentation you mentioned the potential to reach INR1,000 crores by FY '27. And in the past as well as the kind of a couple of con calls you have spoken about reaching INR1,000 crores by FY '27. So do you think we would be able to achieve that in the coming financial year given the Surat capacity increase?

Bimal Thakkar: So we feel -- see, for the INR1,000 crores guidance, we feel fairly confident of being able to achieve anywhere between INR925 crores to INR1,000 crores. The difference is mainly because of the domestic market, but we are relooking at our own domestic market strategy. And by the second quarter of next year, we will have a much better plan for our domestic market, which will -- if everything goes as planned, then yes, the INR1,000 crores number seems doable. But otherwise, we feel fairly confident of anywhere between INR925 crores to INR1,000 crores.

Hitesh Randhawa: Okay. And in terms of margins, kind of -- do you think we will remain around current 19% odd, is it?

- Bimal Thakkar:** As you know, in all these new businesses, we are in investment mode. We've been investing in marketing, and we've been investing in people. So yes, we will continue to be having margins in the high teens. We feel fairly confident of that.
- Hitesh Randhawa:** Sure, thank you very much.
- Moderator:** Thank you, sir. The next question is from the line of Bharat Sheth from Quest Investment Advisors Private Limited. Please go ahead.
- Bharat Sheth:** Sir, my question, I mean, for this Surat, these two lines, that is mainly for Ashoka brand or will it be Truly Indian? How can you -- we can understand from that?
- Bimal Thakkar:** So, it will be for both the brands. It's not just exclusively for Ashoka. It will be for both brands. And maybe some amount may even be towards some private label brands as well.
- Bharat Sheth:** So my question is, how are we seeing the demand in European market, which is contributing roughly 30% of the sales. So how -- what kind of a traction are we envisaging?
- Bimal Thakkar:** Again, in Europe also we are seeing a good offtake of our products. There are new listings, which we are doing there as well. So even Europe continues to grow for us. U.K. and Europe is also growing for us. America is growing faster, but these markets are also growing for us.
- Bharat Sheth:** Okay. And sir, how do we think about, I mean, exchange gain that -- which might have helped us in this Q3. So how much was that on account of that exchange gain?
- Srinivas Ayyagari:** Yes. If you look at the numbers of Q2, Q2 had a higher exchange gain rate. But coming Q3, the dollar has actually quite balanced out. So our gain has come down in Q3. What we anticipate is the dollar with the rupee now strengthening for the coming quarters, we would not be having too much of a gain in terms of our forex. So that's our guidance for the coming quarters. And Q3 has very negligible amount of forex in our revenues.
- Bharat Sheth:** And can you explain our hedging mechanism?
- Srinivas Ayyagari:** So we do not do any hedging. Whatever contracts we had, we have almost squared it up, and it's very negligible hedging at our level. See, we are a net exporter and most of our FGs actually go to the U.S. markets or the European markets.
- So the rupee has been weakening and the dollar has been strengthening. So our strategy is not to do hedge. And basically, there is always a depreciation, which the rupee has. So the gains of foreign exchange actually flow into our books. So we are not actively hedging as of now.
- Bharat Sheth:** And my question -- last question is pertaining to -- I mean, we have a large chain opportunity. So, to really, I mean, encash those opportunities before, I mean, competition plug in. So what exactly we are doing, I mean, say, for in the next couple of years that what would be our strategy for that?

- Bimal Thakkar:** So, as you can see, we've been investing in brands. We've been investing in people. We are increasing our consumer base by catering to the mainstream market. Within the ethnic market, we are further increasing our depth into stores, opening up new markets. So that's a continuous process, and that's why you're seeing the growth happening. So, we will continue to build on that.
- Moderator:** Thank you, sir. The next question is from the line of Pallavi from Sameeksha.
- Pallavi:** Just wanted to understand what would be the share of frozen food. And I understand we were operating at 100% utilization. So, would that share have come down because of that quarter-on-quarter?
- Bimal Thakkar:** No. So as I mentioned to you earlier on, we were at about 75% capacity utilization in this last quarter on a weighted average basis. And frozen food continues -- is a dominant product range in our entire portfolio. And it accounts for upwards of -- it's around 40% plus of our total revenues.
- Pallavi:** So, there is no capacity constraint on frozen as of now for the fourth quarter? Is that right?
- Bimal Thakkar:** No. All the investments we did in debottlenecking, etcetera, has given us more capacity. And now with the Surat plant coming in, that will further free up -- I mean, give us more capacity.
- Pallavi:** And my second question would be what is the kind of realization increase we've seen on the frozen side year-on-year?
- Pallavi:** So just wanted to understand because we are getting into the large retail chains. So what's the kind of realization uptick we would have seen? So I'm just looking at it one category, maybe frozen foods, what's the price increase in realization basically for the categories that we've seen? And my last question would be, which are the new chains that are we expecting to add in the fourth quarter, any new?
- Bimal Thakkar:** So as far as the new chains go, we continue to keep pitching to various chains, and our goal is to continue to increase the number of outlets for the mainstream side. So I can't really -- it all depends on which chain gives us an opportunity for this thing, but our efforts are on for continuously looking at growing our distribution. And I couldn't understand your first question in terms of realization.
- Pallavi:** Right. No, I'm just trying to understand only on frozen food so that I take one category and get a sense because that's the predominant category in these retail chains that's going to cost, etcetera. So what is the kind of price increase we've been able to get due to a shift to these larger retail chains?
- Pallavi:** Or if you can give us company-wide frozen food increase in realization per ton for frozen?
- Sumer Thakkar:** Typically, frozen food for our Ashoka brand operates at about a 60% to 65% margin. Truly Indian is positioned slightly more premium. So that's between 65% to 70%. But if you look at it at an EBITDA level because Truly Indian is in the brand building phase right now, we're

spending a lot on marketing. But in terms of gross margins, Truly Indian would be higher than Ashoka for frozen foods.

Pallavi: Right. And sir, till when would the elevated marketing spends continue for Truly Indian, another year or more?

Bimal Thakkar: Truly Indian is still in the investment phase. And as I mentioned, it will be about 3 years -- being in the FMCG space, investment in brands is a continuous and an ongoing process. When you're launching something new and for it to start showing results, it's a 3- to 4-year period. So over the next 3 years, this brand will still continue to be in an investment mode.

Pallavi: Right sir. Thank you, sir. I will come back in the queue sir for next question.

Moderator: Thank you, ma'am. The next question is from the line of Siddharth Bhattacharya from Authum Investment & Infrastructure. Please go ahead.

Siddharth Bhattacharya: Yes. Just on the earlier question, sorry, I missed, what were the numbers for the realization for the various products? If you could again help me with that?

Bimal Thakkar: No. It all depends on the product mix. There are different realizations for different markets for different categories across. So there is -- yes.

Siddharth Bhattacharya: Okay. So if I ask this differently, can I know the highest realization that you're getting as of today? You need not name the product. And the lowest realization that you're getting today?

Bimal Thakkar: So the premium brand for us in our portfolio is the Truly Indian brand. So Truly Indian in terms of realization is the highest. And then we have the economy brand, which is Aeroplane, which gets the lowest realization.

Siddharth Bhattacharya: Okay. Sorry, just one small question again. In terms of peaking of capacities, are we sort of peaking out on the higher realization brands or on the lower realization brands?

Bimal Thakkar: So we were peaking out more on the -- in certain product categories, okay, which has, as mentioned, with the brownfield projects, we've -- debottlenecking has gone. And now we are not constrained with any capacities. And those were for certain frozen products, which has now been taken care of. So yes, we will not have that problem anymore. The frozen product is a higher gross margin product category.

Siddharth Bhattacharya: Higher gross margin. Okay. And sir, finally, the new products that you're launching, sir, in terms of realization, where do they stand in the spectrum? Realization and margin.

Bimal Thakkar: So they are again frozen products. So they will be at a higher realization.

Siddharth Bhattacharya: Okay sir. Thank you, sir.

Moderator: Thank you, sir. The next question is from the line of Priyanka from Nirmal Bang Securities Private Limited. Please go ahead.

- Priyanka:** Congratulations on the good set of numbers. So just a bookkeeping question. What would be the marketing expenses to our percentage of revenue on a consol level for the quarter?
- Bimal Thakkar:** Srini?
- Srinivas Ayyagari:** Yes, I'll take this question. So, Priyanka, our growth investments in marketing have increased and approximately 24% year-on-year and quarter-on-quarter. As Bimal has said, we continue to prioritize on brand building and marketing across all our key markets to fully leverage the growth potential and opportunities across U.S. and the European markets.
- Priyanka:** Yes. So I just wanted the number percentage of revenue for the quarter.
- Srinivas Ayyagari:** We refrain from giving absolute numbers. But when you look at the growth, it's a 24% growth year-on-year and quarter-on-quarter. So you can imagine the kind of investments which we have been doing on our mainstream Truly Indian brands and the frozen categories.
- Priyanka:** Got it, sir. And then the last question is, if I look at your margins for the distribution business, those are at around 11% for this quarter and also for the Q3 FY '25, it was in the same range. But if I look at the last 2 quarters, it was in the high double digits. So how should I look at the margins for this particular segment overall?
- Srinivas Ayyagari:** So Bimal, maybe I'll take this or you want to take it?
- Bimal Thakkar:** Yes, go ahead, go ahead.
- Srinivas Ayyagari:** Yes. Okay. So Priyanka, our distribution margins, as we have been previously mentioning, remains at 12% to 14% in terms of our margin on an ongoing basis. We were better off in the last few quarters due to extra promotional supports. But on a steady state, the margins will be at around 12% to 14%.
- Priyanka:** Okay. Thank you, sir.
- Moderator:** Thank you, ma'am. The next question is from the line of Ankur Gulati from Genuity Capital. Please go ahead.
- Ankur Gulati:** Just a quick question. When you're doing white labeling, are the margins same or the dip?
- Sumer Thakkar:** So they reduce when it comes to private label, but we also don't have to spend in marketing. So that's where the delta is. But private label is at a lower margin, but it's still a relatively healthy margin.
- Ankur Gulati:** So fair to assume similar EBITDA for private labeling as well or?
- Sumer Thakkar:** Slightly less, but similar.
- Bimal Thakkar:** No, not -- yes. So these are all value-added products that we do, right? So it's not like a commodity business where you work on wafers in margins. So as Sumer mentioned, the gross margins are pretty decent, but obviously, not as high as what it is for our branded products.

- Ankur Gulati:** And what percentage of the capacity is dedicated to white labeling?
- Bimal Thakkar:** So at an average, our B2B and private label business accounts for about 20% of our overall revenues.
- Ankur Gulati:** Okay. Thank you.
- Moderator:** Thank you, sir. The next question is from the line of Raman from Sequent Investments. Please go ahead.
- Raman:** So for the quarter and 9 months ended period, can you give the figure for Ashoka brand?
- Bimal Thakkar:** Raman, we don't, sorry, we don't give details on the brand breakup. Ashoka continues to remain the flagship brand and the leading brand at the moment.
- Raman:** Understood, sir. And sir, with respect to the frozen products, the capacity which is in the greenfield expansion you are doing, is this included in the INR250 crores, INR270 crores greenfield expansion you plan to do? And also, I just want to understand just a ballpark figure, if you can provide with respect to total percentage sales from your -- from frozen products. Just a ballpark figure will be helpful.
- Bimal Thakkar:** So frozen, as I mentioned earlier, is upwards of 40%. That remains our fastest-growing category for our company. And yes, the Surat plant is obviously part of the whole greenfield expansion that we budgeted for.
- Raman:** Just a follow-up on this. Can I get the figure which was a year back? I just want to understand the trend with respect to frozen.
- Bimal Thakkar:** Well, on a frozen was probably a couple of -- so we've probably grown by about 10% over last year, but it's on a higher revenue as well, right? So it continues to grow for us. Yes.
- Raman:** Okay, Thank you.
- Moderator:** Thank you, sir. The next question is from the line of Nitin from Green Capital Single Family Office. Please go ahead.
- Nitin Shakhder** This is Nitin Shakhder from the Green Capital Single Family Office. My question pertains more to the European market. If you could just sort of summarize the new countries that the company is exporting to, any initiatives on new master distributors appointed? And any specific new product ranges that you're introducing in the European market? And how will it impact the export duty structures between Indian foods going into Europe now?
- Bimal Thakkar:** So we constantly keep adding. As part of our process, there is always continuous innovation which keeps happening, looking at the consumer trends. So it's not just Europe, but worldwide we keep introducing new products. Specifically for Europe, new markets that have opened up are certain markets in Eastern Europe.

We've also opened up some markets within Western Europe as well. It's serviced right now. We have a network of about 12 or 13 distributors within Europe. And we continuously, again, strengthen, increase our penetration within these stores. We've added on some new supermarkets in the Netherlands, and Germany.

So it's an ongoing process for both the Ashoka brand and also the Truly Indian brand is in Germany. So that also continues to grow for us and more products are being added on. So the Truly Indian brand in Germany, for example, did not have frozen foods. We have just launched this quarter certain frozen products under the Truly Indian brand.

And now we'll be expanding some more product lines in the -- under the Truly Indian brand in Europe as well, with FDA coming in out there in EU as well, that will further help in the pricing being a little bit more competitive, and we should see more penetration there as well.

Nitin Shakhder:

Okay, thank you sir. All the best.

Moderator:

Thank you, sir. The next question is from the line of Ravi Naredi from Naredi Investment. Please go ahead.

Ravi Naredi:

How much PLI incentive received in 9 months period of the current year?

Bimal Thakkar:

So we've received about -- for the first year, we've received about 70% of the PLI incentive. Year 2 and Year 3 are still under process, and we hope to get Year 2 and the balance part of Year 1 before the next -- before September of this year.

Ravi Naredi:

70%, can you quantify in the money terms?

Bimal Thakkar:

Anyway, it's about INR7 crores, I think, approximately that we've received so far.

Ravi Naredi:

INR7 crores. Sir, one more question, in Financial Year '27, you give INR1,000 crores top line. So, what will be our margin that time? Can you predict something?

Bimal Thakkar:

So, we expect to continue the high teens as we are doing. So, we feel fairly confident that we will continue to maintain margins in the high teens.

Ravi Naredi:

Okay, thank you sir

Moderator:

Thank you, sir. The next question is from the line of Ashish Agarwal, an Individual Investor. Please go ahead.

Ashish Agarwal:

I just wanted to understand what is the volume growth that we have achieved in this quarter? And what is also the value growth, if we can break it on consol level?

Bimal Thakkar:

Srini, do you want to get that?

Srinivas Ayyagari:

Yes. So basically, our volume growth accounted for nearly 70% of the total growth with the balance attributable to the price growth.

- Ashish Agarwal:** So volume has resulted into 70% of our overall revenue growth and 30% is due to value growth, correct?
- Sumer Thakkar:** Yes.
- Ashish Agarwal:** And that's a normal trajectory that lies with the plus/minus 10%, but is that the normal range that we normally want to keep and keep normally?
- Srinivas Ayyagari:** See, this is a Y-o-Y growth. So basically, we would like to keep this at the same level. And with new logistics coming up, the volumes definitely will go up, which will result in a higher growth.
- Ashish Agarwal:** Yes. Okay. And what is our current Soul revenue run rate per month? You used to give this figure earlier.
- Bimal Thakkar:** So the Soul, as mentioned, Soul is going -- we've gone back to the drawing board. We've got a new sales head who has joined us from December of this year. We are back in relooking at our entire product range, our business plan for Soul, and we will have a much better guidance for you all in the first quarter of next year on that. But at the moment, Soul is in -- only in the Bombay markets and in limited channels, and we are doing about INR50 lakhs in our sales into the market.
- Ashish Agarwal:** INR50 lakhs per month, monthly run rate, right?
- Bimal Thakkar:** Per month. Yes. Yes. But it's just in Bombay and on quick commerce and e-commerce and very limited modern trade.
- Moderator:** Thank you, sir. The next question is from the line of Avnish Tiwari from Vaikarya. Please go ahead.
- Avnish Tiwari:** If I subtract standalone revenue from your consolidated revenue, that difference comes to around INR54 crores. It is around INR23 crores last quarter, and it was around INR26 crores year before. So, it has grown significantly, whether we compare to last quarter or a year before quarter. What has driven this massive increase here?
- Bimal Thakkar:** So, all the -- firstly, Truly Indian has grown substantially for us in this last quarter. And our distribution has grown. The changes we've made in our subsidiary, Vibrant Foods, that has helped grow our business. So, all the three subsidiaries led to an increase in revenue, and we feel fairly confident that we'll be able to continue this growth trajectory. These are all the investments made in the new sales team, the brand investments, which has all helped in this growth.
- Avnish Tiwari:** Thank you sir.
- Moderator:** Thank you, sir. The next question is from the line of Bharat Sheth from Quest Investment Advisors Private Limited. Please go ahead.
- Bharat Sheth:** Sir, how much new SKU have we added in this FY '26? And how much we plan to in FY '27 with the Surat plant becoming operational?

- Bimal Thakkar:** So Mr. Bharat, we continue -- we add products, we take out products. So at an average, I would say, about 15 to 25 new SKUs get added in different brands. Truly Indian had some more additions this year. Ashoka also had some additions.
- So it's a continuous ongoing process. And now with the Surat plant coming in, also there will be an addition of, at least in this next Financial Year we would see another 10 to 12 more products being added out from the Surat plant as well.
- Bharat Sheth:** Okay. Great. Sir, bookkeeping question. May I go ahead?
- Srinivas Ayyagari:** Yes, please.
- Bimal Thakkar:** Yes, yes.
- Bharat Sheth:** So what is the end of the December gross debt and net debt?
- Srinivas Ayyagari:** See, we refrain from giving numbers in the quarter. The balance sheet months are September and March. So you will see the guidance in March, but we will give you at that point of time.
- Bharat Sheth:** Okay thank you sir.
- Moderator:** Thank you, sir. The next question is from the line of Avnish Tiwari from Vaikarya. Please go ahead.
- Avnish Tiwari:** If you can explain the margins or maybe the profits, if you compare the EBITDA differences between consol and standalone, that number also improved this quarter. Is that a sales driven or any other factor?
- Srinivas Ayyagari:** So if I understand the question correctly, you want the difference between EBITDA of consol and standalone. What is...
- Avnish Tiwari:** Correct. That number has also significantly improved this quarter if you compare to last quarter a year before.
- Srinivas Ayyagari:** So basically, if you look at the numbers, the difference is mostly in the growth investments, which you have. The standalone will have a higher number in terms of the EBITDA. But when you see the consol, the consol is a combination of both, as Bimal said, the subsidiaries where we have been investing and the standalone business where our EBITDA margins will be higher. So that will be an overall mixture. That's why you see a consolidated number lower than the standalone number.
- Avnish Tiwari:** Maybe one more question I can just ask on this. If I look at the EBITDA distribution between processed foods, distribution, and then you also report consolidated EBITDA, there is a negative entry which comes after adding processed food and distribution, there's some negative entry. Is this some corporate head or corporate costs or headquarter costs which are allocated there? Or what is that negative entry there?

- Srinivas Ayyagari:** So basically, see, what we report in our segment revenues is the segmental revenues of both distribution and processed and preserved foods categories. The number which you see is a PBT level. The balance is a part of the unallocable expenses, which basically includes the finance cost and any exceptional item. This time there has been an exceptional item of INR6.83 crores due to labor code. The rest of it is the unallocable income or unallocable expenditure, which is roughly around INR5.6 crores.
- Avnish Tiwari:** INR5.6 crores per quarter?
- Srinivas Ayyagari:** Yes, for this quarter.
- Avnish Tiwari:** And this allocated expense would be more like your headquarter or more like a top level, like what are the unallocated cost?
- Srinivas Ayyagari:** Yes, yes, yes. Mostly the overall cost at a corporate level.
- Avnish Tiwari:** Maybe last one more question, if I can ask. The standalone EBITDA margins, last 2 quarters have been very good, 25% this quarter, 26.9% last quarter compared to typical range of 21% to 23%. Is there any change? This is a new normal or they will revert back to again 21% to 23% range?
- Bimal Thakkar:** So the EBITDA margin depends on the product mix. I mean, our endeavor will be to try and maintain the similar kind of EBITDA margins going forward. But it's very dependent on the product mix, so. But we are fairly confident of being in the 20s on the EBITDA margin for a standalone basis.
- Avnish Tiwari:** What is the range of margins you make in different kind of products here?
- Bimal Thakkar:** I'm sorry?
- Avnish Tiwari:** What is the range of margins that you make in different kind of products?
- Bimal Thakkar:** Well, again, we don't give category-wise breakdown. So, I'm unable to give you that details.
- Avnish Tiwari:** Okay. Great. Frozen is higher margin and the other one is over, right? That's how it gets...
- Bimal Thakkar:** Yes, yes.
- Avnish Tiwari:** Okay, thank you sir. Wish you all the best.
- Moderator:** Thank you, sir. Ladies and gentlemen, in the interest of time, that was the last question for today. I would now like to hand the conference over to management for closing comments.
- Bimal Thakkar:** Thank you very much for the time, and we look forward to catching up in the next quarter. Thanks, and all the best. Thank you, everyone.
- Moderator:** Thank you, sir. On behalf of ADF Foods Limited, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.