

# **Agro Tech Foods Limited**

25<sup>th</sup> November, 2024

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**Codes:**     BSE   Scrip code 500215, Co. code 1311  
                  NSE   Symbol ATFL, Series EQ-Rolling Settlement

Dear Sir,

Sub: **Transcript of the Analyst & Investor Meet held by Video Conference on November 21, 2024**

In continuation to our earlier letter dated 14<sup>th</sup> November, 2024 and pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of the Analyst and Investor meet of the Company held by video conference on 21<sup>st</sup> November, 2024.

The transcript is also available on the website of the company i.e. <https://www.atfoods.com/analyst-calls.aspx>

You are requested to take this on record.

Thanking you,

Yours faithfully,  
For Agro Tech Foods Limited

**JYOTI**  
**CHAWLA**  
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COMPANY SECRETARY

Encl.....

“Agro Tech Foods Limited

Investor Meet”

November 21, 2024



**MANAGEMENT:** **MR. ASHISH KUMAR SHARMA– CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR– AGRO TECH FOODS LIMITED**  
**MR. NITISH BAJAJ– GROUP MANAGING DIRECTOR DESIGNATE – AGRO TECH FOODS LIMITED**  
**MR. HARSHA RAGHAVAN– DIRECTOR– AGRO TECH FOODS LIMITED**  
**MR. MANISH MEHTA – DIRECTOR– AGRO TECH FOODS LIMITED**  
**MR. KPN SRINIVAS– CHIEF FINANCIAL OFFICER – AGRO TECH FOODS LIMITED**

**MODERATOR:** **MR. AJAY THAKUR – ANAND RATHI INSTITUTIONAL EQUITIES**

**Moderator:** Ladies and gentlemen, good day and welcome to the investor meet of Agro Tech Foods Limited on virtual platform. We have with us on call today the management team of Agro Tech Foods Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Please note that this call is being recorded.

I now hand the conference over to Mr. Ajay Thakur, Lead Analyst at Anand Rathi Institutional Equities. Thank you and over to you.

**Ajay Thakur:**

Hi everyone, good evening. I welcome you all to Agro Tech Foods investor meet on virtual platform hosted by Anand Rathi Shares and Stock Brokers. From the management side, we have with us Mr. Ashish Kumar Sharma, CEO and Executive Director. Mr. Nitish Bajaj, Group Managing Director Designate, effective from 25th November 2024. Mr. Harsha Raghavan, Director. Mr. Manish Mehta, Director and Mr. KPN Srinivas, CFO. Now without wasting much of a time, I would like to hand over the call to Mr. Ashish Kumar Sharma for his opening comments and followed by a Q&A session. Over to you, sir.

**Ashish Kumar Sharma:**

Thank you and I welcome all the participants today for the investor meet. Thank you for taking out the time to be with us. So, today's meet is largely about introducing a bit of history of Agro Tech and its entering into a new era. There is one very important thing about today's day. Today also happens to be the Founder's Day for ITC Agro Tech. On 21st of November 1986 is when this company was formed. So, today is also the Founder's Day for this company. And we all meet here to see it enter into a new era.

1986, the company was formed. And in 1989, the first Sundrop brand, edible oil brand was launched. 1997, the investment by Conagra happened. In 1999, we launched ACT II popcorn. And then in 2000, when Conagra had bought stake in it, the name changed from ITC Agro Tech to Agro Tech Foods. And then in 2009, we launched the first extension of Sundrop into a ready-to-eat segment with Sundrop Peanut Butter.

In 2024 is when a big change is all set to happen. First, we have a new set of shareholder promoters. Second, we are building a new corporate brand, which will be able to build a stable of well-known food brands under it and host them. For example, this company will own some brands like Sundrop and also have licensed brands like ACT II. The new company also has a new vision for our future, which we will share as we move.

The company is now set to embark on a new journey. So far, consistent innovation, extensive distribution and diversified manufacturing have been the pillars for our growing food business. We have a Pan-India retail presence. We are listed across online channels, 500,000 retail coverage, 1,200 plus distributors and 1,200 plus sales personnel. To serve all of this, we have seven manufacturing facilities for foods and we have two third-party edible oil plants. This ensures that we are able to serve our consumers with fresh products within a 300-kilometer reach to majority of consumers in the country.

The innovation, distribution and the diversified manufacturing facilities have helped us have a very good CAGR of about 17% over the last 15-17 years. In terms of gross margin, FY12, we had about 90% of our gross margin coming out of staples and 10% out of foods. In FY24, the contribution of food contributing to gross margin has moved up to 55% and the 45% comes from staples. The good part of this was that the entire packaged food business has been built through internal accruals, which means we didn't have to borrow any money to set up any of the capacities.

Today, with this, the company is a leading player in high-growth categories with strong brands. So, in popcorn, high-growth brand, Act II is a brand leader there. And in nut butter category, in peanut butter, we have Sundrop as the category leader there. So, with these two strong category leading brands in strong growth categories. With this, I hand over to Manish.

**Manish Mehta:**

Thank you, Ashish. And good afternoon, everyone. I think it's a great day to restart or go to the next phase of our journey. It has been an illustrious 40 years, the company has built, as Ashish just mentioned, building two category leading brands, internally building into a large packaged food player. But this base essentially gives us an opportunity to further build on what has already been achieved in the last 40 years. And in this presentation, we'll talk a little bit about what our thoughts are going forward.

Firstly, I think the biggest change, if I have to name one, that has happened is convergence of interest to a single level, rather than multiple level of shareholding. So, we are all aligned to create value in the listed company now. Everybody is a shareholder into the listed company, including the incentives that we'll give to the management team, the new shareholders, promoter shareholders, and obviously all the existing shareholders.

So, the interest of everybody is aligned to create value in the company that we all are part of. With that, we will endeavour to do or build on to many changes or many things that the company has done over the last 40 years. We'll continue to work on high growth and high margin categories and innovate and build brands that will give us the pricing power to grow and command the high margins that the business has earned in the past.

So, innovation and brand building will continue to be the core of what this company will stand for. We'll have renewed focus on a core portfolio. We own two great brands and we'll be doing injustice if we don't fully avail the opportunity that exists on those two brands. So, return to the core portfolio or renewed focus towards the two iconic brands is something that we'll all see going forward. We'll tap into the new growth channels that are opening up, namely the e-commerce and the quick commerce, which is a big opportunity for all of us. And that's something we'll put a lot of focus on.

Fourthly, we'll see an increased focus on EBITDA and path margin improvement. So, we'll be doing in terms of building our supply chain, diversifying our procurement base and many other opportunities that exist in the business. The focus on the bottom line along with the top line growth will be important and core to us and you will see a good amount of work that we'll need to do in that space.

Fifth, in terms of building a capital efficient business, Ashish mentioned we do have a network of a number of manufacturing facilities, which gives us a great base to further grow. But our core focus will remain on return on capital and in terms of building a capital efficient business. So, that will be prominent and paramount in any capital allocation decision that we take going forward.

And finally, the value of this company is not just visible in the profit and loss statement. It's the legacy of 40 years, the iconic brand, the goodwill that exists in the distribution network and with

the consumers also is part of it. So, the opportunity exists for all of us to value this and build on top of this tremendous goodwill, both in terms of tangible and intangible assets that the company owns. So, a part of the strategy would be to look at inorganic opportunities that will add and further build on this capital base that we already have. And that's something we'll consciously do going forward and we'll discuss one such opportunity later on.

So, we'll just, I think we'll take this opportunity to introduce the two new promoters that have, or co-promoters that have joined the business. Samara Capital is a private equity fund. We've been in India since 2007 and we manage or have invested close to USD2 billion over the last 15, 16 years and created multiple brands and businesses over this period of time. One of the things that we have done in many of our business is to also grow inorganically, in addition to growing organically. And that's something we always saw as an opportunity in this business as well. So, with that, I'll hand it over to Harsha. Harsha, maybe can introduce Convergent Finance and himself.

**Harsha Raghavan:**

Good afternoon, everyone. Harsha Raghavan here, Managing Partner of Convergent Finance. It is a pleasure and honour to be amongst this group discussing the future of the company Agro Tech Foods. As my partner in this investment, Manish, has pointed out, we at Samara Capital have come together as the new co-promoters of Agro Tech Foods.

In that, I think it is fitting that I provide a short introduction on who we are at Convergent Finance. Myself and my key partners formed Convergent Finance in 2018 with a goal to continue the work that we have been undertaking now for about 15 years previously at a company called Fairfax. As an investment company, our philosophy is to act as a long-term active shareholder or custodian of the companies where we invest.

In that capacity across many listed but also unlisted companies over the years, we have shown that we have the capability to think with enhanced vision for the long-term without fund lights or finite time periods constraining our ability to help companies invest and grow, number one. And number two, to work together alongside excellent management teams such as here in Agro Tech, to work alongside excellent management teams to ensure that governance standards, transparency standards, and overall capital efficiency is achieved to the maximum possibilities.

Examples of some of the companies that we have backed over the years, recent years include Uniswap Foods, also a listed company, ADF Foods, also a listed company, Jackson Power Pharmaceuticals, also a listed company, and many others. So with that, I would suggest we move to the next slide. And it would be my pleasure to introduce us to the new VCAST board of directors that we have put into place in the last couple of months as a result of this transaction.

Alongside Manish and I who are on the board of this company, we have inducted four Independent Directors thus far, which include Richa Arora, who has rich experience from the Tata Group where she ran their consumer businesses. It includes Satish Rao, who has a rich experience in food and food ingredients from companies such as Firmenich and DSM. Then we have Rajesh Jain, who has spent many decades at KPMG and BDO.

And in that capacity, he has been already making a marked difference as an audit committee chairman. And most recently, we've added Dr Om Prakash Manchanda, who I think is widely credited in having built Dr Lal PathLabs before the IPO and post-IPO to the successful position it holds today. If we can move to the next page, this also, I think Manish and I have now both introduced ourselves, so has Ashish.

I think this now gives us the opportunity to welcome Mr. Nitish Bajaj, who is the new Group Managing Director-designate. Effective next Monday, the 25th, he will be joining us all. And Nitish, if I can request you to provide your introduction.

**Nitish Bajaj:**

Sure. Thank you, Harsha. And good afternoon, all. Really delighted to be amongst you. Just as a quick introduction to myself, I have largely built my career in the consumer healthcare and FMCG space. I have worked with companies in food like Heinz Food, Heinz India Limited, and also in the consumer healthcare space with companies like Reckitt Benckiser and Ranbaxy Consumer Healthcare and Piramal where I was last working as a CEO of the consumer product business.

I'm really delighted to be here amongst all of you in this change journey, the new journey as Ashish has talked about and as Manish and Harsha have put on a very exciting journey. So it also gives me great pleasure to introduce the new vision and mission of the company. So we know the consumer choices in the context of our country and globally, we are seeing significant transition and evolution in the consumer choices.

Per se, consumers are now much more exposed to global cuisines and are much more open to experiment and try new foods and new choices. And that really sets the vision of this company to bring more joyful food experiences to the modern evolving consumers. Also, as a mission for us, we will continue to create very innovative, delicious, and convenient food solutions. So we operate in the space of packaged food products and the name of the game here is to create new options, new choices, make sure taste is at the core of anything we create, and of course also is health and also bring in the convenience of packaged food.

And all of that is driven by the way we are seeing evolution of the food industry. So as a player which will bring multiple food brand options and food variety options, we are committed to this mission of creating very new and convenient and modern and delicious solutions for our consumers. Also, this is the right time for us to create a new corporate identity.

We did talk about Agro Tech food got created somewhere in 2000 when Conagra took over. As we now transition into the next journey for this company, we are transitioning to a very new corporate brand identity. We are going to be now known as Sundrop Brands. What we are really leveraging here is the core or the heritage of Sundrop which originated almost 40 years brand and is today one of the most trusted brands. But what we also are doing is we are making sure that this brand is now taking in, Sundrop brand as a company is now taking in many more brands in the portfolio.

So you would have the brand of ACT II which is a license for us, license still perpetuating for us also sitting in the house of Sundrop Brands and many more choices, many more brands which

will come into this platform. What is important is this brand will continue to make sure that we continuously evolve and we bring in choices for consumers which resonate with the needs of our modern consumers. Yes, so may I request now Manish to take over and talk about the acquisition of Del Monte.

**Manish Mehta:**

Yes, thanks Nitesh. So with this we are very excited to present an acquisition of opportunity in front of all of you with regards to an iconic brand called Del Monte Foods where we are looking to acquire perpetual license for that brand for Del Monte in India. And I'll talk in the next two, three slides, I'll give an introduction on Del Monte and what it stands for in India and what we are looking to build out as a combined company owning multiple brands under the Sundrop Brand table.

If you can go to the next slide. So as Nitesh mentioned, one of the core missions for us is to look at how the modern consumer is evolving and how the taste of modern consumers are evolving. So as people become more exposed to cuisines from outside India, they are adopting it in an increasing fashion. And when I look at Del Monte as a brand, which is an iconic brand globally, what it has built in India is a stable of products in the Italian range of food products.

And that's the category that has huge potential and is growing at a good rate as people adopt to this as a cuisine, Italian as a cuisine going forward. So when we looked at this acquisition, we felt that this could be an opportunity to build this new range of products, which is complementary to what the Agro Tech or erstwhile Agro Tech had till now. And that was one of the drivers why we considered looking at this as an opportunity.

Other than that, it had a mix which was very complementary to what Agro Tech was bringing to the table. For instance, Del Monte has an equal mix on the food services and the direct-to-consumer, business-to-consumer B2C business, while Agro Tech is primarily a B2C business.

The food service business is an equally exciting business and is growing as people, as the food service outlets for outside companies to provide them convenient solution. And food service as a category is growing at a fairly rapid pace. So Del Monte already is present in that category and we can further build to sell the Agro Tech brand of products into that or introduce those products into that category and monetize on that opportunity.

So that was one. Secondly, it has a very strong portfolio on the pantry and on the table side, which is a very sticky part of the food business. As people become used to the taste of the spices and the sauces that go into their product portfolio or their food palette, they are fairly sticky with regards to changing those.

So since this brand has those condiments and sauces and products in the pantry and on the table side, it could be a very good mix we can add to the snacking side of the portfolio that Agro Tech is already bringing to the table. So fairly complementary and non-overlapping portfolio. That was one of the motivations for looking at or considering this as an acquisition.

So on its own, as I mentioned, the business is profitable and growing well. It has been primarily an e-commerce and a modern trade business. The comparative presence on the general trade side is much less compared to what Agro Tech is bringing to the table. So this also gave an

opportunity to increase the distribution of Del Monte as a product portfolio into the general trade channel, where Agro Tech already is an entrenched player.

And then similarly, there's an opportunity to further strengthen our presence in the modern trade and e-commerce and quick commerce channel, which is one of the key tasks that we'll be undertaking by combining the portfolios of these two iconic brands or multiple brands under the same portfolio. So the size and scale leads to better placement in the e-commerce and modern trade channel. And that's something we can further build on.

As I mentioned, the company is profitable. It's growing. There are two facilities that are coming along with this transaction, which are owned by the company and have capacity just as there is excess capacity in many Agro Tech facilities where we can continue to develop and manufacture each other's products. So that also gives an additional motivation to look at this acquisition.

So this is just a quick snapshot of the product portfolio. As I mentioned, they have a number of products on the pantry and on the table side, especially Western and Chinese sauces, ketchup, multiple Italian range of products. And then there are some supporting portfolio, which are also growing at a fairly rapid pace, including fruit drinks and energy drink.

Then there is canned fruit, which is especially on certain segments is growing at a fairly rapid pace. So in all, a very complimentary set of product portfolio that adds to the already strong snacking portfolio that is there in the Agro Tech brands to further build into a larger, wholesome packaged food business. So with that, I'll hand it back to Nitish, who can discuss the overall brands.

**Nitish Bajaj:**

So with this, what Manish just explained is about the Del Monte acquisition, now where we had two brands, ACT II and Sundrop and the Sundrop brands earlier, now we have another licensed brand Del Monte under the same platform. This is what we were saying when we said we want to build a new corporate identity which can build a stable of well-known food brands. So this is how a powerhouse of own brand like Sundrop and perpetually licensed brand like Act II and Del Monte with very strong recall and global affiliation.

Now, these three brands at the moment will help us address the nine mega trends that we intend to write. First, as we said, need for convenience, which is also communicated in our mission that we will develop convenient food solutions. ACT II and Del Monte serve that need well. Similarly, the second need that we think is very, very important and emerging is better for you and shift towards more natural, less processed kind of food or free from. Again, Sundrop, which has got a very strong health equity and ACTII, which has got a very strong single grain equity, can write this better.

Globalized taste, consumer seeking taste from different things, just like the Italian, over the years, Chinese food has become very popular with India. I think the Italian is the next one and Mexican probably will be the ones. These are globalized tastes which are coming in and we are well in with Del Monte acquisition to leverage that.

Shift towards organized. This is one which is a very, very important trend. The trust that the consumers are now looking by shifting towards organized from unorganized players is the safety



of food safety, where they believe that the products made are hygienic and who have well control over their quality. This is a very important need and global brands do help us write this.

Fifth, in-home consumption. That is growing. We are working post-COVID. Still, there is some part which increases in people who are out of home. But during COVID, there was a significant shift in the kind of experimentation that people did. And that led to a permit, though a little lower than that period, but it significantly increased the in-home consumption habits of people.

Sixth, premiumization and value added. Yes, product innovation, as we said, is one of the core things that will become innovative and convenient food solutions in this. And therefore, both these brands, Sun Drop and Del Monte, are well set to help and premiumize the product categories that we are in.

Seventh, experiential and eating out. This is where Del Monte significantly has a presence in out of home, in terms of restaurants and QSR and other food outlets. Sustainability concerns are another trend which is that the people want, very mindful of what is the origin of the product, what are the trends and how does it help people with those. And that all the three brands can start with.

Lastly, we see as the country is coming out of more scarcity into more affluence, right, there is a rising need of protein consumption. So, when you have a limited income, you tend to consume more carbs and fat so that you get the energy to work through the day. But as your income levels increase, right, your protein consumption starts increasing. And with Sundrop peanut butter, we are absolutely there to leverage this.

With these three brands tackling the nine mega trends, how does the combination of two companies look? So, we have classified these in two parts. One is on the growth side. So, as Manisha mentioned, that if we look at Agro Tech Foods and Del Monte, we have a very large now, but very complementary portfolio. Number two, drive distribution penetration for Del Monte, which means for Agro Tech, a large part of their business comes out of general trade and for Del Monte, it comes out of food service equally.

And therefore, the ability of Del Monte products to ride the distribution of Agro Tech is, can be leveraged. Third, unlocking new channels for all three brands. Now, this is something where that both or all the three brands can come together, have the best practices and go to the customer and build for modern trade and e-commerce, which are emerging channels. And lastly, access to distributed manufacturing facilities just to ensure that we have the facilities which are underutilized today, can be utilized to distribute products, which is close to the consumer, where we can serve them faster.

Because in food, one of the most important things is to serve the consumer with freshness index. There are a lot of opportunities on the cost saving side, like operational and supply chain, sales and distribution network optimization, scale efficiencies in areas of procurement and advertisement, which we can, if there are some things like, look at it, how can we combine together to buy better is what we will look at and overheads and administrative cost.

But even with these, both these companies in themselves still have a lot of potential to unlock in their own categories that they are in. So, as we said, complementary brand, Sundrop brand plays in popcorn, peanut butter and spreads, ready to eat, RTC, which is ready to cook products, breakfast cereals, chocolates and edible oil and absolutely complementary products, which are like sauces and emulsions, which is very complementary with peanut butter and spreads, pasta, olive oil, fruit drinks and packaged foods and vegetables. The new entity, if you look at, very complementary brands, non-competing and having a huge leverage.

Now, the third point, which we were talking about the combined distribution strength or distribution strength footprint. If you look at this, the Sundrop brand or erstwhile ATFL, 76% of our business comes out of general trade, with 15% from modern trade and 9% from e-commerce, highly skewed towards general trade or rather under penetrated on emerging channels.

Del Monte in itself has about 44% from food service, 12% from e-commerce, 17% modern trade, only 19 from general trade. However, when we combine the two, it is such a balanced approach that we are tackling all the channels with relatively better weightage and de-risking dependence on any channel, with 53% on general trade, 18% on food service, 15% on modern trade, and about 11% on e-commerce and quick commerce.

This is where Manish had mentioned that the Del Monte products can leverage the general trade distribution network and the availability that we have there. The new-age channels, all the three brands can come together and build because we are just at about 11% of them A huge opportunity to build ourselves in new-age channels like e-commerce and quick commerce. And Agro Tech, with absolutely no presence in food service, can build, take the knowledge and leverage Del Monte's food service infrastructure and move the products into them.

So, products are complementary, distribution networks are complementary, and we can just learn from each other on it and build a stronger network. This is what we had explained that the distribution manufacturing setup. So, we have seven plants, if you look at Genfudi, Uttarakhand, Unnao, Assam, Bangladesh, Telangana, Chittoor, and Gujarat, which is Jagadia.

And a complementary set also comes with a plant in Punjab, in Ludhiana, from Del Monte. And we have two oil plants, which are in Hyderabad and Unnao. Now, this is what is helping us to be even closer to the consumer. Even Agro Tech products will become more closer to the consumer, and we can serve, and so can Del Monte products, which we can utilize these facilities. Closer to the consumer always ensures not only freshness, but what it also gives is a low logistics cost. So, that can improve our supply chain costs as we go forward.

And outsourced, we have outsourced processing units for oil, which are third-party units.

**KPN Srinivas:**

Yes, I think many of the inputs have been given. Thanks to everyone, and thanks to give this opportunity to speak on the financials. I think what Ashish, Manish, and Harsha are telling, and Venkatesh is also telling on that one, what is important that having a similar set of the mindset, which is making that, is it really giving the result of the things? Yes, I think it has been showing in the financials like that.

If you see the Sundrop brands, the revenue is INR760 crores, and EBITDA is 34 crores, and EBITDA margin is INR4.5 crores. In the case of the same thing in the Del Monte, which is a INR542 crores, and the EBITDA is INR22 crores, and the EBITDA margin is a 4.1%, which is similar to Sundrop brands, which is a really huge, by combining all those things, which is coming into the same person is a 4.3% of the EBITDA margin, which is making us to, I mean, get double engine growth is going to happen in the future.

We are expecting as, what Ashish is telling that one, okay, where the leverage can be possible, look at both Del Monte towards, and where we don't have any food services, okay, then we can take opportunity of that one. Those things are really helping us to, both on the bottom line and the top line also, will be helping us to grow, either organically and inorganically. Okay, this is about the financials. I think with this, then just I'm handing over to.

**Harsha Raghavan:**

If we can go back to page 24 for a second. Yes, I just had a couple of points here. Del Monte, for the last year, FY24, was at INR542 crores of revenue, versus INR760 of revenue. If you look forward to this half year that has just passed, ending September, or for the half year ending September 2024, it's mentioned on page 16, but I'll just repeat, Del Monte has topped INR300 crores of revenue, with INR15 crores of EBITDA, which is a 5% EBITDA margin. So, their growth rate and their profit ability has improved markedly. Sundrop, for the half year, has broadly cracked on similar revenue level, and the EBITDA margin has actually come down slightly.

My basic point here is to say that through this combination, what we have achieved is, we have doubled the overall company's size, approximately, and more than doubled the profits, and that has been achieved, let's say, in all with just simple addition. Over and above that, as Ashish spoke very eloquently, we will hope to see synergies in the years to come. So, with that, if I can now request us to move to the next page, I'd love to talk, spend a few minutes on the transaction overview, which I think is something important for all of us as aligned shareholders.

What we will be doing at ATFL is to acquire 100% of the shares of Del Monte India, and in lieu of cash, we will be issuing shares of ATFL to the two shareholders of Del Monte Foods, and this will allow us to own 100% of the assets and business, including the brand, of Del Monte India. What this assumes, given the swap ratio, we will be giving 35% of the equity of ATFL to the two shareholders of Del Monte, namely, the Bharti Group, who will own 21% of ATFL, and Del Monte, who will own 14% of ATFL.

So, with that, we will have them as aligned shareholders, along with us, owning 35%, even though we have achieved the doubling, overall doubling of the business level of ATFL. Here, we will form up what is the pre-allotment of shares, and thereby, the acquisition. Cavitec Mauritius, which represents the promoter company owned by Samara and Convergence. Cavitec Mauritius today is 51.8% shareholder, along with all other public shareholders being 48.2%. Post this pre-allotment, Cavitec Mauritius will continue to be the sole promoter, and will own 33.5% of ATFL, to be renamed Sundrop. Bharti will become 21% shareholder, as I mentioned, and Del Monte will be a 14% shareholder.

They will be non-promoters. Then, public shareholders will continue to own 31% of the ATFL, and this will form the new shareholder group for the company. With that, just to summarize everything, maybe I can now finish the [inaudible 40:55], or the next one.

**Nitish Bajaj:**

So, we just went through the entire journey, how we are going to be looking to build. I think I am personally very excited for this future-reporting journey of the programs. What we can tell you is, as a platform, we are building some very, very reputable and known brands, which cater to the needs of evolving [food structures -41:21].

So, we have a set of brands, which you see in the portfolio. The company is well-positioned to make sure that we have a very strong, stable portfolio, which can ride on to the ninth consumer megatrend, which Ashish talked about. So, clearly, the need for convenience, need for organized, need for more evolved food choices, all the better health platforms, all of those consumer choices, which are driving the consumption in the future, are sitting in the form of this portfolio.

We also saw that we are today present in fairly high growth and high margin category. So, as a set of brands, which sit under this portfolio, we do have options, which can allow us to accelerate the growth of business and also improve the margins of business going forward. And we, of course, will have choice because we are building a food platform. We will have choices to make sure that we grow it through organically, which means do more innovation, bring more choices, and also keep evaluating options or brands, which fit in well, bring in complementarity and opportunity for us to grow business going forward also.

What we can also promise you is that there is going to be a significant renewed investment focus on the core portfolio. We intrinsically, very strongly believe in the power of brands, which we have in the portfolio, and we will invest on these core portfolios so that we can ride accelerated growth. What you also saw through the presentation is that the two portfolios which are coming through the acquisition of Del Monte portfolio, they are complementary portfolios, not only in terms of consumer choices, which they are offering, also in terms of channels, which they are speaking to.

And last, of course, also bringing a very distributed manufacturing setup. So, leveraging these complementary factors, we can drive both growth and also improve the efficiency of the business, which means that we will be able to grow and accelerate growth and also keep building on profitability of the business. And last, but more importantly, you went through the entire Board Of Directors, the entire management team. The management team has proven credentials, which can help us make sure that with this kind of commitment to the business and the kind of brand and portfolio we have, and the kind of experience the management has of running similar businesses in the past, we will be able to really drive growth profitability and improve the value creation through this business.

So, I'm personally very excited and looking forward to this journey. And with this, I would like to open the floor for any questions you may have.

**Moderator:**

Thank you very much. We will now begin the question and answer session. I now request Gourav Bhamra please accept the prompt on his screen. Mr. Bhamra, please accept the prompt

on your screen. Mr. Gourav Bhama please accept the prompt on your screen to join as a panellist. Since there is no response, I request Shreyansh Bharadia to please accept the prompt on his screen. Mr. Shreyansh Bharadia, please turn on your webcam, unmute yourself and go ahead with your questions, please. Mr. Bharadia please unmute yourself. Please go ahead.

**Shreyansh Bharadia:** Hello sir. I am Shreyansh Bharadia from Perfect Research. I am a research and [inaudible 46:20]. So, my question was like, what will be your main focus after this acquisition like how will you be able to sustain, what will be your sustainable margins after this acquisition?

**Management:** I think maybe I can give an initial answer on behalf of everybody. We believe that in the years to come, this company will be able to increase margins quite significantly. So, the question was sustainable margins. I think it's something that we'll have to address once we have seen an increase in margins in the years to come. Nothing happens quickly.

I think there will be some amount of time taken to make sure that the two organizations and the overall business, I think, is stable, but at the right time, I think you'll see margins going up into double digits and then sustaining there at safely below this.

**Shreyansh Bharadia:** Okay sir. Thank you sir. That's it from my side.

**Moderator:** Thank you. I now request Lokesh Manik to please accept the prompt on his screen. Lokesh, please accept the prompt on your screen to connect as a panelist. Now, Lokesh, I request you to turn on your webcam. Unmute yourself and go ahead with your questions, please.

**Lokesh Manik:** Good evening to the team...

**Moderator:** We can't hear you clearly.

**Lokesh Manik:** Yes. Good evening to the team. My question was on the category of ready-to-eat products itself. Given the development of the Zomatos and the Swiggy that have basically democratized the fast food experience to the consumer and which is lower the cost of, somewhere lower the cost of the portion of the food that is delivered across cuisines to the consumer. How do you see this impacting your category of ready-to-cook and ready-to-eat products when the proposition of convenience and affordability is being provided by them to consumers in the major metro cities? So, how do you see this going forward?

**Management:** Okay, Lokesh, I'll try and answer that question. If you look at the categories of ready-to-cook and ready-to-eat, as you said and the vision that we have set for ourselves. What Swiggy, Zomatos and everybody serve is the QSR food, hot and fresh at home and on a smaller palate that they can, but if we look at the categories that we are in, for example, the ready-to-cook that Agro Tech operates in, which is like hot and fresh popcorn at home.

Even if you are delivering in 10 minutes, the popcorn would not remain hot and fresh. It may remain fresh, but not hot. So, we believe at least very strongly that in-home consumption of hot and fresh self-made is far better experience than Swiggy and Zomato are a convenience and they complement these things, they do not replace it. If I want to order a chana masala, maybe I will use that. So, that is one part on ready-to-cook.

So, when we build a portfolio, we look at the products which are hot and fresh, ready-to-cook at home, but very difficult to be cooked outside and served, that is on ready-to-cook portfolio. Coming to ready-to-eat. Ready-to-eat has both vectors in it which is part of ready-to-eat is also consumed in-home, but largely out of home. Now, ready-to-eat is growing very fast because it is, people are spending more time out of home and the convenience of not spending time to cook. So, that is how.

In fact, for us, the ready-to-cook portfolio is the fastest growing in our all the six categories that we play in. So, I do not see Swiggy, Zomato being impacting us because the kind of portfolio that we will create is not something which is a QSR or anybody can serve at home.

**Lokesh Manik:** Understood. That is it from my side. I will come back in the queue. Thank you.

**Moderator:** Thank you. I now request Shirish Pardeshi to please accept the prompt on his screen. Shirish please turn on your webcam, unmute yourself and go ahead with your questions, please. Shirish, kindly unmute yourself.

**Shirish Pardeshi:** Am I audible now?

**Moderator:** Yes, please go ahead.

**Shirish Pardeshi:** Yes. Hi, Harsha, Manish, congratulations for this acquisition. Let us just congratulations again, joining the team. Maybe KPN and Ashish would know me before. Starting with, so this acquisition looks very exciting and then we are doing the rebranding. Typical question is that this synergies what you have highlighted and Harsha you did allude saying that INR300 crores revenue you have done in the first half with a great set of margin.

But having seen the sector and the pains over recent times, 50% business is coming from the new age channel. Could you spell out what kind of gross margin, EBITDA margin you guys are enjoying and how do you want to build up that profile?

**Management:** Well, I think we have already addressed that in great, in some detail. And my own submission to you is that as we go forward, I think it is a long-term game. It is about building a long-term robust business. It is not about managing to one quarter to the next. And so, I think you will have to patiently wait to see where we end up with to get to that sustainable level as per the earlier question.

**Management:** And coming to your question on combining the two entities. So, firstly, we believe that standalone, each entity can better their margins by taking multiple steps that we are planning and you need to just compare companies in similar business at what margins they operate versus our current margin. So, we see big opportunities on their own, on their standalone basis to come to more industry standard margins.

But on top of that, if you overlay the common or complementary skill set that the two businesses bring, that is an option value to build on those synergies. We certainly believe that there is a lot of those complementarities that can lead to margin accretion, but we will see over a period of

time, but irrespective of that we believe that standalone itself, the two businesses can improve the margins and come to more industry standards or normalized margins.

**Shirish Pardeshi:** Manish, just one follow-up. Manish, I understand what you said is helpful. Since we have been tracking Agro Tech food, we are well versed on what the margin profile is. I am more curious on the Del Monte profile, what is the channel margin or food services is the largest business there. So, any margin profile you would like to share at this time?

**Management:** So, it is a 50-50 margin in Del Monte between food service, roughly food service and the consumer business. I mean, it is very difficult to exactly at the EBITDA level, differentiate the two margins, but if you do an overall sort of sensible allocation of common cause, what we end up seeing is that the two businesses are equally attractive from a margin perspective.

It is not that the B2C business is more attractive than B2B. You will see that, I mean, for instance, the B2B business does not require any advertising spend, for instance. So, if you were to do a proper activity-based cost allocation, you will see that both the B2B and B2C businesses are equally attractive.

**Shirish Pardeshi:** Okay. That is really helpful. My second question on the capital efficiency, since we have been tracking Conagra Agro Tech food for many years, there is a creditable business which is built on the in-house capacities and funding. Now, obviously, when the business is coming together, the simple question is that how are you going to find the growth? How is the external capital is going to be brought in?

**Management:** Yes. If I may like I think and Ashish and Harsha can add on. So, I mean, the thing is that we believe that there is a lot that can be done to further accelerate the growth in terms of just tapping the existing channels or channels where we are not prominent as of now. If you were to build on those as a combined entity, that could immediately gear up the growth. Then we briefly talked about using each other's distribution network that can be really value-creative for, say, Del Monte, which can be in the GT side of the business.

And then on top of that, the growth will come because we will divert the savings that we will get from the margin accretion process that we talked about into building our brand and the portfolio around it. So, some of the growth will come out of the money that will come out of from those margin increase initiatives that we're taking. And that will drive the growth as well.

**Shirish Pardeshi:** Okay. My last question to Ashish. This combined entity obviously will have a lot of synergies in terms of distribution and capability building. I'm curious how the core business looks like. Obviously, the core business will also have the fundamental rights to win in the new edge channel, but how do you look at, I'm not saying guidance, but in terms of if you can say that how this business over the next 2 years, 3 years will look like because when we look at in the past, Sachin, always you had given the guidance that it should grow at least 15% odd because we have a right to win. And we are specifically targeting to the new age customers. So, how in your lens you're trying to think this business over the next 2 years to 3 years?

**Management:** Shirish. Thank you. I think what I will take part of what Sachin said earlier also that we do look at that can we grow at 15% and everything. But one part that we will change going forward is

our focus on our existing big categories. I personally feel that in the Agro Tech's journey, we got into newer categories much faster than we had the capability to build all of them.

In this entire journey of Sundrop Brands when you look at first and foremost, also to say by naming the company Sundrop Brands, we are reaffirming our commitment to the brand Sundrop. How exactly that will pan out, can't say today, but that is something that we will look at and we will focus on. RTC and RTE prime two categories. Sometimes I feel I should have put in the public domain the Q1, Q2 numbers, but due to some reasons I didn't.

But just to bring you on board, both these biggest businesses of ours have been growing very well in Q1 and Q2. The other businesses which have taken a [inaudible 59:09] is also what we are reconsidering, which Manish said somewhere that we will look at the category potential, our right to win, our readiness and then to invest. So some of them we may just put in a maintenance mode for some time and then come back, but we will make sure that the categories that we are leaders in, we own them end to end. So that's the kind of new work that we will begin and accelerate our categories.

**Shirish Pardeshi:** Thank you, Ashish.

**Management:** Just to one more last point, this thing with Del Monte, we have a peanut butter factory. They have a QSR business. They do have a channel which supplies a small pack of mayo, etc to these QSR. It would be - it's just a matter of time that how do we put a small pack of peanut butter to go to all these places. So even in this, a portfolio development will have to take some time, but the time that I will take to build demand for it can be squeezed if we leverage it better.

**Shirish Pardeshi:** Okay, thank you and all the best to you.

**Moderator:** Thank you. I now request Dhwanil Desai to please accept the prompt on his screen. Dhwanil, please turn on your webcam, unmute yourself and go ahead with your questions, please.

**Dhwanil Desai:** Hello, am I audible?

**Moderator:** Yes, Dhwanil Desai. Please go ahead.

**Dhwanil Desai:** Hi, good evening, guys. So, my first question is - so we've been tracking Agro Tech for a while. Now, the first question is that Agro Tech at a portfolio level for food business has 40% plus gross margin that is how we have been conveyed. Now, and Del Monte also as you gave in your presentation is 32%, 33% gross margin business. Now, given this the question is that where does the Sundrop oil portfolio stand?

Because the margin profile is very different. Probably the return expectations and the way you want to place it is also very different. So, do we - what do we want to do with our oil part of the business going forward?

**Management:** I'll add partly to this. At least on the side of the Agro Tech business. So, first, we have always said that the gross margins are in the - gross contributions are in the range of 45% or not, but very important point which Manish made, which we need to look at, there are certain businesses



where the gross contributions may be lesser, but so are your other operating costs. Our edible oil business is extremely profitable. There's no doubt about it.

However, in food FMCG business, losing consumers for near-term profitability is not the right way. Maybe that is what we did not do right in our thing of losing consumers of Sundrop edible oil. If it's a profitable business, it needs. Now, it will be a new challenge. This, I don't think it will be easy to do, but if you look at, as I said earlier we have committed ourselves to giving and leveraging Sundrop as a brand overall. So, we will not leave anything unturned to make it. How fast we can do it is a question, but is our intent this? It is there.

Just to give you a small perspective if I take first half of this year, which is April 24 to September 24, in the last maybe 9 or 10.5 half years if you take is the first time that Sundrop Oil has a volume growth and in fact that is one decision that we said. We said, look, when you are on a slide you first need to slow down the slide, then stabilize and then move on. So, we will continue to that.

Our food's gross contributions will be in excess of 45%, as we have said. Our oil's gross contribution may be lower, but at a gross margin level will be equally accretive with the food's business and we will focus on it to drive overall company's profitability.

**Dhwanil Desai:**

Got it. So, Ashish, just to follow up on that. So, earlier, what we were doing is on an index of 100, maybe we wanted to stay in range of 95 to 105 and maintain a decent gross contribution or gross margin. Now, what we are saying is that we would probably tweak that strategy and then probably want to again gain back our volume growth and then see how it goes?

**Management:**

Dhwanil one important part. See, with this strategy over the years the gross margin of oil business has come down because there is no volume to make gross margin. So, right now, in the near term we will take that approach of 95 to 105, but we will see if steadily we can start building the volumes. If we can, we will at a point in time take an approach with a near term, how much drop do we take so that we build a good volume for the future.

**Dhwanil Desai:**

Got it.

**Management:**

So, in the near term, you are right we will try and still hold between 95 to 105, not talking about the 15th September duty impact, but in general, that is how we will keep it.

**Dhwanil Desai:**

Second question is so again on a unit economics on Agro Tech foods with food business at 45% kind of a gross contribution and 7%, 8% I think is the ad spend that we do on the food business numbers. And we have been kind of constantly communicating that we have been running a very lean ship. So, with all this put together, we still were in the best case doing 7%, 8% EBITDA margin. So, what is the pathway from where we are today to go to double digit margins? What are the levers?

Because if we are running a lean ship, if we are on the higher end of the gross contribution, ad spend, probably it will go up not come down. So, where are the levers where you will say that from here, we'll go to 9%, 10%, 11% kind of a EBITDA margin?

**Management:** Okay, as we have always said earlier and even Manish mentioned that Agro Tech plants, we have a highly underutilized in the capacities. We believe with a good pricing to consumer, right cash rings, right price points with a mediocre A&P of 7% to 8%, we can consistently build good business. Today, we see a lower margin is because of the fact that we have a lot of underutilized. There is a benefit of capacity or the leverage of capacity utilization, but along with that, you also get a leverage of scale in buying and other things.

So, we believe that with the scaling of volume across our categories it is the time that we will build those better margins. I don't think at this point in time, we need significantly higher A&P in percentages term, but yes with the increasing business that will happen. But as we utilize them and add on the capacity utilization of our factories, our products, our buying we will become more efficient.

The second part, as we have said earlier also, that with the increase in volume, we will also see how to restrike, take some efficiency measures on our factories or manufacturing costs, but all of them need scale as of now. So, first and foremost will be to get scale or keep getting acquiring new consumers and that probably will build up margins for us.

**Dhwanil Desai:** I have one more question. Should I come back in queue or shall I ask?

**Management:** Maybe in the queue, because we said two questions per person it will be unfair to others.

**Dhwanil Desai:** No worries.

**Management:** And in case we just can't, you can always write to us also.

**Dhwanil Desai:** I'll do that. Thank you.

**Management:** More than happy to answer.

**Moderator:** Thank you. I now request Manoj Dua to please accept the prompt on his screen. Please turn on your webcam, unmute yourself and go ahead with your questions, please.

**Manoj Dua:** Hi, my question has been partially answered. What gross margin? My question is like gross margin determine the quality of the product, the recall, the how the difference is within the commodity. So, for Agro Tech product and Del Monte what gross margin product you will be happy with this is the quality of the product we want to be. This is only one question.

And second, if I have, same like the last participant on what EBITDA margin you are targeting? Okay you have told how we will get it. What is your next target for that? That's it.

**Management:** Yes, so let me just try to give a point of view. I think first is from a food industry. See, we operate in a very competitive environment and we need to make sure that our pricing, our quality offering is benchmarked to the industry standards. And generally what we see in food businesses, gross margins are in the range of 40% to 50% in that scale. So, generally, that's the direction we would really want for our portfolio to be also protected and preserved in most of the entries which we are doing or what we are sustaining also going forward.

Second, of course, also, as Ashish pointed out, in some businesses because your scale is much larger, you are okay with the lower gross margins also because at net EBITDA level it comes to be a similar game. And Harsha has already mentioned that over the period of time, as we build our businesses, we would want to keep improving our EBITDA profitability - EBITDA numbers going forward.

So, the answer point for you will be, in case of most businesses look at 40% to 50% kind of gross margins. In businesses which are of very high scale, it could be also okay to operate at lower gross margins like staples business. And on EBITDA we have already given the direction to you on, but of course it is going to be a journey, we have to see how we build that journey going forward.

**Manoj Dua:**

So, my second question is if we see combined because we have staples also, we have a good quality of food business also, is there any direction to focus only on the products which have higher gross margin? Because if we have too many products, which have a different gross margin, as an investor it will be, I understand there are the terms of economics matter, maybe higher in oil because due to quality of number of assets is required is less. But what is your direction?

Can you - are you thinking in that line? Okay, let us grow this kind of business, the lower gross margin business will - if you do not shut it down also, it will become a smaller part of it or no we are taking up the return on capital employed as a most tragedy?

**Management:**

So, see again, I think overall, our mission is to build scale. At the stage of business we are right now today, we would want to really build scale. And hence, we know that there are three brands which are very, very strong and powerful in our portfolio. There is ACT II, there is Sundrop, and there is Del Monte.

Now, Del Monte today, let us say is a more e-commerce and put modern trade e-commerce and food services kind of business, because of which gross margins could be operating at a 30% to 32% kind of level, which you saw in the presentation, but as you expand that business into general store, into general trade, you would see expansions of margin there. So, eventually, it is the way we unfold the portfolio is how we will unlock the margin improvement in the business.

So, Del Monte can benefit by expanding in the general trade channel. While if you look at the rest of the businesses, let's say from ACT II and from Sundrop point of view. Sundrop is an accelerated growth can improve our EBITDA margins because of scale benefits. Similarly, it will also, if you look at ACT II as a business for portfolio and even Peanut Butter, there we can get into more expansion into modern trade channels, into e-commerce, quick commerce, and that will drive growth. Overall ambition is to drive growth and improve margins through that.

**Manoj Dua:**

Thank you and best of luck. Thank you.

**Moderator:**

Ladies and gentlemen, we will take some text questions now. Few are already answered. We shall take few others which are not answered. We have a text question from Rohan Kalle from Incred Institutional Equities. Congratulations on the new team and acquisition. Just wanted to understand.

First, the strategy we will employ to gain back lost market share under Sundrop Edible Oils. Will we be competitive in terms of pricing? Also, what would we plan to do with Crystal Brand? And second question is on the contract manufacturing side, which categories will we be focusing on?

**Management:**

Yes, I will take this. So I think this has been a question which has been asked many a times. See, in the edible oil business, our past approach was to keep the margins intact between pricing and volume. Now, as we move towards the journey to start acquiring new consumers again, we will take very measured steps. Means we are not going to become a popular brand from tomorrow. That is for sure.

But will we reduce our price premium in certain sections and see what is the price elasticity and price sensitivity for acquiring new consumers given the brand equity of Sundrop. So, those kind of activities and initiatives we will plough in. We will do that. Now, even when we build scale of Sundrop Oils, we would not go down the popular brand category. That is for sure. It will be a brand which will command price premium versus the competition. The question is how much?

Today, we are at an extremely high price premium. Would we want to narrow that and make ourselves more value driven for the growth which means for the price that we charge for the benefits that we give is in favor of the consumer. And thereby maximizing volumes and then volumes multiplied by that margin maximizing the total gross margin. As far as the commitment to brand Sundrop is concerned, we have already stated that by putting that we are going to name our company Sundrop Brands.

The Sundrop will be the focus. I don't think we cannot have focus on Sundrop. And as far as Crystal is concerned, that is a commodity brand which we have franchised and we do get a royalty on it and we intend to continue it like that.

**Moderator:**

Thank you. We will take the next text question from Yogesh Mittal an Individual Investor. Dear sir, wanted to clarify the turnover of Agro Tech. On Slide 6 of investor presentation, the turnover mentioned does not tie up with sales in Annual Report of past years. Could you please help me understand?

**Management:**

These are already mentioned in the annual report in Slide Number 6? Yes. These are only food sales. It is not a total sales. In the Annual Report also, I am mentioning that food sales and staple sales. In the food sales there we have mentioned that crores, but it is in millions. The amounts are matching. I think it can be referred that Annual Report only referring only the food business. In the directive report, it is mentioned there.

**Moderator:**

Thank you. Next text question is from Gourav Bhama from JM Financial. Hi, sir. Wanted to understand the potential of distribution synergies as mentioned in the presentation. Specifically, the potential of current ATF portfolio in the food service channel of DMFPL?

**Management:**

I will just quickly take this. So essentially, what is very important as you know in this business is that the channel economics are preserved and improved. So what our distributors make has to be equally important for the firm because they are our channel partners and they essentially move our products. So the biggest opportunity we see is for our distributor channels to now own

or sell more products than what they were doing previously and hence improve their own unit economics, which will lead to further distribution expansion.

That is we think is the biggest synergy in terms of making our distributors more remunerative and hence expanding our distribution network by having more products go through the same channels and you will see the effect. I mean, the benefit of it is retrospective. It will come over a period of time, but once you see your channel partners making more money, they will themselves come and help our business grow.

**Moderator:** Thank you. We have a question from Manan Patel from Spark. Are there any other acquisitions that the company is looking for in near future?

**Management:** So, we keep evaluating acquisitions. There is nothing that is very specific or very advanced at this point of time. I think we have our hands full in the near term. So, we do not rule out anything, but as of now there is nothing absolutely clear and present.

**Moderator:** Thank you. Just a moment, sir. We have a question from Dhwanil Desai. Mr. Desai, please accept the prompt on your screen. Dhwanil, please turn on your webcam, unmute yourself and go ahead, please.

**Dhwanil Desai:** Hi. I think my question was covered, but just to elaborate on that, I think just wanted to reconfirm that since we have a very large business with Del Monte acquisition now, almost INR1000 crores kind of a business where there are lot of margin levers to be pulled, growth needs to be brought back in some of the category needs to be reorganized or pruned. So, given that, would you prioritize that over kind of getting into more inorganic opportunities?

How do you guys look at it or you want to first get it to a scale and then bring focus on putting everything in shape? So, that was a broader question that I had?

**Management:** Maybe I can take off on that. Thank you for the question, Dhwanil. Obviously, at any point in this company or in any company's journey, one needs to evaluate what opportunities are front and present and most tangible and actionable to create value on any given day. So, you have correctly pointed out that there are many levels already within our at our disposal, just by virtue of everything that's been announced and discussed today.

That alone is going to keep us pretty busy for some time to come. Does that mean we will be blinker and not evaluate any other inorganic opportunities? The answer is no. Does that mean that we're going to strongly prioritize inorganic when we've got so many levels to play with? Obviously, we're going to focus on what's actionable. So, that is not in no way is this trying to evade your answer. It's trying to be as practical as possible. I hope that clear.

**Dhwanil Desai:** Got it, Harsha. Thanks. That's it from my side. All the best.

**Moderator:** Thank you. There's a text question from Ajay Thakur. I'm sorry, the question is from Sarvesh from Maximal. There are two questions. What are the low-hanging fruits, in a sense, those where we can readily act upon to increase the EBITDA margins of the overall entity, say in the next two to three quarters? And if you can answer this in terms of BPS of EBITDA, can we improve?

Given that there is a lot of work to do, will we first see the margins to dip and then recover given the new costs that has to come in terms of new employees, etc or will it be a steady improvement from here on? How do you see the new costs?

**Management:**

Yes I'd like to jump in on this because some of the things I just commented in my response to 20 minutes, 30 minutes ago, I think, covered many of these points already. And so, clearly that there's work to be done in the coming quarters. I think this is quite eloquently, and so that is a strong focus for us. Now, one operative philosophy that I think we all work under and this is something I mentioned in the introduction of convergence, but if we look to build a business over the long term.

And in the interest of building business of the long term, we are not terribly concerned around quarterly performances or monthly performances. And so as we work together as the group that's on the screen with you, I think we will look to make sure the integrated business is at the right spot for the long term.

**Moderator:**

Thank you. We'll take a live question from Shreyansh Bharadia. Shreyansh, can you please accept the prompt on your screen? Please turn on your webcam, unmute yourself and go ahead with your questions, please.

**Shreyansh Bharadia:**

Ma'am, all questions are being answered. Thank you.

**Moderator:**

Okay, thank you. I now hand the conference over to management for closing comments. Over to you, sir.

**Management:**

So, thank you, everyone. Thank you for being there and listening to us and thank you for very insightful questions on business. As we talked about, we are really excited about the journey of building the Sundrop brands business going forward. And if you have any questions still left to ask, of course, you can reach out to the investors email address which is available to all of you. And we'll be happy to stay engaged and be able to answer your questions. So, thank you and wish you all the best. Thank you so much.

**Moderator:**

Thank you very much, sir. Thank you, members of management. Ladies and gentlemen, on behalf of Agro Tech Foods Limited, this concludes this investor meet. Thank you for joining us, and you may now exit the meeting.