

Date: 12th November, 2024

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

Sub.: Transcript of the earnings discussion/conference call dated 5th November, 2024 to discuss the unaudited financial results for the quarter and half year ended September 30, 2024

In compliance with regulation 30 read with Schedule III to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosing herewith the transcript of the conference call held on 5th November, 2024 to discuss the unaudited financial results of the Company for the quarter and half year ended 30th September, 2024.

You are requested to take note of the same.

Thanking you,

Yours faithfully,

For **FOODS AND INNS LIMITED**

Ameya Masurkar
Company Secretary & Compliance Officer

Foods & Inns Ltd.

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Foods & Inns

“Foods & Inns Limited

Q2 FY '25 Earnings Conference Call”

November 05, 2024



Foods & Inns



MANAGEMENT: MR. MILAN DALAL – MANAGING DIRECTOR – FOODS & INNS LIMITED
MR. MOLOY SAHA – CHIEF EXECUTIVE OFFICER – FOODS & INNS LIMITED
MR. ANAND KRISHNAN – CHIEF FINANCIAL OFFICER – FOODS & INNS LIMITED

Moderator:

Ladies and gentlemen, good day and welcome to Foods & Inns Limited Q2 FY '25 Earnings Conference Call. This conference call may contain forward looking statements about the company which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risk and uncertainties that are difficult to predict.

As a reminder, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Milan Dalal, the MD, Anand Krishnan, the CFO and Mooly Saha, the CEO of Foods and Inns. Thank you and over to you, sir.

Milan Dalal:

Hi, good evening, dear analysts, co-shareholders and prospective shareholders. This is Milan Dalal, a Promoter and MD of Foods & Inns, welcoming you all to this call. At the outset, seasonal greetings, Happy Diwali and a super Samvat Year 2081.

I would not waste too much time in giving any other introductory statements and we could go and I would hand it over to my colleague, Anand, who could take you through the quarter's performance. Having said that, since the time we had our Board Meeting and this call was kind of organized, we have some good news that into the Mumbai retail market, I correct myself, not only Mumbai, Mumbai, Goa and soon some other states. We have had a tie-up of our B2C products of our company, tying up with Punjab's in Paneer and it would be a two-way kind of a tie-up and we should soon see all of our products onto their shelves.

Anyway, may I just ask Anand to take over from here?

Anand Krishnan:

Good afternoon, ladies and gentlemen. Wishing you all a very happy Diwali and a prosperous year ahead. This is Anand, the CFO at Foods & Inns Limited. Thank you for joining us and I extend a very warm welcome to all the participants of our Q2 FY '25 Investor Conference Call. Q2 FY '25 continued to witness slow call-offs by our customers, which led to the lower sales booking in Q2 of FY '25. However, we expect to reverse the situation before March of 2025 as the customers remain committed to their orders.

The latter part of Q2 FY '25 saw an improvement in container availability in the export markets. Lower production of tomato and guava products in FY '24 also contributed to lower sales in Q2 of FY '25. With a good monsoon, we expect the other crops like tomato, guava, papaya and vegetables to have higher production in FY '25.

We have more than doubled our tomato processing capacity as we also mentioned about this in the previous conference call and that capacity is going on stream this month. Our new pastry line is doing very well and enthused by the market and the response -We are planning to expand the pastry line further by adding two more lines in the immediate future.

We continue to witness growth in frozen vegetables and snacks category in the export markets with the expansion of product categories and geographies. The spray drying expanded capacity

is now running close to full capacity from the month of October, 2024 and we foresee full capacity utilization for the extended capacity in the remaining part of the year. Tetra Recart product development along with product testing with brands as per their requirement is going on, which should help us garner traction in Tetra Recart in the coming years.

We have partnered with Punjab and Sind across their retail outlets for distribution of our Green Top brand products. As I come to the end of my opening remark, I would like to thank each and every one of you for your support and your invaluable presence on this call. Now I request the moderator to open the forum for any questions or suggestions that you all may have. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Mulesh Savla from Shah & Savla. Please go ahead.

Mulesh Savla: Thanks for taking my question and season's greetings to all. My first question is, can you please share the quantitative details for the quantity booked for financial year '24 and quantity booked for financial year '25? Because I see there is substantial reduction in the tonnage of sales. So, is it because of lower booking or it is only because of other issues?

Anand Krishnan: Hi, Savla Ji. So, our sales booking always depends on the call-offs that actually happen. Having said that, the order book is something that we generally don't disclose as, I mean, in any of the conference calls per se. So it will be very difficult for us to give you the exact amount of order book that we have on hand.

Mulesh Savla: So, basically, at least can you tell us whether the reduction in the sales tonnage is due to lower booking of the quantity or it is a mixture of various reasons?

Moloy Saha: This is Moloy Shah. Being a seasonal industry and major contribution coming from mangoes - Our order is booking once in a year for period of next 15 to 17 months. So there is no reduction in order booking. However, it is slightly up. However, due to the demand/supply situation in Indian beverage industry as well as across the globe, due to some freight issue, non-availability of the vessels, there is some delay in the shipment, which is a major cause for -- I mean, one of the major cause for the slightly lower sales relation. Otherwise, order position is almost similar like last year or better than last year.

Mulesh Savla: Sir, even the local sale also has come down a bit. So, for transportation problem, probably international freight and all those things I can understand for export. But for local also, I fail to understand. We have lot of tailwind and lot of positive things. And still somehow we are not able to capitalize on all those positive factors.

Moloy Saha: There is a cost of repetition that all these domestic order book positions, which are there for last so many years, there has not been a single order cancellation. However, the call-offs do happen. So, for the domestic, the specific reason being extended rainfall in some of the geographies, whereby specifically for Indians -The consumption of a juice is aspirational and it is climate related. So, basically, the end produce does not go well around that time when there is heavy monsoon. There is a little low pickup. Having said that, not that we have any authentic data, but we have been told very well that we are going to have a very severe summer. And the juice manufacturers would be ready to catch up and be ready for the season.

Anand Krishnan: Savla Ji, one more thing to add to your primary question question that he had actually asked. So, basically, our production is always linked to our order book per se. So an indication of our production that we had actually given at the beginning of the season is what you should take as the order book. Last year, we had produced 40% more than the previous year. And we are still supplying crop year 2023 inventory as we speak.

Moderator: The next question is from the line of Arnav Sakhuja from Ambit Capital. Please go ahead.

Arnav Sakhuja: I just wanted a slight clarification on the basic model. So, basically, in your presentation, you mentioned that your clients have reiterated their commitments to the booked quantity. But do the clients, are they bound to buy the entire quantity of mangoes that is on the order book? Or is it just that in the past, it's been like this?

Anand Krishnan: So, Arnav, just to reiterate on the business model, we procure during the mango season the amount of pulp which is ordered by these large clients. So, most of the quantities that we procure is based only on the orders that we receive. The pricing is fixed towards the end of the season.

So, whatever they book, generally, there is a 99.99% chance that they would always honor the commitment. There is a 0.01% chance that they would renege. But 0.01% is also based on some costs that they would actually have to entail to cancel the order. So, that's how our business model is.

Moloy Saha: This is Moloy. I just would like to add one more point. As Mr. Milan and Anand also just spoke that there is a delay in shipment and -- sorry, delay in dispatch in local market. So we are holding the product for customers of 2023 produced product.

Since there is a delay, one of the major brands who consume huge products from us, they have agreed to give an additional inventory carrying cost. So that type of commitment from these brands are there. There may be a delay, but hardly any chances of cancellation of the order.

Moderator: The next question is from the line of Koustubh Shaha from Wallfort PMS. Please go ahead.

Koustubh Shaha: I just had one question regarding the top line. Now, for the H1, we are round about INR400 crores of top line. And last year, we are at INR1,000-odd crores. I know that you refrain from giving any guidance, but how should we expect the balance half of the year to turn out in terms of the top line, given that we have seen some improvement in the EBITDA margins. So for modeling, what should we expect for the balance half of the year?

Moloy Saha: We are expecting as per the customer's shipment plan or dispatch plan, it will be a flat for a couple of months more. And after that, we are expecting a good movement of the stock in domestic market specifically. It is difficult to give the exact figure, but we are quite hopeful whatever target we have, we will be able to reach in that range.

Kaustubh Shah: So, should we expect a 21% improvement on the top line from the previous year?

Anand Krishnan: So, by Q4, you can actually expect a growth as compared to what we did in Q4 of last year. Q3 might again not be that great is what our indications are. Q4 will be like a power play at the end is what we are expecting.

Kaustubh Shah: Okay. Understood. That's it for my side. Thank you.

Moderator: Thank you. The next follow-up question is from the line of Mulesh Savla from Shah & Savla Company. Please go ahead.

Mulesh Savla: Thanks for taking my follow-up question. I'm sorry, my line got disconnected. So, I was on the tonnage sales and I'm sure you must have answered that question, but I didn't hear it. So, if you can repeat that. Why is there a lower sale even in the local market also?

Anand Krishnan: Savla Ji, the sales actually for us as per our business model depends upon the call-offs that happen. The brands that actually ask us to produce have fixed committed quantities that they ask us to produce. So, I mean, I answered your question when you were not there saying that our production quantities that we have actually indicated to you in the last season and this season is very close to the order book that we have. That's a clue for you to actually see as to where our order book is.

So, having said that, the brands never renege on their contract. And based on that, the call-offs can actually happen any time during the 15 months to 17 months window. So, we are expecting Q4 to be a better quarter for us this year, which will help us mitigate all these slow call-offs which are actually happening. And we, as of today, are still carrying crop year 2023's is inventory.

Mulesh Savla: Okay. So, again, continuing on the previous question. So, are we likely to close FY25 better than 24 or will we be at par with 24? Because why I'm asking this question again is because probably for PLI benefits also, I think we should have some incremental sales so as to get the incentive. So, are we matching those targets or not?

Anand Krishnan: So, two parts to this answer. Basically, our hope is that we are actually going to be ending this year on a higher note than what we did last year. So, that's number one. And tomato production is just about to begin in this particular season where we have also doubled our capacities. Not to say that the entire sales will actually happen in this year.

With respect to mango, the 2024 crop year mango is basically a higher raw material price inventory. So, that should also help in sales. But in terms of tonnage also, we are trying to expect to do somewhere close to what we did last year or maybe slightly better. That's first part of the question.

Second, with respect to PLI, we have already taken care of four years of growth. So, you would have actually seen that our base year when we actually applied for PLI was INR350 crores of sales. So, for the first four years or first five years, we have already taken care of the PLI incentives since we have already reached INR1,000 odd crores. So, we need to take care of our growth of sales only for the last two years or last one year is what my memory says.

Mulesh Savla: So, are we likely to receive some amount in the current financial year and what can that amount be?

Anand Krishnan: So, the amount, FY' 24 claims is around INR27 odd crores. And we are expected to file the claim either by November end or December end. And the previous history says that the incentives are generally received before March. The first year we received it in June, but then the second year we actually received it in March. So, we are expecting that we would receive it latest by March of 2025.

Mulesh Savla: Great. So, that should be good for the company. And can you also throw a little light on your JV for Pectin Project.? I believe we were also talking of cocoa, equivalent butter and something like that from the waste that is generated from pulping. Have we started generating any revenue from that JV project?

Moloy Saha: Good news, is that JV project commercial run has already started. First round of production already we did. Though our team believes that we need to have further tuning on the production process to get the best result and cost-effective product which is on. So, we are expecting the revenue generation should be from Q4, that is from January onwards, because these are all B2B sales. Hence, we need to send the sample, then customer audit. We are pushing at our end and we hope that from Q4 onwards we can have the revenue generation. That is on the Pectin Project.

Second question is your cocoa, butter and all these things. Yes, this is very much on. This year we have done some trial sampling process. Team is working on this and I think today may not be the right time to disclose all these details. But very soon we will come back on the progress on the butter.

Mulesh Savla: Yes, because cocoa prices have gone up and there is a tremendous demand for this particular product.

Moloy Saha: Yes, our whole company philosophy is on the sustainability. I mean, if you have to have a sustainable business model, waste is a major concern and we need to focus more on how to reuse the waste for the better in the process as well as create wealth. So, entire organization is focusing on that. Not only from this waste of the mangoes, from the other fruits and vegetables, as well we are working on some technology on how we can reuse our water. That is something that is very important in today's scenario. So, I think we are in the right track on the sustainable business model.

Mulesh Savla: Great, great. So, just to conclude on my question part, can you guide us which segment is likely to give growth to the company in the coming years? Like whether it will be mango pulp or tomato puree or it is frozen food or spices. Which segment do you think will lead the growth for the company?

Moloy Saha: Very interesting question, which is also our main focus. As a company from last four years, we are more focusing on beyond mango in the sense that what we can do other than mango. Without compromising any growth in the mango.

Mango, we believe that there is a natural or normal growth potential is there. But sometimes there is ups and downs on the crop or on the temperature or the humidity nature. However, non-mango, our focus is now mainly on tomato.

We have our new facility in Nashik. We are likely to start in another 10 days' time. So, we are expecting a good growth in the tomato. And obviously, another segment is the frozen segment. Last one year, we see very good potential in this sector, especially in the US and Europe markets. So, we are working on that.

So, major growth potential other than mango may come from the two segments. One is the tomato and other is definitely from the frozen segment. Spice is also in our focus. We have started spice in the retail market in Delhi region and Mumbai region. As you know, penetration is a little slow. But it has its own teething problem, which we are trying to overcome.

And we hope that in the near future, maybe in a couple of years' time, spice will be a substantial contribution in our overall revenue.

Milan Dalal: Okay. Okay. Great, sir. Thank you so much for answering all my questions and wish you all the very best.

Moloy Saha: Thank you very much. Thank you.

Moderator: Thank you. The next question is from the line of Bhargav from Ambit Asset Management. Please go ahead.

Bhargav: Yes, good afternoon, team. And thank you for the opportunity. So, I understand that for you, you are expecting a significant volume increase in terms of trajectory. But in terms of supply chain constraints, have we planned it accordingly? Because I believe this could be a function of both domestic as well as international volumes getting shifted.

Anand Krishnan: So, with respect to the domestic, we are very clear with respect to what the market needs based on what the brands have actually been talking to us. And as we have just communicated on the call, Q4 is where we actually see a lopsided call off expected to happen. And as Mr. Moloy already said, the larger brands have already started paying us for the increased inventory blockage that we are doing at our end. So, that's the good part to it. But then with respect to sales, the sales will actually happen in Q4. With respect to exports, it's a good question.

It's likely lucid, basically, because a lot of our contracts are based on FOB and the shipments can actually happen based on the pricing of the ships or the container availability in the export markets. So, we are trying to tie up as much as possible, but it still remains to be decided based on the container pricing.

Bhargav: Second question is on the tomato business. So, I believe that the Indian tomato crop is not the best in class when we compare it to the Chinese crop. So, any thoughts on contract farming to sort of compete with the Chinese for this business?

- Anand Krishnan:** It is very difficult at this stage to actually tell you that we would be doing contract farming to compete with the Chinese produce which is there. Because in India, the varieties of tomatoes which are actually produced have lower lycopene value and lower GABA value. So, it's going to be very difficult to do that, but having said that, the acceptability of the Indian variety of tomatoes has started increasing by the brands which are present in India.
- And a few of the export clients are also actually accepting the Indian variety. Having said that, we are exploring contract growing of tomatoes for a completely different purpose, not for sauces or any other business, but for lycopene extraction, which is a high-value business for us. So, that's something that we are exploring, but nothing has been signed on that as we speak today. So, we haven't given any disclosures on that as yet.
- Bhargav:** And is it possible to share what has been the revenue from the tomato business so far in the first half?
- Anand Krishnan:** First half, just give me a minute. I'll just look upon my numbers. Because FY24, if you actually remember the commentary, we had actually said that we had produced lower of tomatoes. But I'll just look upon the first half numbers and come back to you on the break-up.
- Bhargav:** On the Tetra Recart side, is it fair to say that we are the only suppliers as of now in India? Or is there anyone else also supplying Tetra Ricart?
- Moloy Saha:** This is the first machine in India, Tetra Recart. So, there is no other supplier.
- Bhargav:** So, even UFlex may not be supplying, right?
- Moloy Saha:** Pardon?
- Management:** UFlex? No, UFlex is not there.
- Bhargav:** Okay, because we were hearing from someone that UFlex has also come up with a Tetra Recart packaging.
- Milan Dalal:** Tetra in anyway is proprietary technology of Tetra company for whatever equivalently may be called. That can be possible. But UFlex cannot come up with anything to do with Tetra. It's proprietary.
- Bhargav:** And we would have the first right of refusal, right?
- Milan Dalal:** For further capacities.
- Anand Krishnan:** Bhargav, just to come back to your question as to how much have we sold in FY25 for tomato, it is INR25-odd crores.
- Milan Dalal:** So far in the first half?
- Anand Krishnan:** Yes. But the volume has been down around 20%-odd as compared to the previous year?

- Bhargav:** Sorry, sir. I could not hear you.
- Anand Krishnan:** I'm saying the volume was down around 20%-odd with respect to tomato sales as compared to the previous year.
- Bhargav:** And sale is INR25 crores and last year sales was INR49 crores, right?
- Anand Krishnan:** That's right.
- Bhargav:** Great, sir. Thank you. And lastly, on this Green Top development with Punjab Sind, is it for a couple of SKUs or the entire range of Green Top?
- Anand Krishnan:** We haven't actually developed – we had developed a few products, but we didn't get great customer feedback with respect to our initial range that we had actually put up. So we are doing that as an R&D and we are developing better products as per customer demand and launching newer SKUs. So it is across SKUs that we would actually be present with them. But as of now, it is the mango pulp and the tomato pulp which is actually present in their stores.
- Moloy Saha:** And also, I need to add, with Punjab Sind, we are in discussion and almost at final stage that our frozen range of products in Green Top brand, that's also very soon to be available in Punjab Sind. Initially, maybe a few A1 type of stores and later on we can expand it. So we are going to have a good tie-up with Punjab Sind.
- Bhargav:** And now, Punjab Sind will brand their own Punjab Sind branding or it will be sold as Green Top?
- Moloy Saha:** It will be Green Top.
- Bhargav:** Thank you very much and all the very best.
- Moloy Saha:** Thank you.
- Moderator:** The next question is from the line of Raman KV from Sequent Investments.
- Raman KV:** Sir, I just wanted to know that in the previous call, you guided that you will do INR100 crores from the tomato processing. Will we be able to achieve that target?
- Anand Krishnan:** In FY25, our capacity is actually going to be on stream this month. But the sales will happen in FY25 and FY26. But the production is definitely going to be much higher than what we did last year. So that's the target that we have.
- Moloy Saha:** You need to understand...
- Anand Krishnan:** How much did we deal from tomato processing? INR49 crores.
- Raman KV:** Okay. So we are expecting higher than that?
- Moloy Saha:** Definitely that and Moloy here, sorry. You need to understand the seasonality of the product. Tomato mainly available winter crop in India. It's available from November to April. Now

production will be kicking during this period. Maybe 20%-25% sales will come in this financial year. But balance will go to the next financial year. Otherwise, our production target is almost double than last year.

Raman KV: Okay. Also with respect to the mango pulping business, there is a decline in the sale volume when it comes to quarter-on-quarter figures. So are we expecting Q4 to be better? Because I know in Q3, mango pulping business will not be as much as active as in Q4, right?

Anand Krishnan: Raman, I think you have already said this more than a couple of times on this call. That we are expecting the Q4 to be lopsided for us this year.

Moderator: The next question is from the line of Rohit Ohri from Progressive Shares.

Rohit Ohri: I think a couple of questions from my side. The first one being on the tomato business, where we were trying to set up somewhere around 7 lines. I think that currently 2 lines are available. So is this plan of 7 lines still intact or is there some alteration in the plans?

Anand Krishnan: Rohit, hi. Happy Diwali first. I think you are slightly confused on the business that we are talking about. Even we were surprised by the question that you asked. So, the 7 lines that you are talking about is the pastry business line that we were actually talking about. Which is the outer covering for samosas, spring rolls etc. That is what we are extremely confident on. But tomato is a completely different business. We are confident on the tomato business but it's only a new line in-house that we have actually set up of late.

Earlier we used to do it outsourced in a plant in Ahmednagar. which is a leased plant for us. We take care of the entire production in that particular plant. But having said that, we have expanded our tomato processing in-house capabilities.

Rohit Ohri: So there are more plans to expand because I believe that there is some free land available at the current plant. So we will be exploring that property for probably looking at tomatoes.

Moloy Saha: Moloy here. We always, I mean our objective is to grab the opportunity wherever is available. If in near future we can see potential, definitely why not. So it is too early to say anything. But yes, if there's opportunity, definitely we are ready to look into it.

Anand Krishnan: Rohit, as far as we are considering now, then the capex is already over. Apart from the pastry line that we have actually guided you for, I don't think there is any further capex that we would be doing apart from the replacement capex and a few here and there small investments that we would be doing.

Rohit Ohri: Anand, when MS is talking about beyond mangoes, there were some opportunities in banana pulping as well because of some issues in Russia and Ecuador. So is it that we have been able to crack through that or is it something that is not there for us?

Moloy Saha: Yes, it is a good point. Yes, there is an issue in Ecuador as you rightly said. We are already getting a lot of enquiries. So we have started our banana processing and sampling has already been submitted. So let us see. There we have defined taste profile as a color profile in India

versus Ecuador, but we see there is an opportunity. We are already doing export, but this year there may be an opportunity we feel which will be good for us. So I think in the next call we may be able to give further update on that.

Anand Krishnan: And Rohit, the tomato processing capacity that we have expanded in Gonde, the capacities that you actually saw during the site visit, is the same facility which can also do banana.

Rohit Ohri: Anand, if you see the cash flow there is an entry of acquisition of some tangible, intangible assets. Can you take us through what exactly is that?

Anand Krishnan: This is something that we have briefed you guys during the previous conference calls as well wherein for conversion of the existing partnership firm of Kusum Spices into company what we had actually done is that we had reduced the capital part of it as introduced from the partners. And subsequently, once the company was formed, we are just reintroducing that as capital. That is it.

So it was just a book entry which was actually done for faster conversion through the MCA. When the capital is lower, the conversion is faster. This is what we were actually guided by our consultants. So there is no outflow of cash.

Rohit Ohri: And when we carry these inventories which was already alluded in the call, which you said that the client will be probably paying for that, that will not put any burden on the interest cost for us because I think in March or something we had peaked out at some 160 million or something of that sort of interest cost. So we should not see the interest cost rising from here from 120 million or something?

Anand Krishnan: So, Rohit, how this actually plays out is that the interest cost element, if you were to see apple-to-apple would be actually higher. But my income comes in as other income or other operating income per se. So it would be netting off itself or maybe a gain for us. That's how you should look at it.

Rohit Ohri: So this other income, the major chunk of that would be what say in addition to the interest for the FDs and the forex fluctuations, what else would be the other entity?

Management: Other entity this year one of the things that the customer has agreed for an extended period inventory carrying cost. So that is included for this.

Anand Krishnan: Yes you can just go on with the next question. I'll just give you the break. You want other income breakup, right?

Rohit Ohri: Yes.

Anand Krishnan: Just give me some time. I'll just come back to you. And with respect to the other operating income that MS was just talking about, it is with respect to the inventory holding costs that the larger brands actually gave us for the extended call-offs that they have requested for.

Rohit Ohri: Okay. So this revenue which we were anticipating from Tetra Recart of I think some INR90 crores, INR100 crores, by when do you expect that to start hitting the P&L?

Anand Krishnan:

Rohit, to be very honest with you, I think we have told this again in the past few conference calls that we have been trying to tie up with a lot of large brands. But, I mean, they have not placed any confirmed orders with us as yet. So our initial strategy was that 75% of the capacity, we'll be using it for the larger brands 25% for in-house brands is what our idea was. The larger brands part of it they are actually in the state of sampling wherein they are storing the products for say 6 months to a year to a couple of years, because the shelf life of the product is a couple of years.

So they want to store that product and then they want to launch is their idea is what we understand from them. So till that process gets over, it might be difficult for us to tell you what is actually happening on that part of it until they sign the dotted line, but with respect to the in-house brand we have already told you that we have launched the Mango Pulp. Punjab Sind and a few other distributors per se, and that's doing pretty well for us.

So we are hoping to build on that. And in fact, we are trying to do a lot of consumer-based schemes wherein we want to go big bang with the Green Top brand is what the internal view is. You will hopefully hear from us pretty soon through newspapers or hoardings or whatever that you see across the places that you live.

Rohit Ohri:

Anand, while you talk about these approvals from the clients, there was some lab testing already done for Pectin because in the remarks earlier, MS mentioned that there is something pending from the client's end for Pectin and there was some approvals that were pending from some players. So what is the mismatch over here? I thought that the lab testing was already done for Pectin.

Moloy Saha:

No, lab testing is one part. Lab testing, when we give the sample to the client, they check in their lab. But if you check in the commercial order, they run a small commercial run at their end before we supply. So they need to carry that before they give the order. Plus as per the norms, they have to do a thorough client audit. So these are the two things under process.

Rohit Ohri:

And approximately how much time does it take to get this on the commercial?

Management:

We mentioned that we are expecting the revenue to start from the Q4.

Anand Krishnan:

Rohit just to come back on the breakup of other income basically interest income earned on our financial assets is there. That's one part of it. The other is basically a few balances which were actually written back because of the non-performance of some of our suppliers. So that also contributes to our other income, per se.

Rohit Ohri:

Okay. So with this little bit of stress that we see in the Eurozone, and we also have exposure over there, where exports we get somewhere around 10%, 11% from Europe and then around 5%, 6% from U.K. How is it currently for us? Is there any pressure that you see from the geographies?

Moloy Saha:

Honestly speaking, we have good call-ups. In fact, customers following up with us against our annual order. Due to this uncertainty on the vessel, that's something which is beyond our control. We are unable to fulfill the demand. As of now, we don't see any issue, as most of the orders

from the big clients already confirmed. And also, good part that now we are also getting new inquiry on the mangoes.

Generally, we get from January or February onwards, but now I have seen that some clients are asking for additional volume, all these things. So I think the market is opening up to some extent, looks like in Europe, as well as in the U.S.

Rohit Ohri: MS, while we speak about this, you also did mention that there were some issues and then the trade started opening up from probably the end of October or so. So was there a spill-off of certain revenues that went into the next quarter? And if you can quantify that.

Moloy Saha: I didn't get to this particular point. Can you repeat, please?

Rohit Ohri: The spill-off from this quarter into the next quarter. Revenue spill-off that has happened...

Moloy Saha: Yes, basically call-offs. Basically, we have a standard call-offs from export customers, which is month-wise. But that is going on. Okay, there may be a 1 month delay in the shipment due to the vessel availability. However, in the domestic market, as Mr. Milan earlier told that due to the extended rain across India, especially in the south region, there is a mismatch in the demand in the beverage industry.

It is also published in the newspaper or many other platforms that the Indian beverage industry, especially in the juice, you must have seen the double result also. It has declined. Their volume as well as value has been declined, which is also affecting us. But whatever we lose in this Q2, probably we will be able to cover Q3.

Though Q2 and Q3 are not good for the Indian beverage industry, where we are mostly dependent on the export. Q4 is costly on the Indian beverage industry, where our domestic sales go to the peak. And as per the latest updates from the brands, we are expecting a good sale in this period because all the capacity they built up in the last 2 years is all in operation now. They are very bullish that this summer there will be a bumper sale in this sector.

Rohit Ohri: Okay, Mr. Anand, thank you for answering my question. Thanks a lot.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to Mr. Anand Krishnan for closing comments.

Anand Krishnan: Thank you, Neha. I want to express my gratitude to all our investors and shareholders for their continued support. Your trust in our company is invaluable and we take it seriously. We have already laid a strong foundation for sustainability and are confident in our ability to grow with sustainability at the core of all our practices. Should you need any further clarifications or would like to know more about the company, please feel free to write to us. Thank you once again. Bye.

Moderator: Thank you. On behalf of Foods & Inns Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.