modi naturals limited

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03rd June 2025

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Scrip Code: 519003

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015- Transcript of earning conference call held on May 29, 2025.

Dear Sir/Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith transcript of Q4 & FY25 earnings conference call for the Audited Financial Results for the quarter & year ended 31st March, 2025 held on Thursday 29th May, 2025.

You are requested to kindly take the same on your record.

Thanking You,

Yours truly,
for **MODI NATURALS LIMITED**

Rajan Kumar Singh
Digitally signed by Rajan Kumar Singh
Date: 2025.06.03 17:33:10 +05'30'

Rajan Kumar singh
Company Secretary & Compliance Officer

Encl: as above

“Modi Naturals Limited Q4 FY '25 Earnings Conference Call”

May 29, 2025

“E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 29th May 2025 will prevail.”

MANAGEMENT: **AKSHAY MODI – JOINT MANAGING DIRECTOR**
SGA – INVESTOR RELATION ADVISORS

Moderator: Ladies and gentlemen, good day and welcome to the Q4 FY '25 Earnings Conference Call of Modi Naturals Limited.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference call is being recorded.

I now hand the conference over to Mr. Akshay Modi – Joint Managing Director. Thank you, and over to you, sir.

Akshay Modi: Thank you. Good morning, ladies and gentlemen. Thank you for joining us for the Modi Naturals Limited Q4 and FY '25 Earnings Conference Call.

I trust you have had an opportunity to review our Financial Results and Investor Presentation, both available on the Company's Website and on Stock Exchanges.

SGA, our Investor Relations Advisor, is joining me on this call.

It gives me immense pleasure to share that we have been sowing seeds of growth over the last few years, and FY '25, the year in which the company completed 50 years since inception, has seen them bear fruit. At Modi Naturals Limited, we have not only fully revived our business operations but have also marked FY '25 as a landmark year of reversal, resurgence, and renewed growth.

At the start of the year, we set ambitious targets for ourselves across Revenue, EBITDA and PAT. We are pleased to announce that we have met our guidance. This outstanding performance is a testimony to our team's agility, our relentless focus on operational efficiency, and a favorable demand environment across all our divisions. These factors have collectively driven substantial growth and resilience across the organization.

The FMCG sector remains the foundation of the Indian economy, deeply ingrained in the everyday lives of millions. The industry is undergoing rapid transformation, driven by shifting consumer habits, growing health consciousness, and increased demand for transparency. Today's consumers are more informed than ever. They study product labels, evaluate ingredients, and prefer products that align with their values and wellness goals. This evolving landscape has presented us with an opportunity to strategically position ourselves at the intersection of quality, transparency, and health.

Our flagship brand, Oleev, represents this transformation. Designed for the health-conscious consumer, Oleev oils offer tangible benefits, including heart health, characteristics, and superior cooking performance. This alignment with consumer expectations has allowed us to build a strong brand presence and a loyal customer base.

Our consumer division remains a strong pillar of growth. Our flagship brand, Oleev, delivered exceptional performance. While input cost volatility and macroeconomic challenges did pose headwinds, our strategic foresight and operational discipline enabled us to deliver consistent value and strong growth.

Our non-oil portfolio also saw significant progress. We have witnessed strong traction in our product acceptance and consistent volume growth across multiple categories. This performance underscores the effectiveness of our diversification strategy and reinforces our commitment to expanding beyond the oil business.

One key highlight in FY '25 was the strategic investment in marketing and brand building. Recognizing the power of consumer engagement, we significantly enhanced our marketing spend and onboarded Karishma Kapoor as our Brand Ambassador. Our credibility and connection with our target demographic have helped amplify our brand messaging and deepen consumer resonance across all channels.

We also made significant progress in expanding our distribution footprint. Along with strengthening our traditional general trade relationships, we expanded meaningfully into modern trade while establishing partnerships with leading e-commerce and quick-commerce platforms. These initiatives have significantly improved product accessibility, ensuring consumers can conveniently find our products across multiple touchpoints.

Coming to the Bulk Division:

The last two years were particularly challenging due to the government-imposed reductions in oil prices and subsequent inventory corrections. However, these challenges are now behind us. We are witnessing a strong revival in business activity supported by softening commodity prices, improved monsoon, fresh crop inflows and favorable macroeconomic trends. Stabilization in oil prices and strategic operational initiatives have led to a marked improvement in EBITDA, paving the way for sustainable profitability in this division.

Turning to our newest and most promising vertical, Ethanol Division:

Our Ethanol Division continues to be a key pillar of our long-term growth strategy, and it's fully aligned with the government of India's vision for a cleaner, greener and more sustainable energy future. The recent policy to allocate 52 lakh tons of rice for ethanol production backed by government subsidies and aggressive ethanol blending targets offers long-term visibility and ensures healthy operating margins for the industry. We are proud to contribute meaningfully to India's energy transition through this initiative.

In November '23, we successfully commissioned the first phase of our ethanol plant with an initial capacity of 130 KL per day. We faced initial challenges during the plant's operational rollout and we swiftly address these issues and steadily optimize performance. Today the plant is running at optimal capacity.

We are well positioned for growth. From the outset, we had taken a strategic decision to establish our distillery infrastructure with scalability in mind, enabling us to support future expansions.

We are now progressing rapidly with the second phase of our ethanol facility, which is on track to commence by Q3 FY '26. This expansion will add 180 KL per day to our current capacity, bringing our total ethanol production capacity to 310 KL per day. This marks a significant milestone in our journey.

Let me move to the financial section now.

Coming to our consolidated financial performance:

Q4 FY '25 performance highlights:

Revenue from operations is up by 58.5% to Rs. 189.9 crore year-on-year. EBITDA for the quarter grew by 189% to Rs. 16.1 crore year-on-year. EBITDA margins stood at 8.5%. PAT grew by 550% to Rs. 8.2 crore year-on-year.

FY '25 performance highlights:

The revenue from operations is up by 65.8% to Rs. 662.9 crore year-on-year. EBITDA for the quarter grew by 517% to Rs. 56 crore. EBITDA margins stood at 8.4%. PAT became positive to Rs. 31 crore as compared to a loss of Rs. 1.4 crore in FY '24.

Cash flow from operations stood at Rs. 48.8 crores versus negative cash flow of Rs. 6.8 crore in FY '24. ROCE stood at 18.3% compared to 2.1% in FY '24. ROE stood at 25.5%. Debt-to-equity stood at 1.22in FY '25 versus 1.87 in FY '24. Our net working capital day stood at 66 days in March '25 as compared to 111 days in March '24.

Coming to our divisional performance:

Consumer Division:

Revenue for Q4 FY '25 stood at Rs. 48.5 crore compared to Rs. 42.1 crore in Q4 FY '24. And FY '25 stood at Rs. 179.4 crore compared to Rs. 169.1 crore in FY '24. EBITDA for Q4 FY '25 stood at Rs. 3 crore as compared to Rs. 4.9 crore in Q4 FY '24, and for FY '25 stood at Rs. 15.1 crore as compared to Rs. 18 crore in FY '24. Increase in ad spend in Q3 and Q4 FY '25, as planned, had an impact on EBITDA.

Further, we are scaling up the Pasta portfolio under the Oleev Kitchen brand with celebrity endorsement and targeted advertising. Overall demand is improving, driven by expanded distribution, innovation and new product launches in our food basket.

Bulk Division:

In Q4 FY '25, our revenue stood at Rs. 56.1 crore as compared to Rs. 42.7 crore in Q4 FY '24. And FY '25 stood at Rs. 158.6 crore as compared to Rs. 188.6 crore in FY '24. EBITDA stood at Rs. 90 lakhs In Q4 FY '24 as compared to loss of Rs. 2.3 crore in Q4 FY '24. And for FY '25, EBITDA stood at Rs. 1.7 crore as compared to loss of Rs. 9.3 crore in FY '24. Turn around in divisional performance in FY '25 driven by improved demand and stabilization of commodity prices following inventory losses in FY '24 due to declining oil prices.

Ethanol Division:

In Q4 FY '25, our revenue stood at Rs. 85.3 crore and for FY '25 stood at Rs. 324.9 crore. EBITDA for Q4 FY '25 stood at Rs. 13 crore and for FY '25 stood at Rs. 42.7 crore. The ethanol distillery is currently operating at its optimum capacity. We received an order of Rs. 300 crore for 41,000 KL from various OMCs through to October '25.

Division-wise ROCE for FY '25 is as follows. The Consumer Branded division, 31%, Bulk Oil division, 1.2%, and Ethanol division, 18.8% and on a consolidated basis, 18.3%.

FY '25, the year in which our company turned 50, will be remembered as a turning point in the history of Modi Naturals Limited. The year in which we overcame adversity, strengthened our foundations and unlock new avenues of growth.

We are entering FY '26 with renewed confidence, sharper focus and greater momentum than ever before. As we look forward, we are confident in our ability to sustain and build on the momentum of FY '25.

Our vision for FY '26 on a consolidated basis is as follows:

Revenue expected to be in the range of Rs. 850 crore to Rs. 880 crore driven by increased volume across both oil and non-oil portfolios and higher ethanol capacity utilization. EBITDA expected to be in the range of Rs. 80 crore to Rs. 85 crore, supported by improved product mix, operational efficiencies, and higher margin contributions. And PAT expected to be in the range of Rs. 42 crores to Rs. 48 crores, aided by cost rationalization, margin expansion, and improved working capital management.

With this, now we can open the floor for questions. Thank you.

Moderator: Thank you, sir. We will now begin with the question-and-answer session. The first question comes from the line of Gunit Singh from Counter PMS. Please go ahead.

Gunit Singh: Sir, what kind of utilization is our current ethanol plant running at? And before the commencement of the new ethanol plant, the expansion, what would be the drivers of growth in Q1 and Q2 of FY '26?

Akshay Modi: As far as the capacity utilization goes, we are running at full capacity utilization currently. And with the expansion coming in, we are expecting higher capacities later in the year. And we have given the annual guidance. We will come back to you with the quarterly guidance as well.

In the Consumer division, the run rate of growth has increased. So, if you see over the quarters, we have grown Q1 at 3%, Q2 at almost nil, Q3, we started ramping up 7.7 and Q4 at 15.2% growth. And Q1, we are expecting further growth increase. So, as we are increasing our ad spends and focusing on the Consumer division, the growth is ramping up.

Gunit Singh: All right, sir, got it. But we should be expected to remain in the similar quarterly run rate as Q4 FY '25, right? Because the new capacity will come in Q3. So, what are your thoughts about that?

Akshay Modi: Ethanol-wise, yes. But we are expecting higher revenue, like I said, in the Consumer division and year-on-year also in the Bulk division. So, from that point of view, year-on-year basis, you will see a good quarter.

Gunit Singh: All right, sir. And how long will it take for us to ramp up the new capacity?

Akshay Modi: Like I said, we are expecting to commission it by the end of Q2 or maybe early Q3.

Gunit Singh: I mean, how long are we expected to ramp it up to 100% or optimal utilization? I mean, what kind of utilization should we expect for the first six months, for example?

Akshay Modi: It's safe to assume around 50–60% utilization in Q3, gradually increasing to around 90% in Q4. It's just an off the cuff calculation, but we will see how it pans out. We are talking about the expanding capacity only. The current capacity continues to run at 100%.

Moderator: The next question comes from the line of Rohit Mehra from SK Securities. Please go ahead, Rohit.

Rohit Mehra: Congratulations on achieving the guidance, I just wanted to understand that we have outperformed in Ethanol division in terms of revenue, where we have fallen back in Bulk and other divisions. What were the reasons behind it?

Akshay Modi: So, in the Bulk division, we have not fallen back. In fact, we have recovered from FY '24. And FY '25 marks a recovery in the Bulk division. And the Consumer division as well, on a year-on-year basis, we have grown at about 6%. But this was as planned in the first one or two quarters, where we scaled back our ad spends, and then we increased them Q3 and Q4 onwards, and the growth has come back. And that was always the plan.

Rohit Mehra: And my second question is, how much ROCE are we generating in Branded and Ethanol divisions?

Akshay Modi: Yes, so Ethanol ROCE is 18.8% and Branded is 31% for FY '25.

Rohit Mehra: That's it from my side and all the best.

Moderator: The next question comes from the line of Rajavi from Bright Securities. Please go ahead.

Rajavi: I just have two-three questions. The first one is, in terms of the Branded division, how much revenue did you from Tier-1 and Tier-2 cities?

Akshay Modi: We have not done the tier-wise breakup. We will come back to you with that. We can give you a region-wise split if you want. So, we have North leading the way at 46%, followed by South at 19%, West at 17% and East at 16%.

Rajavi: I just have like one more question. Are we planning to expand Ethanol division beyond 210 KLPD? And if yes, do we have sufficient land bank to do the same? Also, do we have any thoughts on diversifying the business to another state?

Akshay Modi: We are expanding our capacity from 130 KL to 310 KL. And we have enough land banks, in fact more. And the layout and infrastructure was always planned to expand capacity. So, the expansion is taking place in the same premises and the same layout. And we have already funded the equity part from internal accruals. And we secured an Rs. 88 crore long-term debt from HDFC Bank, which has already been taken up.

Rajavi: And do we have thoughts to diversify the business to another state?

Akshay Modi: Not at present.

Rajavi: Okay, sir, that was really helpful.

Moderator: The next question comes from the line of Shaurya Punyani from Arjav Partners. Please go ahead.

Shaurya Punyani: Sir, regarding your CAPEX, so how was that CAPEX funded, both phases?

Akshay Modi: So, as I mentioned, in the first phase, the equity part was funded through internal accruals of Modi Naturals, which invested into a subsidiary, which is Modi Biotech for this division. And in the first phase, we got a debt of about Rs. 105 crores for CAPEX. And in the second phase, again, the equity part is being funded through internal accruals, and we have secured an Rs. 88 crore long-term debt, which has already been disbursed.

Shaurya Punyani: Rs. 88 crores, okay. And sir, regarding when the new capacity kicks in later this year, so can we expect like a similar growth in next year also, FY '27?

Akshay Modi: Yes, I mean, you can do the calculations. So, we are expecting an asset turn of about 3.4x after expansion from the full total CAPEX of the Ethanol division, plus the growth from the other two divisions.

Moderator: The next question comes from the line of Vaishnavi from Scientific Investing. Please go ahead.

Vaishnavi: So, I have a couple of questions. So, what are the sustainable margins in each of the business segments?

Akshay Modi: For the Bulk division, I would refrain from commenting as it has a volatile component. The Branded division, we started off FY '25 with about a 15% EBITDA. And then we came down to an average of about 8.5% for the year. And that was the decision taken by the management to spend aggressively on advertising in this travel. And I think in that same range, we intend to continue this financial year at between 8.5% and 9%. And I have always maintained that given where we are and the way we are operating our Ethanol division, we can maintain between 12% and 15%, and there is a quarterly seasonality on the raw material prices as it is agri-based. So, that is the range that we expect full year.

Vaishnavi: So, the next question is in the FMCG segment. So, FMCG growth has been challenging in general for industry and others as well. So, how hopeful are you on the FMCG growth and what percentage will come from distribution and geographical expansion or from new products or from price hike?

Akshay Modi: We are confident of delivering growth on the Consumer division because the sub-categories that we operate in, not only we have completely differentiated product offerings, but we are also leading the categories, and we have the highest share of voice in marketing. As for distribution, we have a wide network across the country and a few neighbouring countries.

Now we are looking at depth of distribution as well as product expansion. Some of the product categories that we entered into we are planning very aggressive growth. For example, the Pasta segment. I think growth will come from a 360-degree approach. There will be distribution expansion across categories. There will be core portfolio growth as well as new product development.

Moderator: The next question comes from the line of Praveen Sharma, an individual investor. Please go ahead.

Praveen Sharma: Hello, Akshay. I think, first of all, big congratulations for the team for delivering the numbers, and such an excellent result and also very promising guidance for the next coming year. And I am sure you guys will be able to meet and exceed guidance for the next year. So, big congratulations, team, for that and big applause.

My first question, I have a couple of questions. The first one is given provision on one hand, we have Ethanol division, which requires lightning with government, invent many operations and things like that. On the other hand, we have FMCG. As you said that we are planning to get deeper into distribution and product innovation and marketing and brand ambassador and things like that. So, how is the team structured? Of course, you are at the top end. You will be managing. But just for my understanding, especially from company perspective, how the things are structured because people need, as far as the sales guys need they have been constant pull around to deliver their number. So, just for my understanding, below you how is the team structured?

Akshay Modi: Good question. In the Consumer division, we operate professionally. We have a typical hierarchy, similar to an FMCG company, where there is a chief marketing officer, as well as vertical-wise sales heads, such as organised retail and e-commerce, as well as traditional retail and institutional sales. And then there are support functions. There is a supply chain, etc. So, there are complete, professionally driven teams in the Consumer division. And in the Ethanol division, we have the head of the entire division, and under him, the full hierarchy is in place. So, I don't see any leadership-wise challenges. We have freed up significant bandwidth for the senior management to focus on both divisions.

Praveen Sharma: And you have a separate skill set for e-commerce, MT, and GT, as well as the region-wide sales head. The distribution is very wide and deep, so the sales team?

Akshay Modi: Yes, absolutely. It's a typical FMCG structure where we have region heads, area heads, state-wise heads for GT. In organised retail, we have key account managers for every account, such as Amazon, Flipkart, Blinkit, Zepto, and others. And they are based in the city's headquarters of those accounts. So, that's how we function.

Praveen Sharma: Now my second question is regarding the reach of the products, especially the PIPO, Jynx and Pasta, of course, and oil is available on Blinkit and other e-commerce channels, but other product available as of now, you know, just wanted to know what is the issue there, you know, BigBasket, Blinkit, Zepto, the PIPO range and the Jynx range?

Akshay Modi: I think until FY ‘24 you would have found only our oil products in some of the leading e-commerce players. In FY ‘25 and then of course this quarter, we have struck deals with all the e-commerce partners for Pasta. And increasingly, you will see our Pasta distribution scale up in e-commerce as well as GT. These are constant endeavours to introduce new products.

So, once we scale up Pasta, we will also be adding other products, such as PIPO, because we have established a foothold in the food category, and our relationships are now in place. So, we will be expanding even our food product distribution over the next few quarters.

Praveen Sharma: The third question is basically on this high value protein by-product of Ethanol division. Do we see any opportunities in the export market for the same, or it is mostly a domestic? Because animal feed is now a big thing, big industry.

Akshay Modi: Yes, absolutely. We have done some value addition there. We have moved into a higher protein by-product, which we have developed internally. We partnered with some of the leading poultry and aqua feed manufacturers, including some of the top players, and we supply to them. And we are also exporting in the export markets.

So, for export markets there is a slightly longer lead, especially for developed markets, there is a longer lead time because you have to get the certifications etc. So, something has been done and currently the certifications are ongoing and we hope to start export soon.

Praveen Sharma: Because with the FTA with Australia and New Zealand and things like that, things should start moving because they are the big country, you know, such products. The last question is on advertisement. On the advertisement spending, do we intend to increase and how much the typical percentage of the top line we plan to invest in advertisements and brand building this year?

Akshay Modi: We have two types of advertising, there is above the line and below the line. And while below the line our advertising remains constant, we have scaled back our above-the-line advertising for the last two financial years. And in FY '25 we have increased it by almost 30% and we intend to double it in FY '26. So, above the line we had spent I think close to about 4% which has gone up to almost 7% in FY '25 and we intend to maintain that or increase that further in FY '26. This is only advertising, not promotions.

Praveen Sharma: Promotion is separate. Okay, I get it.

Moderator: The next question comes from the line of Anukool from InVed Research. Please go ahead.

Anukool: Hi, Akshay. Wanted to know like post expansion and given your guidance, what is the incremental revenue you see from the Ethanol division?

Akshay Modi: Sure, so our total CAPEX will go up to about Rs. 250 crores and yes, we expect about a 3.4 asset turn after expansion once we start the operation.

Anukool: And incremental EBITDA margins or EBITDA numbers do you see from the Ethanol division?

Akshay Modi: Yes, like I said there is a range and there is a quarterly senility in EBITDA and ethanol due to agri prices. So, between 12% and 15%. So, even if you see last Financial Year FY '25, we started off with about 12%. And Q4, we achieved over 14% EBITDA in ethanol.

Anukool: And one more question. Like you have been delivering solid sets in the Ethanol division. So, do you see like demerging the business and creating value in the Ethanol division?

Akshay Modi: So, we are aware of all the options, but there are no plans at the moment, and we will come back if it comes to it.

Moderator: The next question comes from the line of Manav Jain from JN Investment. Please go ahead.

Manav Jain: I had a couple of questions. My first question is how did we manage to improve the net working capital which is currently at 66 days?

Akshay Modi: So, the net working capital is basically comes from majorly two. The difference comes from two divisions. In the bulk oil business, we have had strict management practices where we reduced our days massively by being very prudent. And on the ethanol side, there is some amount of credit available on raw material purchase. And again, since we have the orders of ethanol for the entire year, we are working at almost nil inventory, maybe one day inventory at max, of all finished products.

Manav Jain: And my second question is, as you have given the guidance of Rs. 850 crores to Rs. 880 crores, could you please provide me with a breakdown into our three segments?

Akshay Modi: We haven't given that yet. We will come back with those numbers. Since the year has just started, and maybe in the next quarter or two we will be giving the break-up.

Moderator: The next question comes from the line of Suvankar Mallick from SKS Capital. Please go ahead.

Suvankar Mallick: So, if I go through your website, right, there are lots of brands I can see. But you have given only two segments. One is Bulk and one is Branded, right? So, can you just give me a breakup, right, which brand comes under which bracket?

Akshay Modi: So, our entire Consumer division is housed under one, which is our oil brand as well as food. And only the bulk business comes under the Bulk division.

Moderator: The next question comes from the line of Harsh from DAM Capital. Please go ahead.

Harsh: So, just two questions on ethanol. So, firstly, with maze prices softening meaningfully and expected to ease further post the Bihar harvest, how should we think about the ethanol spreads going forward? I mean, industry level EBITDA per liter had compressed sharply from 7 to 8 to near breakeven levels over the last 2-3 years. So, are we now at the beginning of, say, margin recovery cycle?

Akshay Modi: Yes, I think that should be the case. I think if you see the year-wise seasonality, Q4 and Q1 will traditionally be better margin quarters as compared to Q2 and then Q3 will be a recovery over Q2 getting better in Q4 as a massive paddty harvest comes through, and then, of course, Q1 has a big maize harvest. So, Q4 and Q1 will traditionally be the best quarters for grain ethanol.

Harsh: So, what would be the procurement price at this point of time? How has it moved over, say, last 2-3 months? I mean, if you could just give a sense of that.

Akshay Modi: First, the prices came down by roughly, let's say, 10% when the paddy crop came. And then when the FCI rice policy came, that I mentioned in my opening remarks, prices softened by another 8% to 10%. So, broadly that is the number.

Harsh: And secondly, on industry front, so with India nearing the 20% ethanol blending threshold, so how is the industry kind of calibrating capacity addition beyond this point? There is some early talk about a potential move towards 25% blending by 2030. But what would be your assessment of how the demand landscape evolves from here?

Akshay Modi: In the first half of the year, the blending percentage always seems high because sugar-based ethanol is also coming in. And in the latter half of the year, that number drops sharply. So, for example, last year, we were averaging 17%-18% in the first five months. And by the end of the year, we blended only 14.6% annually. This year too we had about 19.8% in the first five months. And I think in the second half, it will drop sharply.

So, on an annualized basis, we are still not reaching 20%. So, there will be some issues in the first few months of high ethanol supply. And with petrol consumption growing at about 6% to 7% nationally on an annual basis, plus if the blending is increased from 20% to, let's say, 22% and then 25% and 30%, so, there is still headroom for growth over the next few years.

Harsh: But do you seek a blending percent to increase it to 20% to 25% or India adopting flexible fuel policy?

Akshay Modi: So, from the government side and the industry side, all the efforts are on. And I would not like to speculate on what the policy is going to be. But definitely all the efforts are on from all aspects, increased blending. Look at the technical aspect of that, whether the cars can take it. Second is encourage flex fuel. I think a flex-hybrid solution is a really good option for our country. As you can see, some of the states have already reduced road tax on hybrid vehicles. And flex hybrid might be the quick opportunity for our country to transition to a clean fuel.

Harsh: That's helpful. Thanks and congrats once again.

Moderator: The next question comes from the line of Karthik Nair from KN Broking. Please go ahead.

Karthik Nair: Sir, are we planning to set up our own manufacturing setup for popcorn and other non-oil products?

Akshay Modi: Currently we are working on an asset light model. Popcorn we have a leased plant. And so it's manufactured under our name, but it's a leased facility where we do not need to do a CAPEX. And for Pasta, it's an outright 3P model. So, we are working on an asset light model at the moment. Once the volumes are significant enough to warrant the CAPEX in our own plant, we consider them.

Moderator: Ladies and gentlemen, as there are no further questions, I would now like to hand the conference over to the management for the closing remarks.

Akshay Modi: Thank you, everyone. I hope we have been able to answer all your questions satisfactorily. However, if you need any further clarifications or want to know more about the company, please contact SGA, our Investor Relations Advisors. Thank you once again for taking the time to join us during this call today. Have a nice day.

Moderator: Thank you, sir. Ladies and gentlemen, on behalf of Modi Naturals Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.