



“ADF Foods Limited Q3 FY22 Earnings Conference Call”

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MANAGEMENT: **MR. BIMAL THAKKAR – CHAIRMAN AND MANAGING DIRECTOR, ADF FOODS LIMITED**
MR. SHARDUL DOSHI – CFO, ADF FOODS LIMITED
MR. DEVANG GANDHI – COO, ADF FOODS LIMITED

MODERATORS: **MR. RISHAV DAS FROM PARETO CAPITAL**

Moderator: Ladies and Gentlemen, Good day and welcome to ADF Foods Limited Q3 FY22 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing ‘*’ and then ‘0’ on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Rishav Das from Pareto Capital. Thank you and over to you.

Rishav Das: Good afternoon, everyone. This is Rishav Das from Pareto Capital. We represent investor relations for ADF Foods. On behalf of ADF Foods I welcome you all to our Q3 and 9 months FY22 Earnings Conference Call. I have with me from the management Mr. Bimal Thakkar – Chairman and Managing Director, Mr. Shardul Doshi – CFO and Mr. Devang Gandhi – COO. We will have brief opening remarks from the management followed by the Q&A session.

Please note that certain statements made during this call maybe forward looking in nature. Such forward statements are subject to certain risks and uncertainties that could cause our actual results or projections to differ materially from these statements. ADF Foods Limited will not be in anyway responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

I would now hand over the call to Mr. Thakkar for his opening remarks. Over to you, Sir.

Bimal Thakkar: Thank you Rishav. Good afternoon, everyone. I welcome you all to our Q3 FY22 Earnings Conference Call.

We are very pleased with the strong performance the Company has delivered this quarter with a standalone revenue growth of 28% and a consolidated revenue growth of 19% year-on-year. The growth was majorly driven by robust volume offtake amidst the festive season which is generally a stronger quarter for us. In addition, several measures like price hikes, better sales mix and manufacturing optimizations led us to a standout improvement in our gross margins. These measures helped us counter the impact from rising freight and other input cost and helped us maintain our EBITDA and profitability.

We also saw a favorable quarter from our distribution business, with revenues of 26 crores, a growth of 67% year-on-year. We continued to see strong demand in both our US and UK markets from this segment. As I had mentioned previously our goal for our distribution business is to expand product range and enter new markets. On that end I am proud to announce of our recent alliance with Patanjali Ayurved Limited where we have undertaken exclusive distribution of their products across UK and Western European markets. This alliance will offer significant opportunities to our Company to expand our product basket with our retailers. By leveraging our robust global distribution network, we can deliver complementary product categories directly in

stores and offer a wider range of products to our consumers. This alliance will also help us further engage with the growing Indian diaspora in Europe.

Lastly, in terms of capacities our debottlenecking and modernization efforts are undergoing in our existing manufacturing units. Additionally, we have Brownfield expansions underway at our current facilities. Together these efforts are expected to unlock additional capacities of around 20%.

Our focus remains on investing in building a strong distribution network and control a higher portion of the value chain. We have invested in distribution centers and warehouses to engage in direct distribution. This helps us gain control of our supply chain and enables direct reach to retailers, thereby pushing our products and retaining distributor margins. This all from my side I hand over the call to Shardul for the financial update. Thank you.

Shardul Doshi:

Thanks, Bimal. Let me brief you on the financial highlights for this quarter.

In Q3 FY22 our total consolidated revenue stood at Rs. 119 crores up 19% compared to the same quarter last year. Our core standalone business comprising export of processed foods registered a robust growth of 28% YoY from Rs. 68 crores to Rs. 87 crores. Distribution business also saw a good revenue growth at Rs. 26 crores for this quarter. We have witnessed a strong growth this quarter and are confident of demand and volume expansion going forward.

As Bimal mentioned our pricing and product optimization measures helped us attain strong gross profit growth this quarter. Gross profit increased 53% YoY to Rs. 65 crores on consolidated basis and margins improved from 42.5% in Q3 FY21 to 54.5% this quarter.

We also continued to witness rising freight cost which had impacted our margins, however, robust gross margins helped lighten the overall impact on EBITDA and profitability. EBITDA stood at Rs. 20 crores with a margin of 16.9%, PAT for the quarter is Rs. 14 odd crores with a margin of 11.5%. For 9 months we reported a revenue of 319 crores a growth of 18%, gross profit of Rs. 160 crores with a margin of 50%. EBITDA of Rs. 56 crores with a margin of 17.4% and PAT of Rs. 37 crores with a margin of 11.7%. We have seen growth in both the segments we operate in.

Our growth in processed food segment is better in comparison to the distribution business. Overall, ratio of both the segment is 79:21, 79 being the processed food segment. We continue to maintain a robust balance sheet with a net cash position of Rs. 48.4 crore.

Lastly, we are pleased to announce that the Company recently received approval from the government under category 3 of the PLI scheme for food processing industry. This incentive would cover 50% of our international branding and marketing expenditure or 3% of sales, whichever is lower, up to a maximum incentive of Rs. 62 odd crores during 5 years till FY26.

We are confident that this increase in available funds will help us further strengthen our brand positioning in the international markets and surely results in higher sales for the Company.

That is all from my side. We can now open the floor for Q&A session. Thank you.

Moderator: Thank you very much sir. Ladies and gentlemen, we will now begin the question-and-answer session. The first question is from the line of Ravi Naredi from Naredi Investments. Please go ahead.

Ravi Naredi: Thank you very much for the opportunity. You have done a wonderful job this quarter also. Sir any figure of sales and commission will you update for Patanjali product for financial year 23?

Bimal Thakkar: The Patanjali business you will start seeing only in this next financial year and our estimate for the first year is going to be about close to \$2 million or about 15 crores that is what we are expecting in year one. In terms of margins the gross margins we expect around anywhere between 15% to 20% gross margins on this.

Ravi Naredi: Sir this quarter, food inflation was very high, so what is the impact on our cost of goods produced and how you overcome this burden any price increases you have done, or we are going to do in future?

Bimal Thakkar: So, as I mentioned we have been able to maintain our margins through some amount of price increase, better product mix and reducing our cost and we continue to do that as we speak. Even in this quarter we are increasing the rates for certain items, and we will continue to optimize cost and sell more higher margin products.

Ravi Naredi: And what is the freight cost in Quarter 4 and when you think it will normalize?

Bimal Thakkar: It is anyone's guess; we really hope that various governments from all the countries should intervene and try and put pressure on the shipping companies because the freight cost has gone out of control. I mean where it used to be 7% for us in a normal situation, we are at the moment at about 19%. So, it is a 12% increase and despite that we still been able to maintain margins. So, once things normalize it will get much better for us from both our margin structure and also, we will be able to push in more throughput.

Ravi Naredi: And last sir what is Surat facility performance in Quarter 3 in top line and what will be in Quarter 4?

Bimal Thakkar: So, where the Surat facility which we have was operating at about 65% in Q3 and in Q4 we hope it gets to about 75% to 80%.

Moderator: Thank you. The next question is from the line of Nayan Gala from Ertiga Wealth. Please go ahead.

- Nayan Gala:** Sir I had a few questions particularly during this quarter, what were the products that contributed to the growth in terms of volumes and values if you can just give us the idea?
- Bimal Thakkar:** All our categories grew well this quarter for us. So, it is the meal accompaniments business which grew well, the ready to eat business grew well, the frozen food grew well, so all categories did well for us in this quarter, including our agency business that also grew well for us.
- Nayan Gala:** And if you can just give us the breakup in terms of what was the agency business and what was the revenue from our own brands?
- Bimal Thakkar:** I think Shardul mentioned in his speech the percentage of the processed food business.
- Shardul Doshi:** So, we are almost 79% is coming from the processed food business and 21% is coming from the distribution business.
- Nayan Gala:** And going forward is this the ratio that we are going to maintain or there is a slight change that we expect?
- Bimal Thakkar:** Our focus is always going to be on our own manufactured items. As we mentioned the agency business is a complimentary business for us and it is an important business as well. So, I think we will try, it could go up to a 70-30 kind of a mix 75-25 it depends, but majority of the business will be our own processed foods business.
- Nayan Gala:** And sir on the Patanjali front - we have signed this agreement in December, and I believe we will be selling the products from January onwards, so I just wanted to ask is this a renewable contract on ever year basis or it is a long-term agreement?
- Bimal Thakkar:** Firstly, the business on Patanjali will start from first of April, what happens is - we have to get their labels to be compliant with the European regulations. So, that work is ongoing at the moment. We expect them to make their first shipment in the month of March. So, you will actually start seeing sales coming in the next fiscal year and the contract is a three-year contract renewable every three years upon mutually agreed conditions.
- Nayan Gala:** And what kind of products is in the whole basket, or we have some few sets of products that we plan to distribute?
- Bimal Thakkar:** Not all their products are eligible for sale in European markets. So, the core products and fast-moving products are the products which we are dealing with.
- Nayan Gala:** And just wanted to you know, get your sense on the outlook of the US business and business in India if you can just give us a brief on that?

Bimal Thakkar: Our US continues to grow well it continues to remain one of our main markets and we are investing in distribution out there as you know we have got two warehouses in the US. We hope to open a couple of more warehouses by the next financial year and India at the moment is very negligible it is 1%, 2% for us, but we are taking on someone to head our India business. This person joins us in middle of February and we are going to start off with ecommerce first and then later on make our way into modern trade and general trade. So, next year you will see the India business starting off, it may not be huge in terms of revenue to begin with, but over the next five years we hope India at least contributes to about 10% to 20% of our overall business.

Nayan Gala: And on the US business the brands like PJ's and Nate's if you can just give us some brief on how is the brands picking up and what kind of growth, we see particularly in the US market?

Bimal Thakkar: PJ's and Nate's as I have mentioned in our last call also, we have taken on a new VP of sales and marketing there in the US and these brands are still growing, there is a lot more distribution that we need to get in these brands. So, we are very positive, we are adding new products, there is a very important trade show which is going to take place in March in Los Angeles, and we hope to launch some new products there as well. We are very excited with the future because the product categories which Nate's is in plant-based products, PJ's is an organic range of products. So, they are in the right space we just are building out distribution and trying to grow that aggressively.

Nayan Gala: And what is the sustainable run rate that we look forward to for these brands?

Bimal Thakkar: The US business which comes under this we have PJ's; Nate's and we also have some private label businesses as well out there and that business we have had a little bit of disruption in supplies because of the supply chain issues in this last quarter. So, actually that business did not grow the way we expected it to grow in this last quarter, but we are now trying to regularize that, and we expect it to grow at least about 15% to 20% every year.

Nayan Gala: So, 15% to 20% is the figure that we look at for the US business?

Bimal Thakkar: Yes.

Nayan Gala: And if I can ask one more question, just wanted to get an update on the CAPEX and the goals and what is the work done on the Brownfield and debottlenecking project that we are looking at?

Devang Gandhi: So, on both the issues we are going ahead with the Greenfield project as well as the Brownfield. Brownfield including debottlenecking as well as putting up new additional capacities in the existing units. So, we are on stream in everything and are in line with our current projections.

Nayan Gala: So, we can expect the capacities to be available from early next year?

- Devang Gandhi:** Yes, we should be in a position barring unforeseen circumstances.
- Moderator:** Thank you. The next question is from the line of Faisal Hawa from H. G. Hawa & Company. Please go ahead.
- Faisal Hawa:** So, two questions one is are we being offered some large contract manufacturing deals from food majors from all over the world and secondly if you are wanting to really update into some new countries which are the three to four countries which you really want to target or would you want to go more deeper into the US only and penetrate properly first?
- Bimal Thakkar:** As a Company we do private label business, but our focus always continues to remain on our own brands. Having said that we have added one or two new customers on our private label business, but 70% of our revenues continues from our own brands. So, our own brands continue to remain our focus always. As far as adding new countries I mean that is a constant process for us, but what we would like to do is increase our depth and penetration in the existing main market. So, US and Europe continue to remain our focus markets where we are looking at new customers, newer accounts, penetrating within the existing stores, increasing our depth in there at the same time we look at new countries as well, but the newer countries take time to grow. So, it is much better for us to look at markets where we are already well penetrated to grow within that.
- Faisal Hawa:** I think the next level of expansion will take place from hiring very good executives in sales particularly, so which are the kind of pool that we are attracting, and which are the kind of pools of people whom we look at and with which companies are they currently employed?
- Bimal Thakkar:** You know it is a mix of various things, you have headhunters who we appoint. There are people through word of mouth and then there are people who we meet at trade shows. So, it is a combination of various things, but headhunters are definitely one of them.
- Faisal Hawa:** Are you finding it easier now then say 7 years to 8 years back?
- Bimal Thakkar:** Yes, the whole Company has changed and evolved in these 7 - 8 years. So, yes attracting talent is much easier compared to what it was.
- Moderator:** Thank you. The next question is from the line of Mayur Niman from Profitmart Securities. Please go ahead.
- Mayur Niman:** I just want to ask what is the outlook for the next few quarters or next year, so can you share your thoughts?
- Bimal Thakkar:** We, barring any kind of disruptions which could take place because of COVID and supply chain. We hope to continue to maintain this kind of trajectory and growth levels even in the next year.

Moderator: Thank you. The next question is from the line of Sanamdeep from Edge West Company. Please go ahead.

Sanamdeep: Sir I just wanted to know that as we are seeing the agency distribution business is the next growth level for business, so how are you seeing the competitiveness in that business for today.

Bimal Thakkar: The agencies which we have those brands are very strong brands. They have a strong following both Patanjali and Hindustan Unilever products. So, they have competitors, but they also have their own strength and loyal consumer base, and it is very complimentary to our product range. So, that along with other products gives us a much stronger position with the retailers and we are able to service our retailers who are our end customers in a much better way.

Sanamdeep: Our main focus is their cross selling I mean to say to increase our business in that way cross selling is the main focus?

Bimal Thakkar: Yes absolutely.

Sanamdeep: My last question is that sir as I see in your annual report or in your financial from 2011-12 or 2013-14 a dividend payout ratio is about 40% to 50% to 60%, but today if I see the dividend payout ratio is about 14% to 15% and if we are doing Brownfield expansion and debottlenecking. I think we can increase the dividend payout, or you have some different thoughts on it?

Bimal Thakkar: Right now, we will as a Company intend to keep maintaining our track record of being a dividend paying Company. We have a lot of expansion plans, inorganic plans. So, I do not know how much more we will be able to increase, we need to keep the cash also for all these plans.

Moderator: Thank you. The next question is from the line of Dhiral from PhillipCapital. Please go ahead.

Dhiral: So, what kind of investment that we are going to incur under this PLI scheme?

Bimal Thakkar: For the PLI this is basically for sales and marketing support so its branding, advertising, promotions, which we are already doing as a Company and with the support which we have got from the government we will be able to increase our spend more and which in the long term will help our brands become stronger and grow our business as well.

Dhiral: How this will help to augment our overall sales?

Bimal Thakkar: Well as you get when you are spending and being aggressive on your sales and promotions you have that much more exposure and awareness for your brands. So, it is definitely going to help increase the sales of the products.

Shardul Doshi: Dhiral, just to add to what Bimal said, unlike other PLIs this is not on the incremental sales or incremental capacities which Company has to do. This is especially for food and F&B industry

where the ministry wants the brands to become stronger in the international market and get more exports whereby country also get more foreign exchange. So, these are very specific scheme under PLI which is meant only for the food processing industry.

- Dhiral:** So, will this help to improve the overall margins?
- Bimal Thakkar:** You know what happens is 50% is subsidized by the government. So, it will help us in that sense to improve our margins as well.
- Dhiral:** And so, what is our CAPEX plan for next year as you said we are debottlenecking the capacity by 20%, so what is the CAPEX required for that and for the Greenfield plant that you are talking about?
- Devang Gandhi:** Yes, the greenfield CAPEX plan should be in the region of about 50 to 70 crores. And the debottlenecking we should be spending about 20 crores.
- Dhiral:** So, this will take our overall capacity too?
- Devang Gandhi:** So, this will take our overall capacity to at least 30% of what we have.
- Moderator:** Thank you. The next question is from the line of Richa from EquityMaster.com. Please go ahead.
- Richa:** Sir I wanted to know how the product mix has moved because there has been a significant improvement in the gross margins which are the products that are dealing to this and going forward whatever product launches we have will they be towards higher range of value-added products and we are getting higher margins in frozen food or accompaniment kind of thing, sir if you could share some light on that?
- Bimal Thakkar:** So, as far as the product mix goes as I mentioned we have grown in all the categories. Our focus will continue to remain on the ready to eat and the frozen food segment because those are the ones growing faster. We also took a price increase as well so that has also helped us and new product developments all those things are being done on one is of course we want to focus on the higher margin items. At the same time, we have to give products in terms of what is the consumer requirement and trend so we will continue to focus on that as well. So, it is always going to be a combination of everything which will help us sustain our margins and continue to keep it that way and improve wherever we can.
- Richa:** Sir if I remember I think the last year perhaps the share of frozen food was around 40%, so would that have moved significantly this year or around the same range?
- Bimal Thakkar:** We normally do not give a breakdown of the categories, but as I said the ready to eat and frozen is our core focus products which we continue to focus on.

Richa: Sir my next question is that we have been making some efforts to break in this supermarket so you know if you could share some light on development there?

Bimal Thakkar: Yes, that is where we are seeing, we have a lot of ground to cover we call this the mainstream business which is catering to the non-Indian diaspora and our efforts are there to continue growing that. We have had some successes with some new customers, big customers which have come in on this in the supermarket business and we continue to do that, it is an ongoing process, but that clearly where our focus is because we have a lot of ground to cover on that.

Richa: And sir if you could also share your margins in B2B or non-branded business the private label part?

Bimal Thakkar: So, all I could say is we have healthy margins in those businesses because these are also value-added products. So, it is not like a commodity where you are working on a wafer-thin margin. We do not give breakdowns for the margins of various businesses that we have.

Moderator: Thank you. The next question is from the line of Bheeshma, an Individual Investor. Please go ahead.

Bheeshma: This is a follow up question on the earlier question what is the percentage of business derived from your mainstream business that is modern trade chains like supermarkets?

Bimal Thakkar: So, at a moment I would think it would be around 15% to 20%. So, our goal is to grow that at a much faster pace.

Bheeshma: Sir if I may ask what is the main challenge or bottleneck that we face as a Company in getting into these large format stores?

Bimal Thakkar: So, one they have a schedule which they work on, where if they are doing any kind of introduction of new products in our categories most of these guys have a once in a year kind of a window. So, you have to present during that time make sure your products get listed during that time if you miss that window then you have one more year to go to present again and two, in the US Indian food is now getting popular. So, it is helping, people are looking for these kinds of items, but the shelf space is still very limited. So, there are lot of people fighting for that same shelf space. So, you have to then end up enticing those retailers by giving them more listing fees or more aggressive promotions. So, with this support which we have had which we have got now under this PLI scheme we should be able to be a lot more aggressive in terms of being able to offer more aggressive marketing plan to the supermarkets to get our products. So, these are the main bottlenecks.

Bheeshma: So, as far as this once in a year opportunity is concerned what exactly I mean do you they give you a brief earlier so that you can then design, what is the turnaround time that is given to ask to present?

Bimal Thakkar: So, normally you get one month, or two months heads up on presenting so that is how it normally works. In COVID times people have not been able to have our sales guys have not been able to have face-to-face meetings with the buyer. So, presenting new products without actually having to be able to get them to taste it for us to be able to show it to them that has also been a challenge during these two years, but now with things opening up we hope we will be able to be a lot more in front of them and have a lot more success in getting more products.

Bheeshma: And as far as the success ratio is concerned is there any thumb rule or is there any kind of number that you can put?

Bimal Thakkar: There is no kind of thumb rule in that sense, but I mean we have had recently one of our products which got listed in one of the Canadian supermarkets and that product did very well for us. So, there is no thumb rule unfortunately.

Bheeshma: The last question is on the QSR side, what is the percentage of business that we get from the QSR side?

Bimal Thakkar: We are now going to focus on supplying, most of our business is B2C at the moment. We have some amount of business which goes to the restaurants which we call the food service or the Horeca. QSR is another vertical within that. So, we are now focusing on tapping the QSR's so the likes of Barbeque Nation here in India, there is another aggregator called Kitopi which is there in the Middle East and similarly you have companies like that in the US. So, we are now making focused effort to cater to the whole QSR thing and creating products which can work for them because that whole category is growing very fast. So, we want to be part of it, we have the infrastructure at the backend for it, we just need to modify a few things in terms of the packing size etc. So, we are doing there and that will be a new vertical which we will focus on and try and grow.

Moderator: We take the next question from the line of Saurabh Shashikant Trivedi an Individual Investor. Please go ahead.

Saurabh S. Trivedi: I have a question on freight cost is here to stay and looking more eagerly towards demand and all, so are we planning with Indian government or any government throughout the world that they pressurize this by people to reduce their cost?

Bimal Thakkar: I mean I am hoping they do we have been discussing with various authorities like the CII and the FICCI I think it is affecting all the countries. So, I mean just a few days back there was something in the news where even the US President is trying to prevail upon these companies

because that is one of the other reasons what is driving inflation as well worldwide. So, I hope there is a concerted effort by all the various countries to try and get this under control because it is affecting the whole world.

Saurabh S. Trivedi: And sir if nothing happens are we okay with increasing cost of our products?

Bimal Thakkar: We have done that already right I mean if you can imagine from 7% to 19% if my cost has gone up and yet I have been able to maintain our margins it has been because some price increase has happened, better product mix has happened, better efficiencies at our end. So, it is a constant thing which we will continue to do.

Moderator: Thank you. The next question is from the line of Ravi Naredi from Naredi Investments. Please go ahead.

Ravi Naredi: Sir how much top line may we get by this 50 crores to 70 crores CAPEX which you have mentioned in earlier question?

Bimal Thakkar: So, we normally we look at a 2.5x to the investment which we make in CAPEX. So, the 50 crores should be able to get us to about 125 -130 crores top line.

Ravi Naredi: And for this 62 crore PLI incentive how much CAPEX we need to do?

Bimal Thakkar: We do not have to do any CAPEX this is on marketing support.

Moderator: Thank you. The next question is from the line of Faisal Hawa from H. G. Hawa & Company. Please go ahead.

Faisal Hawa: Sir a lot of these cloud kitchen are also now coming in and a lot of self-entrepreneurship-based businesses are able to now sell by Swiggy, Zomato and this is the worldwide phenomenon now and this is lot of social commerce could come in, so are we actually placing ourselves in this phase by actually either advertising on social media or making ourselves more aware with other stores whatever products are?

Bimal Thakkar: No so as I mentioned earlier, we are now making a focused effort to cater to these QSR/cloud kitchen people. So, we are approaching all the big guys even in India where we had initiated dialogue.

Faisal Hawa: I am sorry you got my question wrong I am talking B2C2B where you sell to the self-entrepreneur who manages the cloud kitchen and then in turn sales to the consumer again, they would not be actually QSR you know they would be like?

Bimal Thakkar: So, a lot of these cloud kitchens are actually buying out the QSR brands and producing. So, they have a front end, and they have the cloud kitchen as well. So, take your Rebel Foods and all

these guys they have been buying out a lot of these QSR brands. They started off this cloud kitchen and then started buying of the QSR brands. So, we are talking to all these big aggregators to see how we can help in being part of their supply chains.

Faisal Hawa: So, we are making some big efforts?

Bimal Thakkar: Yes, we are making a focused approach and going to have a separate vertical, a separate person manage this business for us because we have the backend infrastructure already in place and like you correctly said that whole industry is growing very fast, so we want to be that part of that whole supply chain in there. So, we are making a very concerted effort.

Faisal Hawa: Early mover will be close out to lot of other people who could come in later because generally our execution always been perfect?

Bimal Thakkar: No, we have already initiated that it has been since a last couple of months, and we hope to at least tie up with one of them very soon. So, we are at that stage right now where we are giving samples, working on some products for them. So, that is going on and we clearly see that as a good opportunity.

Moderator: Thank you. The next question is from the line of Richa from EquityMaster.com. Please go ahead.

Richa: Sir my question is on the Greenfield expansion of 10,000 odd MT this entire facility is likely to commence production from the beginning of FY24 am I correct?

Devang Gandhi: No, it has been two phases the first phase will commence within 18 months and based on that we will add the additional pace.

Richa: I mean is there any breakup like what kind of actual capacity will come in first phase versus second phase?

Devang Gandhi: So, we can give you an estimate and we have about frozen capacity would be added would be about within the range of 5,000 tons approximately.

Richa: And sir what kind of time period is required for this to achieve optimum utilization, is this doable in the first year?

Devang Gandhi: So, normally we would take it up in stages of about 3 months to 6 months for which we attain full capacity that is about 70% to 80% optimum.

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



*ADF Foods Limited
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Rishav Das: Thank you all for joining the Q3 FY22 Earnings Call. For any further query please get in touch with the Pareto Capital. Thank you.

Moderator: Thank you very much sir. Ladies and gentlemen on behalf of ADF Foods that concludes this conference. We thank all for joining us and you may now disconnect your lines.