



“ADF Foods Limited  
Q1 FY 23 Earnings Conference Call”

**July 29, 2022**



**MANAGEMENT:**

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DIRECTOR, ADF FOODS LIMITED**

**MR. SHARDUL DOSHI - CHIEF FINANCIAL  
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**Moderator:** Good evening, ladies and gentlemen. Welcome to the ADF Foods Limited Q1 FY23 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 “\*” then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Bhavin Soni. Thank you and over to you, sir!

**Bhavin Soni:** Good evening, everyone. I am Bhavin Soni from Orient Capital. We are investor relations advisors to ADF foods Limited. I hope that all of you and the families are safe and well. On behalf of ADF Foods Limited, I extend a very warm welcome to all participants on this Q1 FY23 financial results discussion call.

Today, on the call, I am joined by Mr. Bimal Thakkar, Chairman & Managing Director; Mr. Shardul Doshi, Chief Financial Officer; and Mr. Devang Gandhi, Chief Operating Officer. I hope everyone has had an opportunity to go through the investor deck and press release that we uploaded on the exchanges and Company's website.

Before we begin the call, I would like to give a short disclaimer. This call may contain some forward-looking statements, which are completely based upon our beliefs, opinions and expectations as of today. These statements are not a guarantee of future performance and involve unforeseen risks and uncertainties.

With this, I hand over the call from Mr. Thakkar for his opening remarks. Over to you, sir.

**Bimal Thakkar:** Thank you, Bhavin. Good evening, everyone. I hope you and your families are healthy and safe and I pray for their well-being. I'm pleased to welcome you all to our Q1 FY23 earnings conference call. Before I provide an update on our business and performance, I would like to thank everyone for removing the time to join us today on this call and being a part of this growth journey.

At the outset, I would like to thank the entire team for achieving a consistent performance this quarter despite multiple challenges, including geopolitical uncertainties, raw material inflation and supply chain disruptions. In the current quarter we recorded revenues of INR 97.2 crore in Q1 FY23 a growth of 12.5% from Q1 FY22. Our EBITDA and PAT stood at INR 9.1 crore and INR 7.6 crore respectively.

On the cost front, our margins were impacted due to high raw materials and freight costs. To mitigate this, ADF took a price hike in June the full impact of which will be seen in the coming quarters. Further we are also witnessing softening of raw material and freight costs which will also have a positive effect on margins going forward.

High quality product development and innovation is one of the most important aspects of our business. In this direction, we have strengthened our product portfolio by introducing new products under our flagship Ashoka brand. Products launch are in ready to eat ready, ready to cook and food accompaniments category. Also, to expand in India we are ready to launch products through e-commerce under Soul, in the food accompaniments category.

Products like pickles, sauces and chutneys are ready to be available in the Indian market from Q2 of FY23. QSR and cloud kitchen as a segment is at an inflection point and represent a very large opportunity. We at ADF are in active discussions with multiple players and are exploring various opportunities as we speak.

We have taken a step towards this opportunity and are pleased to inform that the board has given its in principle approval for making a strategic investment of \$1 million in a U.S. based entity called NaanSense operating LLC. It's a startup engaged in the business of ethnic Indian foods, quick service restaurants and fast casual dining restaurants. It will also give the company an insight into the food habits and trends of Indian food within the mainstream consumers in America.



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To conclude, we at ADF are really excited with the growth opportunities that lie ahead of us and are confident in executing our strategies. This is also my side and I'll hand over to Shardul, for the financial update. Thank you. Over to you, Shardul.

**Shardul Doshi:**

Thank you, Bimal. Good evening, everyone. Thank you for joining us today. Let me brief you on the financial highlights for first quarter. In Q1 FY23 our consol. revenues increased by 12.4% to INR 97.2 crores compared to the same quarter last year. Also, our gross margin increased by 26.9% to INR 47.9 crore as compared to the same quarter last year.

Gross Margin stood at 49.2%. For Q1 our EBITDA stood at INR 9.1 crore and EBITDA margin stood at 9.3%. As Bimal said, our margins were affected this quarter due to inflationary pressure on raw material and freight, as well as supply chain disruption in our U.S. based subsidiary. We are working closely on resolving the supply chain issue and confident of finding an alternative in next few quarters.

Okay. Yes. So, in Q1 FY23 our consol revenues increased by 12.4% to INR 97.2 crore compared to the same quarter last year. Also, our gross margin increased by 26.9% to INR 47.9 crore as compared to the same quarter last year.

Gross Margin stood at 49.2%. For Q1 our EBITDA stood at INR 9.1 crore and EBITDA margin stood at 9.3%. As Bimal said, our margins were affected this quarter due to inflationary pressure on raw material and freight, as well as supply chain disruption in our U.S. based subsidiary. We are working closely on resolving the supply chain issue and confident of finding an alternative in next few quarters.

In addition, MOFPI has sent letters to all the beneficiaries whereby they have pushed the PLI incentive by one year and will now be applicable from FY22- FY23 till FY26-FY27. The company has made representation in this regard and as a conservative position have not booked PLI incentive income in the current quarter. Once we get further clarity, we will start booking it in the coming quarters.

Q1 PAT stood at INR 7.6 crore with PAT margin of 7.9%. For Q1 FY23 processed and preserve food revenues increased by 12.8% to INR 78.6 crore and agency distribution business increased by 10.7% to INR 18.6 crore. This is all from my side. We can now open the floor for Q&A session. Thank you.

**Moderator:**

The first question is from the line of Abhishek Agarwal from Naredi investments. Please go ahead.

**Abhishek Agarwal:**

My first question, how much revenue get from Patanjali product in this quarter? And give some idea for full year FY23 top line from Patanjali product? And second question..

**Bimal Thakkar:**

Yes. No, no, go ahead.

**Abhishek Agarwal:**

Our EBITDA margin and PAT margin are declined. So, it is temporary down or permanent? And what is the reason behind it? And also, you saying your opening remarks, your raw material costs are high but our gross profit margin are increase? So, give some idea.

**Bimal Thakkar:**

Yes, so, your first question about Patanjali how much revenues were there in the first quarter? It was -- we have, our first shipment actually just came in, in about in May this year. Okay, so the first quarter has just got one shipment in and just about GBP 38,000 to 35,000 revenue (Technical issues) At the end of this year we hope to at least get to GBP 0.5 million in revenue from Patanjali that's what our expectation is.

Okay. I said the first shipment only just got in in May for us. So, the first quarter doesn't have too much significant revenue. We expect to close the year with about GBP 0.5 million in revenue for Patanjali in this year.



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- Abhishek Agarwal:** Okay.
- Bimal Thakkar:** Your second question was, can you please just repeat your second question?
- Abhishek Agarwal:** Yes. Our EBITDA margin and PAT margin are declined. So, it is a temporary or permanent? And what is the reason behind it? And also, you're saying over your opening remarks, raw material cost high, but our gross margin increase so what is the reason behind?
- Bimal Thakkar:** Correct.
- Shardul Doshi:** Can I take this question?
- Bimal Thakkar:** Yes, Shardul, please go ahead.
- Shardul Doshi:** Yes. So, this -- the comparison which we talked about was from Q1 of last financial year and Q1 of the current year. So, the main impact in profitability was due to the -- if you see the other expenses have gone up, there was a huge freight cost increase which happened between these two products. And as far as raw material is concerned, that comparison was from the previous quarter. And hence because we mentioned that the cost of raw material has gone up during this quarter and the prices are softening now. So going forward, hopefully, we should see some benefits coming out of it.
- Bimal Thakkar:** And also, also we've taken a price increase in June so you will start seeing that benefit as well.
- Abhishek Agarwal:** So, our freight cost going in same thing or it will come down?
- Bimal Thakkar:** So, the freight cost right now is, it has softened, but we are given to understand that is going to be some peak season surcharge which is going to be levied additional companies from end of August. I mean from the third week of August. So, we are not sure how that's going to impact. But the way it looks, it's going to be at least a few more quarters before we start seeing a major reduction on freight rates.
- Abhishek Agarwal:** So, in full year FY22 -- FY23 give me some idea about EBITDA margin?
- Bimal Thakkar:** Our endeavor will be to try and maintain what we have done in the past. So, we hope to be at anywhere between 15% to 18% EBITDA margins.
- Abhishek Agarwal:** Okay. Thank you so much, sir.
- Moderator:** The next question is from the line of Ninad Sabnis from Sabnis Financial. Please go ahead.
- Ninad Sabnis:** Yes. Hi, good afternoon, sir. I have two questions. And first one of them, just following up from my question on last call. We have some good plans to foray -- we already forayed and we had to -- we have plans to make better inroads in the QSR segment, which offers a great opportunity in a market like India also. So, can we just know any progress on that front?
- Bimal Thakkar:** Yes, so in India, we have started supplying already to one of the chains and we are on the second order with them. So it is progressing in the right direction. And we are trying to add more products as well.
- Ninad Sabnis:** Great. And if I may, I want to ask another question. Since majority I mean, we have a substantial portion of our revenue coming in from exports and dollars has been on a trajectory which is favorable for people, for companies who export. So, do we anticipate any positive impact of that on our P&L and balance sheet, going ahead?
- Bimal Thakkar:** Shardul, you want to answer that?



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- Shardul Doshi:** Yes. Definitely, in fact this is going to help us in long term because this freight translates into the top line increase for us. But just a word of caution, we operate in two currencies, even we operating GBP. So, GBP has come down by almost 6%, 7% compared to the earlier levels and the dollar has gone up to that extent. Of course, our USD exposure is more so net we will benefit more compared to what we lose on GBP.
- Moderator:** The next question is from the line of Anupam Agarwal from Lucky Investments, please go ahead.
- Anupam Agarwal:** Sir, just on your opening remarks you mentioned about price hikes being taken, can you help us understand versus the quarter comparable that you allude to, how much raw material cost has increased and in tandem, how much price increase are we taking?
- Bimal Thakkar:** The price increase has been taken on selective products. And the overall impact on some of the products we've taken is about 8% to 10%. So, I think the overall impact, Shardul would be around 3% to 5% for us on an overall basis?
- Shardul Doshi:** Yes.
- Bimal Thakkar:** And the raw materials you know again so if we look at our key raw materials for example, this year, mangoes or wheat flour, oil all these have increased tremendously, I mean, you know, some of them have gone up by as high as 30%, 35%. We obviously cannot pass on the full increase to the consumers. So, we have been absorbing some of it but on our key products where we feel we could take the increase we've done that. So, you can already see our gross margins have improved again, that is also because of better product mix. We're selling more higher margin products. So, we'll continue to do better and 9technical issues)(19.45) the price increases has already happened. Hopefully, the raw materials are now showing some relief in I mean, there is a softening on the increase on the raw materials. So, all this should help and we should be able to get back on track with our EBITDA margins which we will get.
- Anupam Agarwal:** Okay. So, can you help us understand what has been the frozen food mix in the overall revenue? And what sort of gross margin are we expecting for the entire FY23?
- Bimal Thakkar:** Shardul, you want to get that?
- Shardul Doshi:** So, we generally don't give the breakup of revenue but frozen is one of our main products, which we supply, and our in fact share of frozen on month-to-month basis it's increasing and it is one of the main component of our overall sales mix. What is your second question?
- Bimal Thakkar:** How do you maintain the gross margin?
- Shardul Doshi:** Yes, the gross margin in fact, we -- as Bimal said that the raw material prices have softened compared to the previous quarter or previous few months, plus the dollar exchange rate is beneficial and the price hike also we have taken. So, I think our gross margin will remain at this level.
- Anupam Agarwal:** Understood. Sir, can you help us understand or give us some color on your CapEx update by when are we looking to commission the brownfield debottlenecking and the Greenfield plant?
- Bimal Thakkar:** I'll let Devang answer that.
- Devang Gandhi:** So as far as the Brownfield is concerned, we are already as you know that last year we spent a lot -- we put in a lot of CapEx there. But this quarter we've been consolidating that and probably we have enough capacity then moreover, it is streamline of processes. As far as the new plant is concerned, we have acquired the land already and we have applied to the Ministry of Food processing for the grant which we are expecting to get in a couple of months. I think got that we should be in a position to then execute the plant within one and a half year.



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- Anupam Agarwal:** Okay. So, H2 FY24?
- Devang Gandhi:** Yes.
- Anupam Agarwal:** Understood. What is the sort of CapEx we're looking at in this greenfield and our peak potential what is the kind of revenue we can do from that plant?
- Devang Gandhi:** So, in the Greenfield we'll look at our capital in the first phase of about INR 60 crore, and at full capacity it would give us -- see and again I'm saying full capacity normally the thumb rule is about 2 to 2.5 to 3 times so, you should take that as an indicator.
- Anupam Agarwal:** Sorry, I missed the number on CapEx?
- Devang Gandhi:** The CapEx was INR 60 crore in the first phase, and we added something later.
- Anupam Agarwal:** INR 60 crore. Okay. So, in first phase, what is the land parcel that we're looking to utilize? I mean, what will be the phase 2?
- Devang Gandhi:** So, what we do is normally when we set up plants like this, we put up infrastructure for both the phases together. So, our CapEx on land, and building would of course be a little bit higher in the first phase. So, we're looking at approximately 15,000 square meters of land, which is already acquired.
- Anupam Agarwal:** Understood. So, this is close to where our plants is or?
- Devang Gandhi:** Yes, it's in Mega Food Park, which is about 150 kilometers from, our flagship plant. And it's in the same food park where our current leased factory is which we have taken on lease, that's our unit. So, it's in that same food park.
- Bimal Thakkar:** And it's in the same food park where our current leased factory is which we have taken on lease, that's our unit. So, it's in that same food park
- Anupam Agarwal:** Understood. So, in your earlier call you mentioned about freight cost being around 14% of top line, is it similar currently in the current quarter as well?
- Bimal Thakkar:** Yes, it's maybe a percent here or there. But freight costs are still pretty high. Shardul, what was is it, this quarter?
- Shardul Doshi:** Almost 16%.
- Moderator:** The next question is from the line of Keshav from RakSan Investors. Please go ahead.
- Keshav:** Sir, you had mentioned about an approval to invest in a U.S. based LLC. Sorry, I missed the name of the company, and whether you're acquiring or investing, so could you clarify that, and the amount to be invested?
- Bimal Thakkar:** So, the company is called -- so it's a QSR, I mean, they have a fast casual dining restaurant and QSR model, the brand is called NaanSense. So, it basically specializes in Indian food targeting the mainstream Americans. The amount the ins in principle approval we've got is for a million dollars, we'll be taking the minority stake in there. And we would be the preferred suppliers to the chain of restaurants of all the ingredients. So, this gives us an edge in terms of being suppliers and also gives us insight in the food trends of mainstream American consumers
- Keshav:** So, is there a quantum if you can get to the business opportunity at hand with them?
- Bimal Thakkar:** See, they have just started with one outlet. They plan to scale it up to in the next three to four years. They plan to go up to close to 50 outlets. And so, it's very difficult to quantify at this



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point, but if they get to that level, we should be looking at a decent amount of revenue coming from them.

**Keshav:** Sure, sir. And so, what kinds of business opportunities are you looking at in the cloud kitchen space, if you can give a qualitative idea on that?

**Bimal Thakkar:** So, what we want to do is be a key part of their supply chain so be an ingredient supplier or you know finished product supplier to them, because the whole QSR in cloud kitchen space is growing very fast. And we have all the backend already in our facilities. So, we want to be part of their supply chain. That's what we are looking at.

**Keshav:** Okay. Sure, sir. And pardon me, I'm fairly new to the company. So, I just had this one observation if I see the financials, if I look a year back, our capital employed in the agency distribution segment was probably half of what it is right now. So, is it a matter of scaling or is it shift in business fundamentals, because our revenues haven't moved out in tandem?

**Shardul Doshi:** So, what we have done there is we have taken two warehouses on lease. So, the way the accounting happens in U.S. is the lease hold assets you need to capitalize over the term of the lease and then you have to charge off the lease. So, there is an equivalent asset and liability which gets created over there. So, there are two warehouses, in fact, we took on lease in this business. And now we have warehouse of almost 100,000 square feet there.

**Moderator:** Thank you. The next question is from the line of Aakash Javeri from Perpetual Investment Advisors. Please go ahead.

**Aakash Javeri:** Hi. Good evening and thank you so much for the opportunity. My first question was, could you do throw some light on the demand scenario right now in the U.S.?

**Bimal Thakkar:** Well, the last two months, things have been a little bit slow. But that's because it's basically everyone's been travelling, it's holiday season. So, we are now expecting from August things to come back to normal. So we don't see any kind of problem in terms of the demand. But last two months have been a little slow, which is because of the holidays and travel. (Technical issues) 29.48 because of COVID everyone was -- the travel was not there and suddenly people have just started travelling when they've got the opportunity.

**Aakash Javeri:** Got it. Understood. Thank you for that. My second question would be regarding the pricing scenario, because of you spoke of volatility in raw material prices. How often do we get to revise our prices, you just said in June we took a price hike? So how often generally do we get to revise prices and pass it down to consumers?

**Bimal Thakkar:** So normally we do it once a year. And that to it depends, it's not across the board for everything. If there is some bad crop or things like that, at that time, we will look at a price increase otherwise, we don't normally go for the price increase but if it is absolutely necessary, our brands are strong enough so we are able to take the price increase. So yes, I mean, now we've taken this in June. We don't hope to take any more increase unless the situation demands for us to increase, then we will.

**Aakash Javeri:** Okay. And my last question would be that we heard about like destocking of inventory last year due to low demand post unlock. So how is that situation now?

**Bimal Thakkar:** I'm sorry, I didn't understand the question.

**Aakash Javeri:** That last year because of low demand posts unlock, once people started moving out of their houses, so because of that there was some destocking of channel inventory. So how is that situation now?

**Bimal Thakkar:** So right now, I mean, you know, what happened during lockdown in the initial phase where people were just stocking up their kitchens and pantries stocking what we call, that's not



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happening, everything is now normalized, there is no panic in that sense for stocking up goods. So, it's come back to the normal situation pre COVID.

- Aakash Javeri:** Normalized levels. Okay, fine, that's it.
- Moderator:** We'll move on to the next question that is from the line of Nikhil Vora from Sixth Sense Ventures. Please go ahead.
- Nikhil Vora:** Bimal, just one question on distribution where we've obviously done extremely well over the last couple of years with Unilever and Patanjali coming on board. How scalable is that business and how do we see profitability in that business shaping up over the next couple of years? And what's the potential of other consumer brand businesses being part of this distribution platform that we have?
- Bimal Thakkar:** So, Nikhil for us Patanjali has just started, as I mentioned, and we expect this to I mean, in the next two to three years, we at least hope to get it up to about 3 million to 5 million -- GBP 5 million in revenue. The Unilever part of the business continues to grow. We are adding more products from that portfolio as well.
- And there are other agencies which we are actively in discussions with and we've already signed up one with a strong brand of frozen products from Malaysia. So that has just started in fact, last month was the first shipment which came in. And we hope that business will also, I mean the target for this year for that business is also about \$ 0.5 million. So, we will take on more brands through this pipeline but our focus will always remain on our brands. And I think our agency business as we go along we'll probably look at under 30% of our revenues, 70% will still come from our own brands.
- Nikhil Vora:** Okay. And that's why agency also enable us to go deeper into a lot of geographies, which maybe our brands were not able to go?
- Bimal Thakkar:** Yes, absolutely. It does help us; it gives us more power with retailer. And you know, distribution business we're setting up the warehouses which we are setting up, all these products help us in bringing our operating costs down as well. So, it's the (35.35) business this is vertical for us, has actually worked out very well. And we will continue to exploit it and grow it as much as possible.
- Nikhil Vora:** And what's a potential leverage of a business cycle over a period of time? Can the margin profiles increase meaningfully in this or we should be in the similar band for the next two, three years?
- Bimal Thakkar:** No, I think the margin profiles will remain more or less the similar band. Because, you know, we can't out price ourselves also and we work closely with our principles to ensure that you know the products are sold at the right price to the consumer as well. So, we should -- but what will happen for us, how our margin improvement will happen is as and when we open more warehouses that there is a -- so, we get a super stockist margin, and then there is a distributor margin. So as we start doing more of our own distribution we will get to enjoy that distributor margin as well. So that'll help, that is how our margin improvement will happen. Right now, we've got two outlets, two locations where we are distributing directly and we hope to add on for more DCs over the next two years in the U.S. so, that will help us further improve our margins.
- Moderator:** The next question is from the line of Anupam Agarwal from Lucky Investments. Please go ahead.
- Anupam Agarwal:** Thank you for the follow up sir. Just trying to understand -- I understand you don't give mix between the brands. But if you can help us understand how these brands have grown on a y-o-y basis, Ashoka and all our brands?





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- Bimal Thakkar:** Shardul, you want to take that?
- Shardul Doshi:** Yes. So, in fact, we have seen growth in absolute number in most of our brands, whether it's Ashoka, Camel and Aeroplane or Truly Indian. So, these are – ADF Soul is a brand which we have kept for India so, that when we are launching products in this quarter it will come under that brand.
- But in terms of overall percentages, we have certain private label or b2b business also, which we do in fact, that's coming down which used to be earlier 35%, it's down to now between 25% to 30%, which is anyway now compensated with higher growth in Ashoka, Ashoka in fact has been growing really fast. And Camel and Aeroplane, they are kind on a steady state affair. But they have also grown in absolute terms. So that's how all the brands have done, overall.
- Anupam Agarwal:** Understood. So, across the board, we've been talking to companies, we're seeing some solid slowdown in Europe and U.S., given inflation rates where they are right now. What is your take and sense on this? Are we seeing some further slowdown or let's say some lower off take from our customers given these issues?
- Bimal Thakkar:** So, as I mentioned the last two months there has been a bit of a slowdown, but it's not because of the inflationary (technical issues).(39.05) We are already seeing I mean, from the last week onwards, things are again getting back to normal. So hopefully, I mean, of course the inflation pressure is there across the world. But being in the food business, I mean, you know that is hopefully it doesn't impact us, I mean we are not seeing much of an impact. We have Diwali which is coming up and people are, all our distributor, all our partners are all very gung-ho about the Diwali season coming in. Demand seems to be coming back. I mean, these last two months was only because of the travel otherwise, I don't see much of an issue at all, in terms of demand for our products, at least.
- Anupam Agarwal:** Understood. Sir, we've incorporated a subsidiary in India for back-end solution and services, can you give us your rationale behind that?
- Bimal Thakkar:** Yes, I think Shardul will, Shardul, can you please?
- Shardul Doshi:** Yes. So, this entity will actually provide the backend support for all our Indian operations which will be conducted under this entity. So, the way structure is now ADF India, ADF will hold this backend entity and under that there is Telluric who is going to sell the, who's actually going to buy products from ADF and sell it on e-commerce. And this all activity will start in the month of August.
- Anupam Agarwal:** In August. Okay, got it. So, last question from my end, just want to understand, the valuation of INR 50 crore for NaanSense for the 16% holding we bought, just if you can help us understand something there?
- Bimal Thakkar:** Shardul?
- Anupam Agarwal:** We've given INR 8 crore, for 16% stake, that comes to about INR 50 crore valuation. So, if you can help us understand something there?
- Shardul Doshi:** Yes, so, this is a capital which is required anyway for the company and based on that this valuation has been arrived. This is all growth capital.
- Bimal Thakkar:** And they had already raised money one year ago. At this kind of valuation, in fact, we were able to get a lower valuation compared to what they did in their first round of fundraising. And this is a startup, but the team which is there who's executing this has got a proven track record. David who's the managing partner of this whole entity, he has had past experience and success in growing a similar concept for Mediterranean foods. And later on, sold it off to a private equity after getting it up to 50, 60 outlets. So it's that premium you paid for the team. And they already raised this kind of money earlier. So, we've actually got a better valuation than their



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first round of raising because they look at us as strategic (technical issues)(42.36) vendors, suppliers for all the products.

**Anupam Agarwal:** Got it. So, sorry, last question. Is there some sort of capacity constraint we are facing in the foods business, that we're not being able to grow north of the 15%, 20%?

**Bimal Thakkar:** No, there is no capacity issue. I mean, the bottlenecking which we had to do for some of our products, which has happened now. So, we should be able to grow at a higher pace going forward and then the new greenfield will also help once that comes in. So, there was some products we were facing issues but that debottlenecking been done, so now we won't have that issue as well.

**Moderator:** The next question is from the line of Abhishek Agarwal from Naredi Investments. Please go ahead.

**Abhishek Agarwal:** Okay. Sir, in FY23 what revenue generate from Patanjali product because due line distribution, I did not get exact number? So, it is a GBP 1.5 million or GBP 0.5 million.

**Bimal Thakkar:** No, GBP 0.5 is what we will look at achieving this year because it was a little -- we started off only in May. So, we expect at least a minimum of GBP 0.5.

**Moderator:** As there are no further questions. I now hand the conference over to Mr. Bimal, for his closing comments.

**Bimal Thakkar:** Thank you, everyone for your participation and please stay safe, and we will look forward to connecting with you in the next quarter. Thank you.

**Moderator:** Thank you. Ladies and gentlemen on behalf of ADF Foods, that concludes this conference call. We thank you for joining us and you may now disconnect your lines. Thank you.