



7<sup>th</sup> November, 2023

<b>National Stock Exchange of India Limited,</b> Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.  <b>Symbol: ADFFOODS</b>	<b>BSE Limited,</b> Department of Corporate Services, Phiroze Jeejeebhoy Towers , Dalal Street, Mumbai - 400 001.  <b>Scrip Code: 519183</b>
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Dear Sir/Madam,

**Subject: Transcript of Q2 & H1 FY24 Earnings Conference Call.**

Pursuant to Regulation 30 & 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we attach herewith a copy of the transcript of Earnings Conference Call held on Wednesday, 1<sup>st</sup> November, 2023. The same is also available on the website of the Company at [www.adf-foods.com](http://www.adf-foods.com).

This is for your information and record.

Thanking You,

Yours faithfully,  
For **ADF Foods Limited**

**Shalaka Ovalekar**  
Company Secretary

*Encl: As Above*



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“ADF Foods Limited  
Q2 FY '24 Earnings Conference Call”  
November 01, 2023



**MANAGEMENT:** **MR. BIMAL THAKKAR – CHAIRMAN, MANAGING DIRECTOR AND CEO – ADF FOODS LIMITED**  
**MR. SHARDUL DOSHI – CHIEF FINANCIAL OFFICER – ADF FOODS LIMITED**  
**MR. SUMER THAKKAR – GENERAL MANAGER- SALES AND STRATEGY – ADF FOODS LIMITED**

**MODERATOR:** **MR. DEVANSH DEDHIA – ORIENT CAPITAL**

**Moderator:** Ladies and gentlemen, good day, and welcome to the ADF Foods Limited Q2 FY '24 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Devansh Dedhia. Thank you, and over to you, sir.

**Devansh Dedhia:** Thank you, and good evening, everyone. On behalf of ADF Foods Limited, I extend a very warm welcome to all the participants on Q2 and H1 FY '24 financial results discussion call. Today on the call, we have Mr. Bimal Thakkar, Chairman and Managing Director and CEO; Mr. Shardul Doshi, the Chief Financial Officer; and Mr. Sumer Thakkar, the General Manager, Sales and Strategy.

I hope everyone had an opportunity to go through our investor deck and press release that we have uploaded on the exchanges and on the company's website. A short disclaimer before we start this call. This call will contain some of the forward-looking statements which are completely based upon our beliefs, opinion and expectation as of today. These statements are not a guarantee of the future performance and involve unforeseen risks and uncertainties.

With that, I would like to hand over the call to Mr. Bimal Thakkar for his opening remarks. Over to you, sir.

**Bimal Thakkar:** Thank you. Good evening, everyone. Let me take this opportunity to wish everyone a very happy and safe Diwali in advance. We continued to grow steadily in the current quarter 2. This quarter was marked by actions that will lay the foundation to future growth. Those following the company may be aware that we have hired Arjuun Guuha and Balark Banerjea.

Mr. Guuha is hired as Director of Operations. He is a seasoned food industry veteran with the experience of running technical operations of several leading companies. He's held several senior management roles, including Head of Operations and CEO positions, both in India and overseas with leading Indian corporations and MNCs. He's experienced in both frozen foods and greenfield projects, and proficient both in factory and profit center management.

He has hands-on experience across a range of food categories like frozen, ready-to-eat, fruits and vegetables, purees, ice creams and staples. Besides this responsibility, he will also serve the Board in capacity of a Whole-Time Director. Mr. Arjuun will help us with our operations, planning and future expansions. And thus, certain aspects of our greenfield expansion at Surat are back on the drawing board.

Mr. Banerjea will be President of the India domestic business. He has had experience in starting up businesses and have launched new brands and products during his long stints with a leading Indian conglomerate. Mr. Banerjea will be instrumental in driving the growth of our ADF Soul brand. It is a brand with a lot of promise made for an urban India that want traditional Indian recipes and international gourmet ranges.

We have also hired Neetu Gursahani as Head of Marketing and Branding. She's a professional with over two decades of experience in building brands and steering growth strategies, particularly in the food industry. With our human capital enhanced, they are equipped with able hands to translate plans and policies into concrete actions. As the company has completed three decades of listing on the recognized stock exchanges, we would like to celebrate it by rewarding our shareholders with a special dividend of INR4 per share, which is 200% of the face value of a share.

Our operations have been going smoothly as we saw another quarter of revenue and profit growth. We extended the pickles category offering under ADF Soul brand, Brownfield and debottlenecking investments in Nadiad and Nashik facilities meant that we were able to transfer our lease facility at Surat to the Nadiad facility. This will help save lease overheads and improve efficiency with no loss of overall capacity.

I will now hand it over to Shardul, our CFO, for the financial performance. Thank you. Over to you, Shardul.

**Shardul Doshi:**

Thank you. Good evening, everyone. I'll first share the stand-alone performance of the company. Revenue from operations for Q2 FY '24 was INR97.3 crores, up 17% Y-o-Y and 15.1% Q-on-Q. EBITDA for the quarter was INR22.7 crores, an increase of 46.2% on Y-on-Y basis and 7.4% on a Q-on-Q basis.

EBITDA margin was 23.3%, expanding by 465 basis points on a yearly basis. PAT was INR17.7 crores, up 35.4% on a Y-o-Y basis and 8.3% on a Q-on-Q basis. PAT margin for the quarter was 18.2%, an increase of 247 basis points on a yearly basis. For the half year ended 30 September 2023, revenue from operations was INR181.9 crores, up 17.1% Y-on-Y. EBITDA was INR43.8 crores nearly doubling, registering an increase of 92% Y-on-Y. EBITDA margin was 24.1%, expanding by 938 basis points Y-o-Y and PAT was INR34.1 crores, up 66.3% Y-on-Y with a PAT margin of 18.7%, an increase of 554 basis points on a yearly basis.

Coming to the console performance. Revenue from operations for the quarter was INR124.6 crores, up by 16.8% on Y-on-Y basis and 10.9% on a Q-on-Q basis. EBITDA for Q2 FY '24 was INR21.8 crores, a growth of 20.8% and a marginal decrease of 0.7% on a Q-on-Q basis. EBITDA margin was 17.5%, tax for the quarter was INR14.9 crores, an increase of 9.8% on Y-on-Y basis and 1.4% on Q-on-Q basis. PAT margin for Q2 FY '24 was 12%. For the half year ended 30, September 2023, revenue from operations was INR237 crores, up 16.2% Y-on-Y and EBITDA was INR43.7 crores, growing at 61.2% Y-on-Y.

EBITDA margin of 18.4%, which is expanded by 514 basis points Y-on-Y. PAT was INR29.7 crores, up 39.6% Y-on-Y with a PAT margin of 12.5%, an increase of 210 basis points on a yearly basis.

As you are aware, we are actively doing brand-building exercise in Telluric subsidiary. To strengthen our effort, Bimal just mentioned that we have hired a very senior level person from industry to lead in the business. In addition, we have invested in the warehousing space in USA considering our growth in future and our freezer is also now installed within the warehouse,

which will help us to have a very effective distribution in the US market going forward. These investments will give us rich dividend going forward, but currently impacting our P&L at the console level. In addition, ADF Foods USA continues to have losses, but at a considerably lower level compared to the last year as we have reduced our fixed cost.

With this, I request the moderator to open the floor for question-and-answer session. Thank you.

**Moderator:** Thank you. Ladies and gentlemen, we will now begin with the question-and-answer session. The first question is from the line of Sahil Bajuria, an Individual Investor. Please go ahead.

**Sahil Bajuria:** So sir I have a couple of questions. Sir, as I see on ADF Soul's website that you have pickles, sauces, and paste. So my question is why are we not selling frozen foods through Soul in India and like, given we already do it in our brands in USA?

**Bimal Thakkar:** So that's a great question. We are looking at launching products from our portfolio in a phased manner. We first want to build out on the shelf-stable products. And next year, in Q2 is when we will start looking at the other products being introduced under the Soul brand.

**Sahil Bajuria:** Sir, one more question. Like in your presentation, as you mentioned that Surat factory being shifted to Nadiad. And say that it will help on lease cost. But yet as I see that lease liabilities -- there is a rise in lease liability in the balance sheet. So sir, why is it? And like is there any shift late in the quarter? Or have we leased something new at Nadiad or Nashik factory.

**Bimal Thakkar:** I'm going to let Shardul answer that. Shardul?

**Shardul Doshi:** So what we have done is we have extended our lease for the corporate office in Mumbai for the next five years. And for that, we have created asset and liability.

**Bimal Thakkar:** And the Surat factory, the lease -- I mean we have stopped 30, September, so you will -- the savings will start from October onwards for us.

**Sahil Bajuria:** Yes, okay sir. Also, sir, like what are some of the new products we launched under Ashoka and Truly Indian, if you can just?

**Bimal Thakkar:** So we've launched quite a few new products in Ashoka brand. Those have decent -- the response has been encouraging. It's still too premature. It's just been launched recently. And the Truly Indian brand, the whole refresh on the brand has been -- we are in the presentation stage at the moment with supermarkets and hope to start getting listings from next year onwards.

**Sahil Bajuria:** And just a follow-up question to this. Like what are some new categories we have in pipeline...

**Bimal Thakkar:** So we are working on a range of Indian deserts in frozen, which we will be launching in and then there are some more plant-based products, which we are launching and some more street food products, which are being launched.

**Moderator:** Thank you. The next question is from the line of Sriram R, an Investor. Please go ahead.

- Sriram R:** Just one question from my side. So what is the total opportunity we are looking at. If you can comment on the market size of various geographies and what is our share currently? And what are we -- what is our aim probably in the next five years to 10 years?
- Bimal Thakkar:** So there are two segments of markets in our business. One is the South Asian diaspora, which is our Indian, Pakistani, Bangladeshi. That is one diaspora and then there is the mainstream, which is the non-Indians. There is no organized data as far as the South Asian diaspora goes. As far as the mainstream market goes, I mean, US is growing very rapidly. Indian food is at a stage where it's at this cusp where it's taking off. And at the moment, the size would be at least, our guesstimate is at least \$300 million.
- In the UK also, the market is -- Indian food is more mainstream. It's already at \$300 million, \$400 million out there as well. So the runway is huge. Opportunity is huge, as you can see. We are making -- our goal now is, of course, our focus will be to keep growing within the South Asian market in all these geographies. But now we are looking at strengthening our -- and penetrating into the mainstream market. So currently, we are only in Germany. And now we are looking at the US market in a very aggressive manner for our Truly Indian brand.
- Sriram R:** So basically, the brand Ashoka is not in Canada or US, is that so?
- Bimal Thakkar:** No. Ashoka is in nearly 55 countries. That's our brand to cater to the ethnic diaspora, ethnic Indian diaspora. Okay? Truly Indian is going to be the brand which will be launched -- which is for the mainstream, which is the non-Indians.
- Moderator:** Thank you. The next question is from the line of Aakash Javeri from PIA. Please go ahead.
- Aakash Javeri:** My question is, could you throw some light on the current demand scenario in the US and the UK markets?
- Bimal Thakkar:** So the demand continues to remain good. We continue to expand and grow our product portfolio, add new products, increase our distribution. So there is -- we have not seen any slowdown at all in demand...
- Aakash Javeri:** This would be for the US and the UK?
- Bimal Thakkar:** Yes, sir.
- Moderator:** Thank you. We move on to the next question that is from the line of Devanshu Sampat from Avendus Wealth. Please go ahead.
- Devanshu Sampat:** So I had a few questions. One thing, if you can speak about this agency business run rate of INR18 crores which has come down. So can you just talk about what's happening over there? Or is it entirely an impact of the export ban into the UK?
- Bimal Thakkar:** No. So there is no export ban as far as any of our products go for the agency business. What has happened is, they are agents for the tea brands which Unilever used to own, which is the Red Label Tea, Taj Mahal Tea, and Lipton Yellow Label Tea. That business has been sold by Unilever worldwide to company called ekaterra. Now the whole transition has not been as

smooth as expected by them. And there have been supply chain issues, which they are facing currently and which has led to the decline in sales for us because they have not been able to supply products to us.

In fact, just before our call, I was on a call with the senior team of the ekaterra and they have assured that from next year onwards from -- hopefully, from the last quarter of this financial year, their product supply should get much better streamlined. And from the next fiscal year, they expect to be absolutely on the ball for supplying products and adding new products. So that's the reason why the agency business has come down.

**Devanshu Sampat:** And so do you think this INR18 crores number will remain for the rest of the year? Or will it decline?

**Bimal Thakkar:** No. We don't -- we hope it will only improve and not decline through what we have done so far. So we feel confident based on our conversation with them that they will be improving their supplies. So we have -- we remain optimistic that it will get better in the fourth quarter at least.

**Devanshu Sampat:** Sure. And there was also a discussion on the last call before signing up a new client and you are very close to formalizing it, so any update on that?

**Bimal Thakkar:** So we are still in discussions with -- this product is a beverage, and we are looking at a launch in the summertime. So we hope to finalize things with them by the last quarter of this financial year. And we will start seeing that product being sold in the market from the first quarter of next fiscal year.

**Devanshu Sampat:** And my second question is regarding Truly Indian, right, so you just mentioned that the listings that we are talking about will be for next year. So -- but in the presentation you have mentioned something about launching them in 3Q, so does this -- I mean, I'm a little confused over here and -- so can you just clarify this please?

**Bimal Thakkar:** So when we meant by launching, it was more of presenting to -- see all these supermarkets have a schedule for when they do their range reviews and when they take in new products. So the showcasing of the products has already started that we've been presenting to the various supermarkets. But by the time they finalize the products and do their -- getting the new products into their shelves, that will happen from next fiscal year.

**Devanshu Sampat:** Okay. So does this push out our aspiration of growing 2x every three years, does that get pushed this year?

**Bimal Thakkar:** No. So we've been growing at about -- I mean, if you saw this quarter also, we've grown at about 17%, right? We hope to continue to grow in our other businesses. And the Truly Indian brand is already in Germany. So there we are hoping to get some more listings out there where we can grow it. So we will try to be in this 18% to 20% for this year growth rate for sure. And next year, once we get listings of all our -- in the US supermarket change, then that growth will be much faster once we get those listings. So we will continue to do our best to meet that -- of growing every 3 years on a stand-alone basis.

- Devanshu Sampat:** And have the two large listings in UK has it started contributing yet?
- Bimal Thakkar:** Yes. So we've had one change, which has listed the product. It's doing well with them. The name -- it's Morrisons who has taken our frozen food and the shelf-stable products and that's doing well with them, and we continue to add more products, and we continue to showcase our products to other chains as well.
- Devanshu Sampat:** Can you give a sense on what will be the number of international business from this UK listings. Maybe expecting this year or maybe annually from next year? I mean, on an annual run rate basis.
- Bimal Thakkar:** So next year would be the full year that we would probably look at, at least GBP 1 million coming in from this share.
- Devanshu Sampat:** Sure. I have a few more questions. Can I ask them right now or should I come back later?
- Bimal Thakkar:** No, no. Sure, go ahead.
- Devanshu Sampat:** So just when it comes to branding investments and the budgets, can you give me a sense on what are the numbers you're working for Truly Indian and Soul, especially in the coming year? Because I think our annual run rate has been around INR22 crores to INR24 crores in the past two fiscals. So I just want to get a sense on how this number will look like in FY '24 and '25.
- Bimal Thakkar:** So on the Soul brand, Shardul, do you want to just share some light on the investment what we are looking at on Soul?
- Shardul Doshi:** So as you aware Devanshu, in fact, in our last Board meeting, we have committed INR5 crores for this financial year for the Soul business. So that -- that's the budget which we have kept for investment in -- or promoting the Soul brand in Indian market.
- Bimal Thakkar:** And Truly Indian -- Truly Indian brand this year, as we are just showcasing, as I said, we are looking at listings, etcetera. So in the next year, we would hope -- I mean, we are looking at an investment of roughly about \$0.5 million in the US for the Truly Indian brand for next year, which will be more towards listing fees. So they call them slopping fees out there. And so we are looking at about \$0.5 million budget for the Truly Indian brand.
- Devanshu Sampat:** And just two more queries. The food service vertical, can you give a sense on what's the development over there and the outlook and the plans over there please?
- Bimal Thakkar:** So again, that is work-in-progress. We are presenting there as well. And we hope to get some -- for all these, we hope to get some listings happening from next financial year. You will -- We should start seeing sales coming in from the US on both food service and on retail.
- Devanshu Sampat:** And just on your manpower costs, right? So now with all the recruitments, where are we on the hiring plans when it comes to senior management. And this INR8.6 crores employee cost run rate. Is that something that I can work with for the rest of the quarter? Or is it a number which will continue moving higher?



- Bimal Thakkar:** Yes. Shardul, can you please?
- Shardul Doshi:** Yes, it will slightly go up in the next couple of quarters. Considering a lot of these hirings, you will see that -- like in India, it's all as employed, but in the overseas market, they will come as professional fee. So the other expenses will also go up slightly in the quarter.
- Devanshu Sampat:** And sir, what were your freight costs this quarter?
- Bimal Thakkar:** Same as last quarter around 7%.
- Devanshu Sampat:** 7%, stand-alone, right?
- Bimal Thakkar:** Yes.
- Devanshu Sampat:** And sir, last query, if I may, any update on Nate's and PJ's. You said they have submitted some samples, so what's the feedback they've got.
- Bimal Thakkar:** So we haven't -- we haven't got anything positive to say on that at the moment. They're still reviewing it. We've not heard back from them. It's just that what has happened is there's been a long gap. So they are taking their own time to revert back. So as soon as we know on that, we will definitely let everyone know. But as of now, nothing -- no news on both PJ's and Nate's.
- Moderator:** Thank you. The next question is from the line of Dhiral from PhillipCapital, PCF. Please go ahead.
- Dhiral:** Sir, since you have hired the industrial biggies, so what is our medium term and the long-term target that we have given to the senior management that we have newly hired, which we are looking to achieve in coming two years to three years?
- Bimal Thakkar:** So as far as the India business goes, they are looking at in the next three years to get up to about INR50 crores top line. And the other thing is on the capex side, where we will be looking at our greenfield project up and running within the next 18 months.
- Dhiral:** Okay. So all the three senior guys that we have hired, so their focus will be purely to drive up the domestic business?
- Bimal Thakkar:** Yes. One person is on operations, Director of Operations. So his role would be more on improving efficiencies in our existing plants, putting the greenfield project, getting that up and running. And one is a marketing person. So her role would be more for assisting the sales team in all the marketing activities for the brands and Balark is the one who is going to handle the India business. So his plan is in the next three years to get to a INR50 crores top line for the Soul brand in India.
- Moderator:** Thank you. The next question is from the line of Pratik Dedhia, an individual investor.
- Pratik Dedhia:** Sure. Okay so quick question on what are your primary cost drivers? And do you see any inflationary pressures coming in down the line?

- Bimal Thakkar:** So as far as inflationary pressures go, there are certain commodities which have gone up because of the geopolitical situation, because of the crop failures but when you compare it to what a year, 1.5 years ago, a lot of the commodities have come under control as well. There are some commodities, which have gone up. But overall, it's not something that at the moment at least, it's not a red flag, so to speak, for us. There have been some increases, but we are managing that with a better product mix and maintaining our margins.
- Moderator:** Thank you. The next question is from the line of Saurbh Trivedi, individual Investor. Please go ahead.
- Saurbh Trivedi:** I have two questions. So the question is what percentage of revenue is coming from Canada and UK?
- Bimal Thakkar:** From Canada and UK?
- Saurbh Trivedi:** Yes.
- Bimal Thakkar:** We don't give specific country wise or region wise, but it would be in the range of about 25%, Canada and UK.
- Saurbh Trivedi:** Understood. I'm asking this question because many of the Indian students or the young people are going and settling in Canada and UK, right? So how are we catering to such audiences -- the Indian audiences.
- Bimal Thakkar:** Yes. So we can -- we see a demand and the uptake happening in these markets, especially on products like our ready-to-eat foods, our frozen foods, which are convenient for the students. So we are seeing growth on that now.
- Saurbh Trivedi:** Okay. And are we looking to acquire any organic or unorganic business nationally or internationally?
- Bimal Thakkar:** So we continue to look at opportunities, and then there is something we will definitely make the necessary announcements. But yes, we are always on the lookout.
- Saurbh Trivedi:** And sir, the question is about dividend. We are paying INR4 per share. Are we going to use our cash and reservations -- reserved cash that we have with us -- cash in hand, where is this money coming from?
- Bimal Thakkar:** This is coming from -- we have enough cash sitting on our books. And even after giving out this dividend payout, we will still be sitting on about INR140 crores in cash with us.
- Saurbh Trivedi:** And sir, what are your our long-term plans let's say, five years, seven years down the line around India as well as international.
- Bimal Thakkar:** So we definitely want to have India be contributing to about 20-odd-percent at least of our revenues five years to six years down the line from here. We would like that to happen. And internationally, we want to continue to grow and expand our reach and product range both to the ethnic diaspora as well as the mainstream. That is what our goal is.

- Moderator:** Thank you. The next question is from the line of Ravi Naredi from Naredi Investments. Please go ahead.
- Ravi Naredi:** I can say it is a reasonable result so far. Sir in distribution, we are doing very hard work, hire few warehouses in USA and tie up with Patanjali, but growth is not coming, even in quarter 2, it is de-grew. So will you tell some reasons what we are going to do and what is the reason not -- to de-grew?
- Bimal Thakkar:** So as I mentioned earlier on in the call, the ekaterra which owns the tea brands still having some supply chain issues, which is the reason why we've not been able to grow our business. And that is our main agency line, which we have in the US and in the UK. They are hoping to get back to normal in the next fiscal year. And they also feel that the situation will improve again in the last quarter of this year. So we are seeing -- I mean, based on the supplies coming in, we will start seeing a growth in the distribution business.
- Ravi Naredi:** So you are telling the next financial year. So it's still six months, we have to bear all the expenses, and we will not grow.
- Bimal Thakkar:** So it will not grow the way we would like it to grow. The fourth quarter, they expect supplies to get much better. And next financial year, they expect the supplies to be fully back to normal, but please remember, those warehouses are also meant for our own products, which is the Ashoka products as well, right
- So the warehouse is being used for both for distribution and as well as for our own products, right? And these are investments which one as need keeping five-year horizon in mind because you can't keep shifting warehouses every year, right? So we have invested in larger facilities because we have to look at least a five-year horizon. So that's the investment that has been done right now for the future. Because of the supply challenges that they've had that our sales on the distribution side is not grow.
- Ravi Naredi:** Sir, our net profit in quarter 2 of this financial year is down since last quarter 2 year-to-year. So will you tell what is the reason?
- Bimal Thakkar:** Shardul, you want to?
- Shardul Doshi:** Sorry, Ravi. Mr. Naredi, the profits have, in fact, gone up from Q2 to Q2. Are you referring to something else?
- Ravi Naredi:** Net profit percentage, it is 12% in this quarter 2 and...
- Shardul Doshi:** Yes, you're talking about the PAT margin. So in fact, you rightly pointed out, the distribution business, which has a lower contribution in this particular quarter has some impact onto this. And then simultaneously, we are also doing the investing in our brand in Telluric, which is also putting the profits at the console level at this time -- at this point of time.
- Ravi Naredi:** Any incentive we have received from the central government in this quarter?

- Shardul Doshi:** We do. We do. Every quarter, in fact, we receive it. So whatever export -- sales-related incentives are there, we always receive those. It's a PLI, which we will receive on an annual basis. And we will apply now for the last financial year and get -- hopefully, in Q4, we will receive that also.
- Moderator:** Thank you. The next question is from the line of Devanshu Sampat from Avendus Wealth. Please go ahead.
- Devanshu Sampat:** Sir just one more follow-up. What is the kind of business you're expecting from Patanjali this year?
- Bimal Thakkar:** So with Patanjali, we've not been able to grow that business quite a bit. We are planning to launch it in Europe but because a lot of their products are not compliant in terms of labelling, etcetera. We've not been able to launch the products in Europe. The only market we have these products at the moment is UK.
- We are in discussions with the company to see how we comply with the regulations and it's work-in-progress with them. So it's just now a very limited market that we have in UK, where we are selling these products. So it hasn't really panned out the way we expected it. There is some changing of labels, changing certain product recipes, all those things take time. So we are in conversation with the company.
- Devanshu Sampat:** So is the number expected to be flat from the same as FY '23 for FY '24?
- Bimal Thakkar:** Yes. There is no growth on the Patanjali business for us.
- Devanshu Sampat:** And sir, just a related question on this side. We've been talking about the agency and distribution business complements our own brands and helps us -- make in those into all these retailers. But obviously, that's a bit of a challenge this year, ekaterra and Patanjali, both not helping. So does that change things for us? Does it make things more difficult? Anything that has changed as a result?
- Bimal Thakkar:** No. I think these are just a speed breaker that we hit as far as -- in any case, the ekaterra business, the tea business was the bigger business for us. It's just a month that we are going through the - - company, which has bought these businesses also, is disappointed that the supply chain problem is there. They are also doing their best because they have invested billions of dollars in buying these brands. So we are going to make sure we get back on track as soon as possible. And where -- we assure once things are back on track we will see the growth that we saw initially a couple of years back.
- Devanshu Sampat:** Okay. And Unilever products we continue selling, right? So as we do...
- Bimal Thakkar:** Sorry. I said that we are -- we strongly believe the strategy of having these complementary products in our distribution pipeline is the right strategy, which will help our company's products business also grow and help us get better penetration in the market.

- Devanshu Sampat:** Sure, sure. And when it comes to Unilever, are we getting more products, more categories? And if you can just give me a sense of what is that number expected for FY '24 in terms of absolute sales.
- Bimal Thakkar:** So for Unilever, we have just launched their Knorr Soups, which is premade in Canada. And the -- in fact, it has just been launched last month because soups are seasonal in nature. It's more during wintertime that you have the sale happening. So that has just been launched. And then we are talking to them for products from their portfolio as well. So at the moment, for us, with Unilever it's just Knorr Soups that we have because that whole tea business has moved out to ekaterra.
- Devanshu Sampat:** If I remember correctly, I think we were in talks with them for ice cream distribution. So I just want to -- on that particular thing?
- Bimal Thakkar:** They are still developing their back-end part on this. And as soon as they are ready, they will inform us and because we have the distribution channel, we will be the logical partner for this.
- Moderator:** Thank you. The next question is from the line of Nishit Deepak Jain from SNJ Investments. Please go ahead.
- Nishit Jain:** Could you tell me what is the amount received in the current quarter as export incentives?
- Shardul Doshi:** It's around INR4 crores.
- Nishit Jain:** And it is included in the revenue, right?
- Shardul Doshi:** Yes.
- Nishit Jain:** And lastly, can you tell me what is the export revenue for this quarter.
- Shardul Doshi:** So out of INR97 crores of top line in stand-alone, INR93 crores is the export business and INR4 crores is the export incentive.
- Nishit Jain:** And one last, generally, if you see the third quarter, the domestic sales is expected to be higher, am I right? Is it right?
- Bimal Thakkar:** No, not domestic. Domestic right now, I said it's not the domestic sale -- our domestic sale at the moment is hardly anything.
- Moderator:** Thank you. The next question is from the line of Sriram R, an individual investor. Please go ahead.
- Sriram R:** I have two questions. So basically, if I see the last two years, the heavy -- the heavy-lifting is done by brand Ashoka. If I look at the non Ashoka sales is actually stagnated on INR150 crores to INR170 crores.

**Sriram R:** So if I look at the last couple of years, the heavy lifting to sales is actually done by brand Ashoka. Now if I look at the non Ashoka component, if I were to break it down, it's been stagnating around INR150 crores to INR170-odd crores. So like I just want to understand what is the way forward here? I mean should we expect the momentum of Ashoka to continue? And the other brands will be where they are. Is that what make out of?

**Bimal Thakkar:** No. So Ashoka is our flagship brand. It is sold in over 55 countries. So that's always going to be our dominant brand. The brands which you are going to see growing now, we are making investments for the future is the Truly Indian brand and the Soul brand. And then our other businesses are also the B2B and private label business, which also we continue to try and get more customers and try and grow that business as well. So our focus is there on all the businesses. And the next few years is going to be investments for Truly Indian and Soul, which you will start seeing growth in those brands as well.

**Sriram R:** Okay. But there is one more brand called Khansaama, right? How does it fit into your portfolio now, considering that you have Ashoka and Truly Indian?

**Bimal Thakkar:** So Khansaama is again launched with a very limited product range and for a specific target audience. So that's not going to be a huge focus brand at the moment for us. We are not making any investments also on -- in that. It is few limited products which are being launched for a particular diaspora. So the brands which are going to be the investments are going to be made will be the Ashoka, Soul, and Truly Indian.

**Moderator:** Thank you. Ladies and gentlemen, that was the last question. I now hand the conference over to the management for the closing comments.

**Bimal Thakkar:** Thank you. Thank you, everyone, for taking time of your day to participate on this call. If you have any other queries, please feel free to reach out to our Investor Relation adviser, Orient Capital. We wish you all the best. And again, very happy Diwali to you and your families. Thank you.

**Shardul Doshi:** Thank you.

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