



## **HINDUSTAN FOODS LIMITED**

A Vanity Case Group Company

A Government Recognised Star Export House

**Registered Office:** Office No. 3, Level 2, Centrium, Phoenix Market City,  
15, Lal Bahadur Shastri Road, Kurla (West), Mumbai, Maharashtra, India, 400 070.

Email: [business@thevanitycase.com](mailto:business@thevanitycase.com), Website: [www.hindustanfoodslimited.com](http://www.hindustanfoodslimited.com)

Tel. No.: +91 22 6980 1700/01, CIN: L15139MH1984PLC316003

Company Scrip Code: 519126

Date: February 14, 2023

To,  
The General Manager  
Department of Corporate Services  
BSE Limited  
Floor 25, P. J. Towers, Dalal Street,  
Mumbai- 400 001.  
Tel: (022) 2272 1233 / 34

Through Online Listing Centre

Dear Sir/Madam,

**Sub: Transcript of Analyst/Investors conference call held on February 10, 2023**

**Ref: Pursuant to Regulation 30(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

With reference to our letter dated February 1, 2023 intimating you about the conference call with Analyst/Investors which was held on February 10, 2023, please find attached the transcript of the aforesaid conference call.

The above information will also be available on the website of the Company i.e. [www.hindustanfoodslimited.com](http://www.hindustanfoodslimited.com).

We request you to kindly take the above information on record.

Thanking you,

Yours faithfully,

For **HINDUSTAN FOODS LIMITED**

**Bankim Purohit**  
**Company Secretary**  
**ACS 21865**

Encl: as above





“Hindustan Foods Limited  
Q3 and 9M FY '23 Earnings Conference Call”  
February 10, 2023

Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the website of the company on 10<sup>th</sup> February, 2023 will prevail.

**MANAGEMENT: MR. SAMEER KOTHARI – MANAGING DIRECTOR –  
HINDUSTAN FOODS LIMITED  
MR. MAYANK SAMDANI – GROUP CHIEF FINANCIAL  
OFFICER – HINDUSTAN FOODS LIMITED  
MR. BANKIM PUROHIT – COMPANY SECRETARY –  
HINDUSTAN FOODS LIMITED AND  
SGA – INVESTOR RELATIONS ADVISOR – HINDUSTAN  
FOODS LIMITED**



**Moderator:**

Ladies and gentlemen, good day, and welcome to Hindustan Foods Limited Q3 and 9 Months FY '23 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions, and expectations of the company as on the date of this call. The statements are not the guarantees for future performance and involve risks and uncertainties that are difficult to predict. 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. Sameer Kothari, Managing Director Hindustan Foods Limited. Thank you, and over to you, sir.

**Sameer Kothari:**

Thank you, Rutuja. Good morning, and welcome, everybody, for our Q3 and 9 months FY '23 Earnings Conference Call. I am joined on the call by Mr. Mayank Samdani, who is our Group CFO; Bankim Purohit, who is our Company Secretary and is attending the investor call for the first time. Welcome Bankim. And SGA, our Investor Relations Advisor. Ganesh Argekar, our Executive Director; and Vimal Solanki, our Head of Corporate Communications, couldn't join today's call, as both decided to take a holiday yesterday, and leave us to do their work. I hope everyone has had a chance to go through their updated earnings presentation uploaded on the exchange and our company website.

Coming to the quarter's performance, I'm pleased with the overall performance of the company in the last 9 months. And more specifically, I'm pleased with the ramp-up of the ice-cream facility and the beverage facility in the last quarter of this year, should really help us close this year with a record turnover. This in spite of the tepid FMCG demand in the last few quarters, is a testament to the resilience of our business model and gives us confidence that as and when volume growth returns to the FMCG industry, we should be able to leverage this and grow at a faster clip.

While most of our factories reported stable operations, we are looking forward to the ice-cream and the beverages factory ramping up in the coming season. After the expansion of the ice-cream project in Lucknow, which is slated to start commercial production in March '23, we will now be amongst the largest manufacturers of ice-cream in the country and are excited in exploring other opportunities in the manufacturing of ice-cream. On the back of all of this, I'm confident that our earlier goal of INR 4,000 crores turnover by FY '25 looks easily achievable, and we will come back to you in terms of the further guidance.

The reason we are not able to give you a definitive guidance now, is because in the last quarter, we made our largest acquisition ever, and we are still working on the various regulatory requirements to close this transaction. Since it was the largest transaction ever for us, I would like to spend a couple of minutes explaining the rationale of this acquisition. We recently executed a BTA, a business transfer agreement for the acquisition of a pharmaceutical,

nonpharmaceutical and wellness product factory from Reckitt Benckiser, further expanding our healthcare and wellness division.

This manufacturing facility is in Baddi, Himachal Pradesh and it manufactures a vast variety of pharma and non-pharma products like OTC medicines, ointments and cream, strips, liquids, syrups, tablets, liquid handwash, plaster. It's a state-of-the-art facility with modern machinery and also has certification of US FDA and MHRA.

We are proposing to acquire this undertaking at a cash consideration of INR 156 crores, which will be subject to certain closing adjustments, in accordance with the conditions set in the BTA. We are acquiring this manufacturing facility on a going concern basis, and we expect to enter into a long-term supply agreement for this site with our customer. As per our terminology, this would meet the site and anchor tenant's site where the long-term production commitment from our customer will help secure a certain minimum capacity utilization for the site, while we'll be open and allowed to leverage the free capacity for other customers.

Presence of the global certifications that I mentioned earlier, allows the facility to manufacture multiple products for international use. While we are very optimistic about this acquisition, we are also aware of the complexity and the nuances involved in integrating such a large operation and are working hard to ensure that this is a smooth integration.

In the meantime, I will hand over the call to Mayank Samdani, our Group CFO, to take you through the financial results for the quarter ending 31st December, 2022.

**Mayank Samdani:**

Hello. Good morning, everybody. It has been a stable quarter as far as the financial performance is concerned. For Q3 FY '23, revenue stood at INR 679 crores, a growth over 29% over last year, while the EBITDA for the quarter has seen a growth of 50% year-on-year, and it stood at INR 45 crores as against INR 30 crores last year.

The PAT has also correspondingly grown by more than 45% to INR 17 crores as against INR 11.7 crores. As far as the 9-month performance is concerned, our total revenues increased by 32.9% on a Y-on-Y basis to INR 1,941 crores, while PAT has grown 56% to INR 51 crores. EPS for the 9 months stood at INR 4.51 versus INR 2.90 last year. Our quarter-on-quarter growth was muted as all the existing factories have been performing at the stable capacity, while the ice-cream and the beverage facility had a lean season.

We expect these 2 facilities to start delivering from this quarter and are beginning to see some traction in these numbers. As on December 31, 2022, our net worth stands at INR 355 crores, gross block as on 31st December stood at INR 754 crores on account of consolidation. In terms of capex, we closed the acquisition of RB Scholl and paid the entire amount to the sellers and also a major part of ice-cream expansion capex has been paid.

We also paid some advance for the Baddi acquisition and are also in process of acquiring some land in Hyderabad close to our factory. We restate our near-term and long-term targets for

revenue and profitability, as we continue to focus on accelerating growth through exploring organic and inorganic opportunities. With this, we have also remained focused on strengthening our balance sheet and cash flow through effective capital management, which would facilitate us for further growth. With this, I would like to open the floor for the questions.

- Moderator:** The first question is from the line of Aakash Javeri from Perpetual Investment Advisors.
- Aakash Javeri:** Congratulations on the quarter. My first question would be that, what would be the gross block post the capex and the current gross block given in the investor presentation, does it include all the acquisitions?
- Sameer Kothari:** Thank you for coming in. I'm going to ask Mayank to answer this question.
- Mayank Samdani:** The gross block given in the investor provision is INR 754 crores, Aakash, is as on 31st December '22, with all CWIP. The new acquisition, which we have talked -- Sameer has talked about, the Baddi acquisition, is not included in here. We will include ones that we close the deal, and we take over the facility.
- Aakash Javeri:** Okay. Got it. And the new Reckitt Benckiser plant at Baddi, what is the current capacity utilization of the plant?
- Sameer Kothari:** Current capacity utilization of the plant will be close to around 60 odd %
- Aakash Javeri:** Okay. And what kind of ROCE and margin could we expect from the rest of the capacity?
- Sameer Kothari:** From the rest of the capacity, we basically evaluate the project on a similar basis like anchor tenants. So given that, the guidance in terms of margins as well as ROE is pretty much similar to our existing business, Aakash. I mean, it's too early for us to get into the exact specifics, because, as you are aware, the balance 40% is something that we will have to go out and get customers for, given that it is pharma and given that it is US FDA and MHRA approved site, we expect to have better margins. But frankly, I would be very, very reluctant to give any guidance right now, because we have no idea of how quickly we'll be able to sign the new customers and what kind of products we'll be able to get with them.
- Aakash Javeri:** Sure. And how much land is available like around the plant, so if you want to expand in the future? And have we already taken control of the business yet?
- Sameer Kothari:** So the first question is in terms of the further expansion, I frankly personally don't see us building any new capacities in Baddi. As you are aware, Baddi was a tax free, excise-free zone, I don't see us expanding capacity there. We will utilize our existing capacity and the free capacity that we have. Though we do have excess of land there, I'm not sure that's the play that we are looking at. In terms of taking control, no, absolutely.

And we have not taken control, and that's the reason why we are reluctant to give any kind of guidance in terms of our turnovers, et cetera. As you are aware, in Himachal, there's a legal process, where acquisition of industrial land requires state government permissions. We are in the process of getting those. Our past experience of running factories in Himachal, is that it could take anywhere between 6 to 8 months, and that's what we are looking at.

**Aakash Javeri:** Sure. And from this business, do we expect to get -- sorry, so this factory, do we expect to get business from regulated pockets as well?

**Sameer Kothari:** That's the idea Aakash, absolutely. I mean, considering that it's an MHRA and US FDA approved site, it also already is supplying to regulated markets. So some of the product categories, which Reckitt Benckiser is manufacturing in this site are exported to the US as well as to Europe. That business will obviously continue, and we are hoping to be able to attract some additional business as well. But all of these are OTC pharma products, so they are not -- so this is similar to the Dr. Scholl range that we are manufacturing in IGK. So these are products which are sold over the counter, they are not ethical or prescription pharmaceuticals.

**Aakash Javeri:** Sure. And how are we scaling the Scholl plant?

**Sameer Kothari:** How are we scaling? We have no complaints as of now. Things are working out fine. We have integrated the sites. Operations have continued. In fact, we've been able to successfully do the integration without disrupting any production for our customers. As you are aware, the customer themselves are in the process of transitioning from Reckitt to Scholl wellness company. They have also now recently started a partnership, a JV with an Indian company, and they intend to launch those products in India as well.

So long and short of that answer is, we are quite enthusiastic about how things are rolling out at IGK.

**Aakash Javeri:** Sure. And if you could tell us about the current debt situation?

**Mayank Samdani:** Our current debt is around -- our debt situation is comfortable, Aakash, we are at 1.15 -- between 1.15 to 1.2 debt equity ratio. So right now, it is very comfortable. We have INR 400 crores of debt in books right now. So right now, it is very comfortable, and we are dealing with HDFC, Yes and all those banks, which is a very good rate return.

**Aakash Javeri:** Got it. And are we looking at any bigger opportunities, like Coca-Cola recently said that they're looking to divest their bottling operations. So are we looking at those kind of opportunities?

**Sameer Kothari:** So Aakash, without getting into the specifics of anything, of course, we are looking for opportunities. I mean, if you -- and I know that you have followed the company, that's what we do for a living. We basically look out for manufacturing assets, and we are extremely keen in looking at contract manufacturing capabilities across FMCG products. So we will continue to do that, absolutely.

**Aakash Javeri:** And also with -- you had mentioned in 2021 about opportunities in pet food. So any progress on the same?

**Sameer Kothari:** Sure. On the pet foods, we actually worked on a private label brand. It's very, very small, it's a D2C company. We expect to start production for it. But frankly, it's going to be a rounding of error in terms of the overall financial numbers. The category by itself did grow rapidly during COVID or post COVID. The numbers -- and that's true like most of the FMCG market, the numbers have kind of cooled down since then, while we were extremely bullish about the pet food category in, let's say, a year ago, the enthusiasm for that has definitely reduced in the market and correspondingly, the enthusiasm for that manufacturing capacity has reduced from our customers as well.

**Aakash Javeri:** Got it. And just one last question, if I can squeeze in that, now that FMCG volumes seem to have bottomed out and with the ten round inflation coming down and everyone's seeing rural turning the corner, do we see a strong new pipeline, and are we looking at any major greenfield capex?

**Sameer Kothari:** So we continue to look at it. Your assessment about the FMCG market and the imminent turnaround of the FMCG market is what we all are banking on. Right now, I'm not sure we are actually seeing action on the ground to back that statement or to back that turnaround. But all of us are hoping that things will start improving in the next couple of months.

If you've seen the commentary of most of our customers as well. Rural, frankly, continues to be stressed. Most of our customers have voiced in their investor calls, et cetera, saying that rural demand continues to be stressed. And we are hoping that things will change sooner rather than later.

**Moderator:** Next question is from the line of Akhil Parekh from Centrum Broking.

**Akhil Parekh:** Many congratulations to the entire team for delivering a good set of numbers. Sameer, my first question is to you, in the past, you had highlighted that going ahead, as we scale up, we will try to specialize more and more, and you had highlighted few examples of some cosmetic players in Italy, and the kind of work they have been doing and probably, Hindustan Foods also will kind of shape around in a similar line.

But now given the acquisition -- recent acquisition of Baddi facility, we are also going to start manufacturing pharma products. So if you can throw some light or color on like how do you see the company shaping up in the next 3 to 5 years? Will we continue to manufacture anything and everything, or will we take the specialization around going ahead? That's my first question.

**Sameer Kothari:** Yes. Akhil, what I had mentioned and what I would like to reiterate is that, I think for the next couple of years, at least 2 to 3 years, we will continue to see this kind of disproportionate growth for us across product categories. And right now, given the growth and given the opportunities that we are getting, I really don't see us being choosy about it.

I did mention that maybe in the medium term, which is between 3 to 5 years, there will be a requirement where contract manufacturers will have to start specializing in particular categories or in terms of particular products. However, I don't see that happening in the next few years. So to give you a short answer, in the next couple of years, we will continue to pursue opportunities agnostic of any product categories, agnostic of location. So I did mention in my opening remarks, we are very aggressively trying to look at ice creams.

We think that there's a huge opportunity for manufacturing ice-creams in the country. This OTC pharma, we actually spoke about it, I think, more than a year ago, we realized that OTC pharma products, especially cosmetics with a therapeutic claim is becoming a large category, and that's why we wanted to get into it. We managed to get a couple of acquisitions lined up, which we believe will serve us in good speed in the next couple of years. In addition to that, we've spoken about beverages.

While unfortunately, the beverage experiment for us hasn't worked out in the last couple of years, we are very confident that in the next couple of years, the beverage experiment will work out for us. So we will continue to look at various product categories. At some point of time, opportunities will start dwindling down, and at that time, we will definitely look at specialization or even look at splitting the company into 3 product categories or whatever is required.

**Akhil Parekh:** Sure. That is helpful sir. does that imply that -- CRO by at least 3, 5 years far from now, just [inaudible 0:19:15]? For the customer refers you had talked about, right, in the past?

**Sameer Kothari:** I mean, all I can say, Akhil, is that -- like I was talking to Aakash earlier, we are hoping that the FMCG growth in terms of volumes will bounce back sooner rather than later. And given the overall trend and shift towards contract manufacturing, combined with a decent volume growth, would allow us to be able to grow at similar rates for some more time, yes.

**Akhil Parekh:** Okay. Okay. Fair enough. And second one is Baddi acquisition. Did I hear correctly, you said the margin profile and ROE ROCEs are in line to what we are doing right now?

**Sameer Kothari:** So in case of the margin profiles, given that they are pharma products, especially for the excess capacity. So beyond the anchor tenant, we expect that the margins will be better. But that -- as you would appreciate, it's true for any of our businesses, right? When you get into shared manufacturing or anchor tenant models, the margins, et cetera, tend to be better. This one is slightly more sweetened, because the complexity of the product, both in terms of regulations as well as manufacturing cost assets, as well as GMP, hygiene, et cetera, as a factory, are slightly more sophisticated than some of the other products that we make.

**Akhil Parekh:** Okay. And how do we plan to increase the bandwidth for this product? Because I'm assuming this is something new which we'll be doing? How are we trying to increase the bandwidth, from an employee perspective?



**Sameer Kothari:** So from the top management perspective, as you would be aware, Sanjay and his team joined us nearly a year ago. So in fact, we built up the team, maybe a little bit in advance, but we've been working on this for nearly 1.5 years now. Sanjay joined us, I forget the exact date, but I think it's nearly 1.5 years. And since then, he's built up his team. But more importantly, both in case of IGK as well as Baddi, the agreement with the seller is that the existing team employees as well as the senior management team at the site, does join us and that's one of the reasons why the integration of IGK has been so smooth for us, because it's the same people who were there earlier who are continuing to manage the operations.

**Akhil Parekh:** Okay. Okay. This is helpful. Just last 2 questions. One, if you can highlight the asset terms from this unit, from the Baddi unit, and whether the sales from this unit is part of our INR 4,000 crores target or does it exclude that?

**Sameer Kothari:** Akhil, can you repeat the question, Mr. Mayank Samdani was distracted.

**Akhil Parekh:** No worries. I'm asking the asset turns on this new unit, the Baddi unit? And second is whether this is a part -- the sales from this unit is part of our INR 4,000 crores sales target that we have given?

**Mayank Samdani:** So Akhil, the asset turns will be the same as we are doing, which is 3 to 4, we tend to believe that. And as Sameer has mentioned in his opening speech, that we are very confident of our INR 4,000 crores target, and also upwards head-to because of this acquisition. So we will come back on the right momentum to guide further on this, because if this acquisition will take another 6 to 8 months to complete, because of the various regulatory processes involved in it.

**Akhil Parekh:** Okay. Okay. Mayank, highlight on the effective tax rate in FY '24, if you can...?

**Sameer Kothari:** Before we move on to the tax rate, I just want to shed some more light on Mayank's question, right? So I think Mayank, and we as management are a little reluctant to give out the guidance, in view of the fact that we do believe that there is some stress in terms of the FMCG volume growth. I think all of our customers have gone on record saying that. It definitely will affect the plans for new capacity expansion, et cetera, while we -- and because of our business model, we've been relatively shielded from it. We've continued to grow, but we don't want to be in a situation where we end up overcommitting to the market and then find out that just because of macroeconomic conditions or because of certain things which are completely out of our control, we end up falling on our face.

So if you recollect, in our last couple of investor calls, we had given the glide path of where we were last year, which was around INR 2,000 crores. We had projected that on the back of the ice-cream facility, we should end up this year with around INR 2,600-odd crores. I think we are very close to that number. We should stick to that guidance. I think for 9 months, we have done a sales of around INR 1,950 crores and we should definitely be able to exceed this quarter's

performance in the next quarter, that's what I said in my opening remarks as well, which should get us to around INR 2,600 crores, INR 2,700 crores of turnover.

The soap bar project in Hyderabad will start operations from the next quarter, and which should effectively give us -- starting from Q1 or maybe late Q1 of next financial year, we should be at an annual run rate of INR 3,000 crores plus. So we've given that guidance earlier. And then we said that we have a bunch of things in the pipeline, which, of course, now includes Baddi, which was not there at that time. So while we are reasonably confident that we should be able to meet the goals that we have mentioned, we are a little reluctant to give you a tangible financial number for it.

**Akhil Parekh:** Sure, sure. But this is helpful. And lastly, if you can please answer on the effective tax rate in FY24?

**Mayank Samdani:** Yes. So Akhil, as you are aware that our current effective tax -- we are at a maximum effective tax rate currently in standalone, but our tax rate is a little lesser in the consol, because of the ice-cream plant is in the new scheme. And also the Aero Care is at MAT level. This year, we will utilize all the MAT credit in the standalone. And next year, we will jump to the new -- the effective tax -- the lower tax rate of 22% plus surcharge. So our effective tax rate will come down from 32%, 33% in consol level to 28%, 29%.

**Moderator:** The next question is from the line of Harit from Investec.

**Harit:** So just had 2 questions. One was on the Baddi unit. You mentioned in the presentation the opportunity to cater to new clients and you can manufacture a wide range of products. If you could just give some sense without obviously naming what could be potentially bad partnerships. But if you can just give a sense of what is the opportunity that sits there in the spare capacity that you can work on? Yes, that's my first question.

**Sameer Kothari:** So the Baddi unit in terms of the product capabilities, it manufactures a large volume of topical ointments, et cetera. As you are aware, in our presentation, we mentioned that it manufactures products like crack cream, Moov cream, et cetera. And we continue to leverage that capacity for other people. So we have some spare capacity in the ointment section. We also manufacture lozenges. We have some spare capacity in the lozenges -- in fact, actually, we don't have spare capacity in the lozenges, the lozenges capacity is completely spoken for by our existing customers. We have some spare capacity in tablets, as I mentioned, in ointment and in liquids.

**Harit:** Got it. Got it. And on the second question, on the ice cream part Sameer, so if you look at the...

**Sameer Kothari:** Sorry Harit, just one second, Mayank is nudging me. So I mentioned this earlier that in terms of total capacity utilization in Baddi it is around 60%, so we have a headroom of nearly 20%, 25% in terms of excess capacity. I can't break it up in terms of product categories, but on a weighted average basis, that's the kind of idle capacity that we have in Baddi.

**Harit:** Got it. Got it. The second thing was on the ice cream unit, so you mentioned that the INR 75 crores expansion will be commercialized by March '23. So I just wanted to give a better sense of would you -- would this entire INR 200 crores be ready for this season completely, or do you think it would be -- the full utilization will be more in next season? Just wanted to get that sense.

**Sameer Kothari:** So Harit, the first phase of ice cream actually got commercialized last year in April. Unfortunately, by the time the capacity is ramped up, we were at the back end of the season, and we didn't end up utilizing the entire capacity. So the first phase is already up and about. We've started production from something like the first week of February for the season. The second phase, which is the expansion of the INR 75 crores that you are talking about, we are expecting that we will start commercial production by March.

It will take about a month or so to ramp up. So technically, we'll get a decent amount of output from the second phase as well, starting from, let's say, April and May. And then depending on how the summer pans out, whether the season gets extended until June or not, we'll find out how much of a contribution that new line is able to make. But the first phase will run at full blast starting from February to whenever the season ends.

**Harit:** And last thing Mayank was, you did mention, I think, INR 2600 plus crores for the year you'll close at. But I think it would be fair to assume, right, that Q4 will definitely, ideally it is even better than Q3 in terms of revenue given that both ice creams and beverages will see a significant ramp up, especially in towards at the end of Feb and March. So that would be the right understanding, right?

**Sameer Kothari:** Sorry, Harit, I couldn't make out what you were saying. Can you just repeat that?

**Harit:** Yes, I said that you had mentioned that you will -- Q4 will be similar to slightly better than Q3 in terms of revenues. But it would be fair to understand that the lift off on beverages and on ice cream, both probably towards the end of February and the entire March, will be incremental to your Q3 performance, right? So you should see a materially better kind of performance in Q4 as well.

**Sameer Kothari:** Yes, you're absolutely right, Harit. I mean, obviously, the only reason I mentioned that Q4 will be similar to Q3 is to ensure that the expectations are not raised beyond a particular level. But I've also mentioned that -- and which you have absolutely captured properly, which is beverages and ice cream will ramp up only in this quarter. So we definitely hope that Q4 will be much better than Q3. Again, reluctant to give any specific numbers, because of the overall -- let's say, overall mess in the FMCG volume base. But our expectation is that Q4 should be definitely much better. In fact, we've mentioned either in my press release or opening remarks, I forget which, that on the back of Q4, we expect it to be a record quarter for us.

**Moderator:** The next question is from the line of Aakash Javeri from Perpetual Investment Advisors.

**Aakash Javeri:** Just one question is -- in your disclosures, it's mentioned that we have one subsidiary where the revenue is about INR 24 crores and on that, we have a net loss of about INR 12 lakhs. Could you just talk about which subsidiary is this?

**Sameer Kothari:** Aakash, first, let me tell you that instead of you thanking me for the opportunity for giving you to talk, I should be thanking you because you're the only one who is asking the question now. In terms of this specific question, I'm going to have to ask you to repeat exactly what and where are you getting this information from?

We have 3 subsidiaries that you are aware. One is a subsidiary which we acquired, which is called RB Scholl, which Mayank is in the process of changing the name to HFL Healthcare. The second is a partnership firm that we acquired, which is called Aero Care, and that's an LLP. And the third is HFL Consumer, which is a new division that we set up -- a new company that we set up in order to leverage the new tax regime, and that's the company which is manufacturing ice creams in Lucknow.

If you're referring to HFL Consumer, that's possible that that's the one, which probably could have posted a loss maybe last quarter -- in the last financial year, but I really don't know what exactly and where exactly are you getting this number from.

**Aakash Javeri:** I'm actually getting this from point #8 of the consol notes from the auditor.

**Sameer Kothari:** Okay. So just hang on, Mayank is reading it now. Aakash, give a couple of minutes.

**Mayank Samdani:** We will come back on this. We have to see the report and all those, we will come back.

**Sameer Kothari:** But technically, the only subsidiary, which should or could have made a loss last year, would have been that one. In case of RB Scholl shall as well as Aero Care, we are doing pretty okay.

**Aakash Javeri:** Sure. And how much of the capex for Hyderabad is already spent?

**Sameer Kothari:** For the soap bar project?

**Aakash Javeri:** Yes?

**Mayank Samdani:** Around INR 40 crores CWIP.

**Sameer Kothari:** The CWIP is around INR 40 crores is what Mayank confirms.

**Moderator:** As there are no further questions from the participants, I now hand the conference over to Mr. Bankim Purohit for closing comments.

**Bankim Purohit:** Hi, good morning to all. I take this opportunity to thank Sameer for introducing me and giving the opportunity to be part of this call. We are pleased to -- as HFL has yet again delivered robust numbers as we cruise towards the target of INR 4,000 crores revenue, we originally planned.



Our foray into wellness and healthcare will get further fortified with the forthcoming Baddi acquisition. We continue to focus on seizing more such opportunities to become the most desired contract manufacturer in the FMCG and wellness space.

I again take this opportunity to thank everyone for joining on the call. I hope we have been able to address all your queries. For any further information, kindly get into touch with us or Strategic Growth Advisors, our Investor Relations advisors. Thanks. Have a good day.

**Moderator:**

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

