



August 8, 2022

1. The Dy. General Manager
Corporate Relationship Dept.
BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street
MUMBAI - 400 001
Scrip Code No: 532301
2. The Secretary
National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor
Plot No. C/1, G. Block
Bandra-Kurla Complex, Bandra (E)
MUMBAI – 400 051
Scrip symbol: TATACOFFEE

Dear Sir(s),

Sub: Transcript of the Analyst call on Financial Results for the Quarter ended June 30, 2022

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the Transcript of the Analyst call held on August 4, 2022 in respect of the Financial Results for the Quarter ended June 30, 2022 for your information and records.

The above information is also available on the website of the Company: www.tatacoffee.com.

The audio recordings of the Analyst Call is also made available on the Company's website:

https://tatacoffee.com/sites/default/files/collaterals/investors/analyst_calls/Audio%20Clip%20of%20Q1%20FY%202022-23%20Analyst%20Call.mp3

Please take the same on record.

Thanking you,

For **Tata Coffee Limited**

Anantha Murthy N
Head – Legal & Company Secretary

Encl.: As above

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“Tata Coffee Limited
Q1 FY 23 Earnings Conference Call”

August 04, 2022



MANAGEMENT: **MR. CHACKO THOMAS – MANAGING DIRECTOR
AND CEO, TATA COFFEE LIMITED**
**MR. K. VENKATARAMANAN – EXECUTIVE
DIRECTOR FINANCE AND CFO, TATA COFFEE
LIMITED**

MODERATOR: **MR. ANIRUDDHA JOSHI – ICICI SECURITIES**

Moderator: Ladies and gentlemen, good day and welcome to the Q1 FY2023 earnings conference call of Tata Coffee Limited, hosted by ICICI Securities. 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. Aniruddha Joshi. Thank you and over to you Sir!

Aniruddha Joshi: Yes. Thanks Seema. On behalf of ICICI Securities, we welcome you all to Q1 FY2023 Results Conference Call of Tata Coffee Limited. We have with us Senior Management represented by Mr. Chacko Thomas – Managing Director and CEO, and Mr. K. Venkataramanan – Executive Director Finance and CFO. Now, I hand over the call to the management for their initial comments and give us views on the quarterly performance and then we will open the floor for question and answer session. Thanks, and over to you Sir!

Chacko Thomas: Thank you, Aniruddha and good morning, everyone on the call. This is Chacko here. First of all, thank you very much for joining in today. I'm here obviously to present the quarter one financial performance of the company. Very, very pleased to inform me that we've witnessed a strong quarter one, across practically all the businesses, while there have been challenges that have largely been around cost logistics and demand, but I think the efforts that we took in reducing these impact impacts have been actually quite rewarding. This let me start firstly, by giving you a snapshot of the standalone performance revenue from operations went up by 30% compared to the same quarter of the previous year. That is INR 230 crore as opposed to INR 179 crore. The standalone PAT was also up by 7% up to INR 30 crore for this quarter.

These numbers were largely possible on account of the very good gross margins that we've been doing in instant coffee. The improved realizations that we have had because of our constant look at, you know, different geographies. And this is all on the back of the inflation of the pressure that we have spoken about whether it is around freight or steel, et cetera. The other factor of course, has been the volumes have also been very good for our instant coffee business. And finally last but not the least, I think even in our plantation business, especially the green bean business, there's been a good traction, both in sales and in terms of realizations and consequently the profitability.

I'll move on to individual performances on instant coffee, both in India and Vietnam. We saw a good and robust performance with both plants in India operating at peak capacities. Sales for the quarter were very, very good and they were evenly split across the regions that we actually operate. Call out here of course, is around the cost optimization and efficiency improvements that we have carried out and these are common threads that run across almost all the activities that, we undergo. This, the reason that I'm saying this is also of course the fact that there has been, you know unprecedented increases in power and fuel costs, largely driven by coal diesel prices and et cetera, and obviously other costs also, despite all that I think cost optimization and efficiency improvements have helped us to a great extent. Similarly at Vietnam, the form has also, again, been very excellent, the impact again of ocean freight logistics, bottlenecks, et cetera, which still are prevalent. I think the efforts taken towards new product development, the speed at which we have executed orders and the continued focus on you know, the customers and their needs, especially during these times have been the contributor to the performance per se.

We have a very, very strong order book and this we hope will continue in the next few quarters for the year. On the plantation front, I think on the coffee plantations, the weather has been fairly conducive and I think both coffee and pepper crops hopefully in the next couple of quarters would see the impact of this good weather. We continue to do all our agricultural practices on schedule and again, as I mentioned, cost management is a fairly large theme that we have on the plantations also.

The green bean business, as I mentioned earlier, has fared extremely well and despite the terminals coming down substantially, I think our premiumization efforts and timely sales paid off for the quarter. On tea crop, while it had been impacted on account of bad weather. I think there is some you know some silver lining on the horizon where we see improved prices, especially for the Orthodox step of teas, largely driven by the crisis that is actually happening in Sri Lanka.

Finally, I move on to the consolidated results. For quarter one, the revenue from operations has been INR 662 crore compared to INR 532 crore, increase of 24%. Again, credit goes to the good performance of Eight O'Clock, both in sales and the innovative product portfolio. And of course the contributions from the standalone entity also. The consolidated net profit is INR 65 crore, which is also a substantial growth of 41% year on year. Quarter one has been a good quarter for Tata Coffee as I mentioned, and we move ahead with the new scheme of arrangement and I think the pillars that will continue to drive performance and our focus would be around cost optimization, efficient planning, and utilization of the energy and other input materials.

I think our customer focus and execution of orders from India and Vietnam, the tribalization and the NPD pipeline that we have will continue to be, very much in focus.

I will now hand over to my colleague, Venkat will take you through the performance, the financial performance for quarter one financial. Over to you Venkat.

K. Venkataramanan:

Thanks Chacko, good day and good morning to all the analysts. So as Chacko has summarized, the quarter has been very good for us. So all the segments, both on standalone and Vietnam, as well as the Eight O'Clock did well. And the first on standalone performance revenue has gone up by around 30 odd percent, and that's again, a reflection of the improved performance in plantations on coffee, especially, and on instant coffee. Tea has been little bit adversely affected due to weather conditions, but there is, as we go forward, we have put in a lot of investment in factories, et cetera. So we should stand in good state. On the other income line, there is a phasing in respect of dividends from Eight O'Clock coffee, but overall for the year, we don't expect any change. And on the expense side, I just wanted to call out couple of things. One, the compared to previous year, the coffee prices per se has gone up. So that would obviously be reflected in the cost of materials. And secondly, on some of the other cost, like employee benefits, et cetera, the usual increments and statutory kind of, you know, increases, which are there.

And also on the other expense line that is increase. That's also driven by some of it driven by increase in chemicals and fertilizers as the plantations is concern and other usual sales related freight and other costs and including power and fuels. So within the profit after tax for the standalone is at INR 30 crore and before tax at INR 36 crore, which are higher than similar order for the previous year. With respect to the consolidated, as we said, the Eight O'Clock has a good performance with improved realization going into the bottom line. That's also driven by, the higher green coffee prices, but obviously, with some inventory in pipeline, they'll get some benefit out of that.

And on the Tata Coffee Vietnam, there has been improvement in realization. And also we just flowed into the bottom line. So there has been, of course, some impacts around the high freight cost. Et Cetera, we has not come back to – which has really not come back to the pre-COVID levels in that sense, but obviously, but on the holistic sense, overall sense, all the segments of the business have performed well, which has resulted in the consolidated net profit being higher by 42%. The consequently the EPS of the consulted entities is also higher at INR 2.4 compared to INR 1.53 of the previous year's quarter. With this I handover for questions. Thank you very much.

Moderator:

Thank you very much. We now begin with the question and answer session. Thank you. We take the first question from the line of Sameer Madan, Investor. Please go, sir.

Sameer Madan:

I have a couple of questions from my side. The first is related to our pepper business and the second one will be related to Vietnam. So I'll begin with pepper first. I wanted to know and understand what does our total pepper vine kind of plantation count now, look at. I understand it has been going up over the years. And out of the planted figures, I had a couple more details that I wanted to get some insight into. How many of those total counts have now reached near to the productive phase. we don't need to say maximum yield, but at least they have started producing some yield, which may or may not go up. I understand there are many factors in there, but I'm looking for understanding where we are in the ballpark and how the trend is looking. And also to understand if we talk about some approximation of how many of our pepper vines are in or near a productive phase today, how is that looking to say a couple years ago and or three years ago, something like that. So we don't need to stick to exact figures, but please help me understand this part better. Thank you.

- Chacko Thomas:** So thank you, Mr. Sameer. On the pepper business, actually what we have done is over the last four or five years very extensively replanted and rejuvenated pepper vines, and these pepper vines as you rightly said are in the ballpark numbers of anything between to 18 to 18.5 lakhs vines as we speak. Only of this, only about 30% is in the actual stage of maturity. Every year, we have closer to 5% to 10%, which come into maturity, which as you rightly said, I'm not putting numbers to it because it's going to be very, very difficult because, you know pepper planted in Arabica with the higher shade would have a lesser yield and robust with lesser shade will have high et cetera. So I'm just giving you a ballpark number. So, when you look at what and you have to also understand that pepper also has an issue of stability, as well as there could be some fungus diseases that it could get impacted by. So every year you will have a certain number that actually gets removed. Otherwise, you know, this fungal disease for example, can wipe for the whole estate. So we do that cutting out very, extensively to ensure that the pepper crop gets protected. So all in all, I think the pepper production, going forward is only poised to increase, albeit the fact that there is – there is a level of maturity that will come in, in terms of numbers every year going forward. So I hope I have answered that question for you.
- Sameer Madan:** Absolutely, sir, very, very helpful and pointed answers. Thank you very much for that. My second question is related to our Vietnam subsidiary. I would like to understand how much has been our total investment into Vietnam so far. And how has the revenue been doing in the last quarter and the last financial year?
- K. Venkataramanan:** The total investments for the project around 60 odd million. So roughly around it was INR 350 crore to INR 375 crore. After that, there has not been know any infusion for the purpose of the project itself, though there have been some infusions required for the local, for some operating expenses and all in the initial phase. So that's, what on Vietnam. On the turnover, we don't want to disclose numbers as such. We are operating at around 90% to 95% capacity. And it has been kind of, you know, it's already broken even we are making money there. So there's no issues around that. And quarter on quarter, the performance is improving. So, of course, there have been some blips because of the ocean freight increase and all that, which are yet to get normalized. But as we see, we have definitely, as we earlier also mentioned, we have a pilot plant in Vietnam, it is a state of art technology. So that way we have been able to you know generate good prices there. And we are also into some of the, other than, you know, kind of special offerings on decaf and all those blends, which are also delivering. Order book continues to be very, very healthy. In fact, we will have to look at how to fulfill the orders because we are quite full on the order book for the year.
- Moderator:** We take the next question from the line of Pranjal Garg from ICICI Securities. Please go ahead, sir.
- Pranjal Garg:** Congratulations on good set of number. My first question is regarding the Vietnam market itself. Sir, what is your outlook for growth and profitability in the region? That's my first question, followed by the second one, as you highlighted that we are operating on peak capacities 90% to 95%, what are our CAPEX plans there?
- K. Venkataramanan:** See, actually, just to clarify Vietnam while we have the plan, there is no sale there. So our exports are to countries like European countries, Japan, Russia, and all those countries. So there's no sale as such in that region for the freeze-dried plant, in Vietnam. Secondly, on the question of, so we are operating at peak capacity. There's no doubt, but obviously, we still have some levers to pull there to improve. Improve the profitability, which we are also working on. So as such, you know, we will probably continue, we are evaluating continuing kind of, prospects for any kind of expansion as we move along. But that is dependent on the situation as we assessed on the market side. The market has been, despite since coffee demand, there has been stable, those that are blips in respect due to various other issues of logistics or freight and all that, so as we go we see the instant coffee plant in Vietnam, as what I know is operating at very high capacities and it'll continue to move along on those lines.
- Pranjal Garg:** So, is it fair to assume that we don't have any CAPEX plan as of right now?
- K. Venkataramanan:** No, right now, there's no need for need for CAPEX. We are setting up some liquid extract capacities there, which will come into stream during later part of the year. So other than that, there's that no other immediate plans of expanding the capacity in Vietnam as of now.

- Pranjal Garg:** Okay. So, and are there any plans for expanding capacities domestically?
- K. Venkataramanan:** Yes, we continue to evaluate I think you have to watch the space for some time, but we continue to evaluate. Even our India plants are all fully saturated, we have two plants in India which are fully saturated and we are looking at, and also just to mention to you, we pack Tata Coffee Grand, which is sold and marketed and sold through Tata Consumer, which is also has picked up traction. And that's also continuing to do well in the marketplace. So all these are levers for growth as we see.
- Pranjal Garg:** So next question. well, we don't have much or we have limited exposure to B2C business but as the inflation arises in the economy for coffee and the products, are there any impact on our volumes given the down trading and up trading in some cases?
- K. Venkataramanan:** No, we are not seeing any down trading in volumes. I see what we are going through is a different kind of issues, for example, one of the countries for the regions, which is not doing that well for us right now is Africa, because that has been impacted by inflation in respect of coffee, on the other the packing materials and all that. So those are yet to pick up. We are also seeing kind of improvements coming over there in that sense. So these are pockets of geographies where we are seeing some impact, but then this impact is not merely like, it has been there for some time, but we are able to cover through other geographies. Similarly, for example, on the issue of Russia, for example, so demand is stable there, there are other issues, Russia being a country sanctioned, et cetera. We are not able to penetrate that much as before, but these are things which will probably, which will kind of overcome in the next couple of quarters.
- Moderator:** We take the next question from the line of Lokesh Maru from Nippon India Mutual Funds. Please go, sir.
- Lokesh Maru:** Thank you for the opportunity and congratulations on such a healthy set of numbers. So I have quite many questions, you can stop me whenever like I can join back with you later. So number one is to just understand correlatively on the coffee rate that in an environment if you believe that there is going to be a general economic slowdown or recession minor recession if there ever has been down reading, how does coffee behave? There are three things, key things, right? One is FDC. Then a cheaper one is SBC. Another is out-of-home consumption. Then you have instant coffee which is cheaper. And finally, you have Arabica and Robusta, but like someone who is consuming Arabica may be difficult to shift to Robusta due to taste constraints. So in general, slow environment qualitatively how do you see coffee consumption playing?
- K. Venkataramanan:** See coffee consumption, we see in respect of Vietnam plant. Our order book is complete, I mean, almost 80%, 90% full as of now. We don't see any demand contractions per se you know on the account of this inflation. But what we are seeing is, even on spray, we are doing quite well in that sense. Agglo is bit impacted because of the certain geographies, which I mentioned regarding say, Africa, where it has been for a couple of quarters, we have been seeing about slowness in demand and pickups due to for two reasons, one the impact on amount of much higher coffee prices and accompanied by the packing material costs. So that is one. Secondly, as a certain geographies where there could be issues around capitalization of the businesses, et cetera, which is leading to some slower offtake. So that's what we are seeing.
- On the Arabic, Robusta as you summarized whatever we are produced we are able to sell effectively and we have got forward orders, so there are no issues being seen there. So we are not seeing per se for us, down trading, impacting volumes for us. Our issues are more around the some geographies where there is loaners in demand due to inflation. And those are specific in nature, for example, Russia, and all that, even though there is a war going on there, we are not seeing an impact on demand. And we have in fact, there other issues which are contributing like shipping lines or logistics issues, which are that, but otherwise on demand, we don't see an issue as of now.
- Chacko Thomas:** And just to add to what Venkat has said, is also a large factor of how your product is differentiated. So I think we have a fairly good and also a very, very vibrant and full NPD pipeline. So, I think when you take all that into account, I think you know, at least for the company wise, I don't see much of a challenge in terms of how consumption and being impacted by this slow down. But yes, of course there will be geographies those geographies

at some point in time will need to be replaced by new geography. So overall sanguine about our future.

Lokesh Maru: Understood, sir. And we don't really have that end of data to, you know, understand that if there is inflation is there any shift from out of home consumption to instant coffee? Do you have any clue or any quality sense on does it happen? What are the behavioral impacts or shifts?

Chacko Thomas: Yes. Yes. So you when we had this last two years of COVID for obvious reasons you know out of home consumption was totally impacted and everything actually a large, large part of it actually moved into a home consumption, but clearly, the entire out-of-home consumption dissipation, which was a unique event if I may add at that point in time cannot be made up by in-home consumption. So, out-of-home consumption totally disappearing has to have an incident like COVID, I don't think out-of-home consumption gets that badly impacted. Yes. overall, if you were to look at it, I think coffee will continue its growth rate of consumption. It was clocking anything between 1.5 or 2 just, maybe about 2 to 2.5 just before the COVID came in. It may have slightly slowed down, but there is still enough legs in the coffee market to continue 1.5% to 2% growth.

K. Venkataramanan: Also, just to add also, for example, out of home, you take Starbucks, for example, Starbucks has been opening stores and doing exceptionally well. So, invite our two roasters we have are highly, highly utilized. So there's no issues we see there. And in home also, for example, you take our brand Tata Coffee Grand, which is there, it has been showing good traction and so the kind of takes upticks are definitely very healthy.

Lokesh Maru: Sure, sir. So on Tata Coffee Grand, like you just highlighted, so I think Mr. Sunil D'Souza had on television highlighted that the strategy is to take the market share of Tata Coffee Grand from the current 1% to 2% to up to 10%, in coming years in India. Right? So is there any differentiated strategy going forward on product, be product wise or how much is it like just reach wise or distribution wise with Tata consumer already has already penetrated. So is there anything on the product side as well?

K. Venkataramanan: We have quite a few products, so one is of course the Tata Coffee Grand, then we have the quick filter which we have launched. So there are multiple, kind of products on products, so multiple products are there on the shelf. And secondly, in terms of increase in market share distribution reach and all, I'm sure that in, you know, Sunil will probably answer this in the Tata Consumer analyst call.

Lokesh Maru: Sure, sir. Last question on coffee prices like you highlight on every call. what is your sense on coffee prices going forward six months down the line, three months down the line, so on.

Chacko Thomas: So I'll leave it at three months down the line for this call, I think coffee prices have come off substantially from where they were three months back. They were at about 250, 255 even prior to that close to about 275, but they have come down to about 225, 230. I do not expect coffee prices to now, at least for the next three months, do any major changes, primarily because whatever weather events that could have possibly happened in any of the locations the period for that has passed. So, if there are going to be any changes, any upheavals or difference in prices or whatever, that could only possibly come towards the end of the third quarter or into the fourth quarter. Going forward, at least for the next three to four months, I don't see any major variants, maybe a couple of cents here and there up and down. That's what, I don't think there's gonna be any issues.

Moderator: We take the next question from the line of Vignesh Iyer from Sequent Investments. Please go ahead.

Vignesh Iyer: Hello. Congratulations on good set of numbers and such a challenging circumstances of the commodity prices are quite in a fluctuation mode, I would say. In my last call, I'd asked you about this orthodox coffee that predominantly, Sri Lanka operates in, Sri Lanka as an export market too. So I just want, and you had said that our capacity is fungible to make orthodox coffee if needed. So if you could tell me how is there any contribution to our current revenue in quarter one from Orthodox coffee, and if there is any spillover from Sri Lankan market due to the uncertainty containing in the country.

Chacko Thomas: So I just add, I'm sure you were talking about Sri Lanka Orthodox tea.

- Vignesh Iyer:** Yes.
- Chacko Thomas:** No issues at all, but yes, so you're absolutely right. We are uniquely placed in terms of having the ability to increase the production of our orthodox production, because of having plants that are orthodox capable. But I think, what we have done is to slowly raise the overall orthodox production, as I mentioned in my commentary earlier, we do see orthodox prices continuing to be buoyant, largely driven by the unfortunate crisis in Sri Lanka. But I think the overall impact on the P&L for tea will also need to be driven not just by the prices, but also the crop in itself. As I mentioned earlier, there has been an impact on the crop because of the very, very inclement weather that prevailed during the latter half of the quarter. And it still continues to be there, but I think we have quite confident that everything else that needs to be in place that is, the investments that needed to go into the field and the factories and the fact that there is a gradual improvement in the Orthodox production, as well as prices, should well for the tea business in itself. So that's where we see it.
- Vignesh Iyer:** All right. so I joined the call late, so thank you for clarifying things again, and coming to the part. So we are in a position basically that if there is a market and it is lucrative enough, we can have no product mix in tea division in such a way that we raise the percentage of Orthodox tea. So as to have a better revenue and margins, right. If I can understand it.
- K. Venkataramanan:** Absolutely. We are also open to investing more if required, depending on the market situation.
- Chacko Thomas:** And unlike a coffee plant that needs to come up. I mean, I'm talking about a factory that needs to come up, or you know, many investments in coffee, which takes a far longer period of time, the investment into tea machinery to convert tea leaf into orthodox and it coming on board or coming on up to steam is far, far shorter. So, as Ventak mentioned, we are open to looking at investing further investments to even take up the present, fairly healthy numbers, even more, if needed.
- Vignesh Iyer:** Okay. Thank you, sir. And what percentage of your tea business would currently be into as in quarter one, if you could give a ballpark number for the revenue of what percentage of your total business would be?
- K. Venkataramanan:** 20% and 25% roughly would be there.
- Vignesh Iyer:** Okay. And the fungeblity is up to what 35%, 40% of your total capacity?
- Chacko Thomas:** About 35% maximum over 36%, 37%. but at the moment, but as I mentioned this is something that we would be willing to invest into to you know even take it up further.
- K. Venkataramanan:** Yes. We are continuously evaluating.
- Moderator:** We take the next question from the line of Yash Bandari from Neo Markets. Please go ahead, sir.
- Yash Bandari:** Just a small question. Can you tell the finalize the merger and when you expect the merger to be complicated and what are depending approvals?
- K. Venkataramanan:** No, we have filed the petitions before the NCLT both Tata Coffee, and Tata Consumer respective NCLT. Now we have to wait for the hearing and the no further process on that. So we are on track in respect of the process.
- Yash Bandari:** Okay. But when we expect the merger to be completed?
- K. Venkataramanan:** We expect hopefully before the end of the financial year, we should be, we expect – we are sort of hoping that it should get over cause financially.
- Moderator:** We take the next question from the line of Mr. Joshi from ICICI Securities. Please go ahead sir.
- Aniruddha Joshi:** Basically first just wanted your Eight O'Clock, so this business had a lot of up stocking, de-stocking and during it innovate together but in package. So do we see the clear outlook for

Eight o'clock business? now that the economy has kind up, especially in USA, has settled down now. So do you see market share gains opportunities for Eight O'Clock also opportunities to get into the other markets for Eight O'Clock?

K. Venkataramanan: I will restrict the other markets. We are not able to see if this is three-year timeframe you are asking. So obviously other markets, if it is appropriate, the business would look at it. But more importantly on the market share, definitely there is a potential, there is a lot of opportunities there, both on the pack business on as well as on the Kcups. So we are seeing good traction, and also Eight O'Clock has been active in term of the new product launches. So that is also an area which we are kind of focused on. And apart from that, there is also the eCom and the online kind of, of penetration, which is also doing well. So as we see, as we are looking at, as of now, definitely, there is very good opportunity for Eight O'Clock to expand the market share other markets, of course the business will continue to evaluate as we go along.

Aniruddha Joshi: Okay. And in terms of the Tata Coffee Grand would you like to share any update on that? How is the product doing? And that is one question and lastly, on the pricing of coffee, because last year there were some issues in Brazil and it led to inflationary situation. Now, obviously world over inflationary situation is coming down. It's obviously inflation is still high, but compared to – earlier expectation the probably the commodity prices are expected to be lower. So how do you see the outlook for coffee prices also?

K. Venkataramanan: Many variants have been launched apart from Originally Tata Coffee Grand, which has the free spray element, there's also quick filters, which has been launched. So Tata Coffee Grand along with an expanded distribution and the product pipeline and the innovations the business is definitely poised for much better volumes and market share.

Chacko Thomas: On coffee, the coffee prices, as I was mentioning a little time back, the fact that I think all the weather events that could have possibly spoiled or spoiled the party if I may put it that way, the period for that has kind of passed. So now, as I see at least for at least in the short term for the next three to four months, and maybe slightly longer than that could be could be a period where you don't see too many fluctuations in the prices. The prices have kind of settled for both Arabica and Robusta at levels which are you know substantially better than what they were year before last, but obviously have come off their highs, which were seeing in post that weather event in in Brazil. But what will happen in the fourth quarter in terms of the overall production in terms of the impact of any unfortunate weather event while harvest starts in Brazil is obviously something that we may, we need to wait and see, but at the moment I do not see coffee prices doing too much different from what and where they are at the moment.

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

Chacko Thomas: So, thank you very much everyone, and thank you for joining the call. It was a pleasure having you on, I hope to see you for the next quarter call. Thank you.

K. Venkataramanan: Thank you very much.

Moderator: Thank you. On behalf of ICICI Securities, that concludes this conference call. Thank you for joining us. You may now disconnect your lines.